

Independent Auditors' Report

To The Members Of Help Nepal Network (Nepal)

Kathmandu, Nepal

Report on the Audit of Financial Statements

We have audited the financial statements of **Help Nepal Network (Nepal)**, which comprise the statement of financial position as at Ashadh 31, 2077, and the statement of financial statements and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial Statements present fairly, in all material respects, the financial position of the company as at Ashad 31, 2077, and its financial performance and its cash flows for the year then ended in accordance with Nepal Accounting Standard.

Basis for Opinion

We conducted our audit in accordance with Nepal standards on Auditing (NSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statement section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the financial statements

The preparation and fair presentation of these Financial Statements, in accordance with Nepal Accounting Standards, are the responsibility of the company's management. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a

guarantee that an audit conducted in accordance with NSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Date: 2077.06.26
Kathmandu

UDIN: 201110CA00682KlyK8

For: Bashyal & Associates
Chartered Accountants


CA Rakesh Shrish
Partner



Help Nepal Network (Nepal)
Kathmandu, Nepal
Balance Sheet
as at 31st Ashadh 2077 (15th July 2020)

Particulars	Schedule	Current year 2076-77	Previous year 2075-76
Application of Fund			
Current Assets			
Cash & Bank Balances	3	17,422,518.59	18,945,872.77
Deposits, Advances & Receivables	4	3,220,483.64	1,814,888.14
Total Current Assets		20,643,002.23	20,760,760.91
Investments	2	82,500,000.00	82,500,000.00
Fixed Assets	1		
Gross Block		135,448.70	177,541.89
Less: Depreciation		32,028.35	42,093.19
Fixed Assets (Net)		103,420.35	135,448.70
Total		103,246,422.58	103,396,209.61
Sources of Funds			
Current Liabilities	5		
Accounts and other payables		252,772.50	213,755.50
Total Current liabilities		252,772.50	213,755.50
Non-Current liabilities			
Loans and Advances		-	-
Total Non- Current liabilities		-	-
Equity and reserve fund			
Charity Endowment Fund		59,662,323.15	59,662,323.15
Administrative Fund		22,500,000.00	22,500,000.00
Surplus Fund		20,831,326.93	21,020,130.96
Total Non- Current liabilities		102,993,650.08	103,182,454.11
Total		103,246,422.58	103,396,209.61

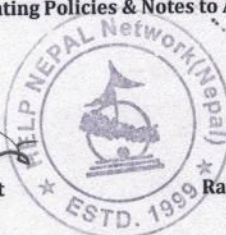
Significant Accounting Policies & Notes to Accounts

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Date :
Kathmandu

Arun Singh Basnet
Chairperson

Suman Shrestha
Accountant



Rajendra Nath Shrestha
Treasurer

As per our attached report of even date
For: Bashyal & Associates
Chartered Accountants

Dikshya Singh
Program Coordinator

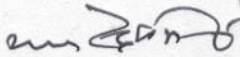


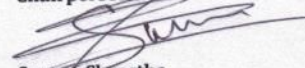
Rakesh Shrivastava
Partner
Lata Ghimire
Secretary

Help Nepal Network (Nepal)
Kathmandu, Nepal
Statement of Financial Activities
For the Period Ended on 31st Ashadh 2077 (15th July 2020)


Particulars	Schedule	Current year 2076-77	Previous year 2075-76
Income			
Fund for Activities	6	10,632,904.59	24,668,801.71
Other Income	7	8,536,321.88	9,863,363.31
Total Income		19,169,226.47	34,532,165.02
Cost of Activities			
Help Nepal Health Post Expenses	8	938,006.00	861,385.00
Health Related Projects	9	226,629.00	190,869.00
HeNN Children Home	10	2,200,016.00	2,529,135.00
e-Library Project Expenses	11	302,275.00	114,830.00
Support to Educational Institutions	12	7,922,921.35	19,832,078.16
Relief Material Distribution Expenses	13	1,355,204.40	1,128,453.64
Other Project Expenses	14	-	10,000.00
Charity Concert expenses		4,117,093.05	
Total Cost Of Activities		17,062,144.80	24,666,750.80
Surplus (Deficit) from Activities		2,107,081.67	9,865,414.22
Less: General & Administrative Expenses	15	2,263,857.35	2,105,910.79
Net Surplus (Deficit) Before Depreciation		(156,775.68)	7,759,503.43
Less: Depreciation		32,028.35	42,093.19
Excess of Income Over Expenditure/ (Deficit)		(188,804.03)	7,717,410.24
Surplus/ (Deficit) Up to Previous Year		21,020,130.96	13,302,720.72
Less: Separately Shown Under Administrative Fund			
Less: Separately Shown Under Charity Endowment Fund			
Total Surplus transferred to Balance Sheet		20,831,326.93	21,020,130.96

Date :
Kathmandu

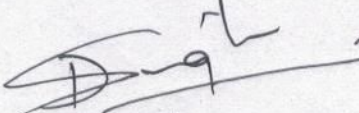

Arun Singh Basnet
Chairperson


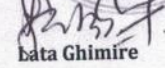

Suman Shrestha
Accountant




Rajendra Nath Shrestha
Treasurer

As per our attached report of even date
For: Bashyal & Associates
Chartered Accountants


Dikshya Singh
Program Coordinator

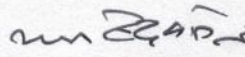

Rakesh Shrish
Partner

Rata Ghimire
Secretary

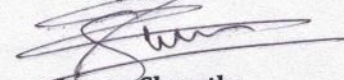


Help Nepal Network (Nepal)
Kathmandu, Nepal
Cash Flow Statement
For the Period Ended on 31st Ashadh 2077 (15th July 2020)


Particulars	Current year 2076-77	Previous year 2075-76
Surplus/ (Deficit) for the year	(188,804.03)	7,717,410.24
Add/ (less): Increase/ (decrease) in Reserves	32,028.35	42,093.19
Add: Depreciation for the year	(156,775.68)	7,759,503.43
Cash Flow Before Working Capital Changes		
Change in Working Capital:		
Decrease/(Increase) in Current Assets	(1,405,595.50)	(321,576.00)
Increase/(Decrease) in Current Liabilities	39,017.00	(2,203,106.00)
A. Cash Flow from Operating activities	(1,523,354.18)	5,234,821.43
Investing Activities		
Sales/(Purchase) of Fixed Assets	-	-
Sales/(Purchase) of Investment Assets	-	-
B. Cash Flow from Investing activities	-	-
Financing Activities:		
Increase/(Decrease) in Loan Funds		
Less: Financial Charge		
C. Cash Flow From Financing Activities	-	-
Net Cash Flow During the year (A+B+C)	(1,523,354.18)	5,234,821.43
Opening Cash & Bank Balances & Equivalents	18,945,872.77	13,711,051.34
Closing Cash & Bank Balances & Equivalents	17,422,518.59	18,945,872.77

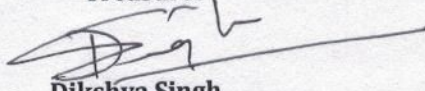
Date:
Kathmandu


Arun Singh Basnet
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As per our attached report of even date
For: Bashyal & Associates
Chartered Accountants


Rakesh Shrish
Partner


Lata Ghimire
Secretary

Help Nepal Network (Nepal)
Kathmandu, Nepal
Fixed Assets & Depreciation

Schedule 1

2075-76

Block	Particulars	Dep Rate	Opening	Addition			Disposal	Gross Total Assets	Total Depreciation	Net Assets
				Upto Poush	Upto chaitra	Upto Ashad				
B	Office Equipments	25.00%	114,042.21					114,042.21	28,510.55	85,531.66
B	Furniture and fixtures	25.00%	17,653.97	-	-	-	-	17,653.97	4,413.49	13,240.48
C	Office Vehicles	20.00%	45,845.71					45,845.71	9,169.14	36,676.57
	Total		177,541.89	-	-	-	-	177,541.89	42,093.19	135,448.70

2076-77

Block	Particulars	Dep Rate	Opening	Addition			Disposal	Gross Total Assets	Total Depreciation	Net Assets
				Upto	Upto chaitra	Upto Ashad				
B	Office Equipments	25.00%	85,531.66					85,531.66	21,382.91	64,148.74
B	Furniture and fixtures	25.00%	13,240.48	-	-	-	-	13,240.48	3,310.12	9,930.36
C	Office Vehicles	20.00%	36,676.57					36,676.57	7,335.31	29,341.25
	Total		135,448.70	-	-	-	-	135,448.70	32,028.35	103,420.35



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Help Nepal Network (Nepal)
Kathmandu, Nepal
Schedules Forming Part of the Balance Sheet

Schedule 2

Investment on Fixed Deposits (FD)

Particulars	Current year 2076-77	Previous year 2075-76
Lumbini Bikash Bank	22,500,000.00	82,500,000.00
Sanima Bank FD	40,000,000.00	-
Siddhartha Bank FD	20,000,000.00	-
Total	82,500,000.00	82,500,000.00

Schedule 2

Profit & Loss Account

Particulars	Current year 2076-77	Previous year 2075-76
Accumulated Profit / (Loss)	28,851,252.13	26,745,341.34
Add: Profit / (Loss) this year	6,380,950.40	2,105,910.79
Total	35,232,202.53	28,851,252.13

Schedule 3

Cash and Bank Balances

Particulars	Current year 2076-77	Previous year 2075-76
Cash Balance (as certified by mgmt)	1,351.00	-
Everest Bank Chabahil	110,536.72	250,485.84
Nabil Bank Chabahil	115,791.27	115,791.27
NB Bank, New Road	2,253,941.57	3,073,669.72
NCC Bank, Chabahil	12,848.18	1,284,293.20
Nepal Bank Ltd. New Road	161,403.89	155,899.96
Sanima Bank, Chabahil	937,211.42	111,148.75
Sanima Bank, Naxal	2,753,074.59	51,548.80
Lumbini Bikash Bank	8,913,197.96	13,838,504.67
Mega Bank Ltd.	580,463.15	64,530.56
Siddhartha Bank	1,582,698.84	-
Total	17,422,518.59	18,945,872.77



Schedule 4

Prepays, Loans, Advances & deposits

Particulars	Current year 2076-77	Previous year 2075-76
Advance to HeNN Children Home	20,969.10	30,061.60
Advance to Rajhity Samaj	263,154.00	350,835.00
Advance to Survivors Nepal	2,126,006.54	626,006.54
Advance to Vianet	2,500.00	2,500.00
Advance to DSSPTBPNS	-	504,000.00
Advance to Nepal Medical Association	500,000.00	
Advance to Manoj Kumar Mishra	50,000.00	
Advance to Nawal Kishore Jha	150,000.00	
Advance to Manoj Ram	25,000.00	
Advance to Help Nepal Health Post	23,854.00	1,485.00
Advance to Event Nepalaya Pvt. Ltd	-	300,000.00
Advance to Samaj Kalyan Parishad	50,000.00	-
Advance to Panchakanya School	9,000.00	-
Total	3,220,483.64	1,814,888.14

Schedule 5

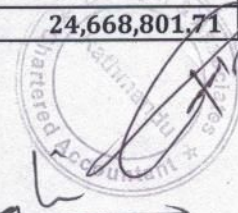
Accounts and other payables

Particulars	Current year 2076-77	Previous year 2075-76
Audit Fee Payable	111,500.00	111,500.00
Expenses Payable	139,205.00	98,157.00
TDS on Audit Fee	1,500.00	1,500.00
TDS on Staff Salary	567.50	2,598.50
Total	252,772.50	213,755.50

Schedule- 6

Fund for Activities

Particulars	Current year 2076-77	Previous year 2075-76
Dr. Franz Schmid	785,088.00	1,108,721.25
HeNN Australia	1,220,000.00	-
Local Donation	290,426.00	45,970.00
Membership Fees	1,800.00	1,800.00
Music for Children	436,228.43	703,811.25
Nepalese Society Texas	3,000,000.00	-
Charity concert Income	3,739,362.16	-
Rotary Club of Tripureshwor	-	1,300,000.00
Rotary Club of Patan Durbar Square	1,160,000.00	1,160,000.00
HeNN Sweden	-	1,000,000.00
HeNN US	-	19,348,499.21
Total	10,632,904.59	24,668,801.71



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Interest income

Particulars	Current year 2076-77	Previous year 2075-76
Everest Bank, Chabahil	1,189.37	1,136.12
NB Bank, New Road	87,502.95	298,595.92
NCC Bank, Chabahil	5,922.74	10,057.94
Nepal Bank Ltd., New Road	5,503.93	3,791.85
Sanima Bank, Chabahil	1,282,002.70	9,616.46
Sanima Bank Naxal	16,776.97	5,465.46
Lumbini Bikash Bank	6,489,534.39	9,524,757.95
Mega Bank Ltd	4,192.75	9,941.61
Siddhartha Bank Ltd	640,233.08	-
Other Income	3,463.00	-
Total	8,536,321.88	9,863,363.31

Schedule 8

Help Nepal Health Post Expenses

Particulars	Current year 2076-77	Previous year 2075-76
Help Nepal Health Post Mugu		
Salary	847,750.00	779,000.00
Printing and stationery expenses	6,350.00	-
Consumable Goods	8,661.00	-
Repair and Maintenance	5,000.00	-
Monitoring and Reporting Expenses	26,605.00	50,385.00
Health Education Program	43,640.00	32,000.00
Total	938,006.00	861,385.00

Schedule 9

Health Related Projects

Particulars	Current year 2076-77	Previous year 2075-76
Gorkha Eye Camp	226,629.00	-
Kavre Health Camp	-	30,000.00
Saptari Eye Camp	-	145,850.00
Sunsari Health Camp	-	15,019.00
Total	226,629.00	190,869.00



Schedule 10

HeNN Children Home, Dhulikhel

Particulars	Current year 2076-77	Previous year 2075-76
Bank Charge	25.00	85.00
Clothing Expenses	102,670.00	117,877.00
Coloring Expenses	13,664.00	-
Communication	14,588.00	13,160.00
Consumable Goods	83,815.00	94,358.00
Educational Expenses	45,970.00	58,341.00
Electricity	20,440.00	34,097.00
Farming Expenses	40,227.00	20,225.00
Festival Expenses	45,425.00	53,120.00
Health & Medicine Expenses	26,415.00	43,930.00
Insurance Expenses	518,434.00	695,662.00
Kitchen Expenses	480,427.00	576,005.00
Miscellaneous Expenses	14,261.00	16,400.00
Office Equipment	-	2,800.00
Office Furniture	45,426.00	42,940.00
Printing and Stationery	2,822.00	2,386.00
Repair and Maintenance	24,310.00	45,955.00
Salary	605,050.00	669,500.00
Transportation	10,550.00	12,490.00
Water	22,292.00	27,444.00
Kitchen Utensils	10,970.00	-
Bedding expenses	66,935.00	-
Reporting & Monitoring expenses	5,300.00	500.00
Meeting expenses	-	1,860.00
Total	2,200,016.00	2,529,135.00

Schedule 11

e- Library Project Expenses

Particulars	Current year 2076-77	Previous year 2075-76
Support Staff Salary	-	90,000.00
Dhulikhel elibrary	302,275.00	-
Project Operation Cost	-	12,670.00
Monitoring Cost	-	12,160.00
Total	302,275.00	114,830.00



Schedule 12

Support to Educational Institutions

Particulars	Current year 2076-77	Previous year 2075-76
Bhimodaya primary School, Gorkha	662,212.00	-
Dudhpokhari Lower Secondary School	-	100,000.00
Panchakanya Lower Secondary School, Kavre	540,000.00	923,358.16
Rajkuleshwor Lower Secondary School	5,784,943.00	8,694,755.00
Thokarpa Secondary School, Sindhupalchowk	257,605.00	9,266,616.00
Damaitar Basic School elibrary	-	12,970.00
Saraswati Secondary School, Sindhuli	-	114,930.00
Prithvi Higher Secondary School, Baglung	-	208,000.00
Maa Bhagwati Rastriya Primary School	488,551.00	511,449.00
Dupcheswor Secondary School, Nuwakot	189,610.35	-
Total	7,922,921.35	19,832,078.16

Schedule 13

Relief Material Distribution Expenses

Particulars	Current year 2076-77	Previous year 2075-76
Saptari Cold Victims	252,199.60	224,684.80
saptari Flood Victims	150,000.00	400,000.00
Nuwakot Earthquake Victims	504,000.00	-
Siraha Flood Victims	99,004.80	-
Bara and Parsa Storm Victims	-	503,768.84
Mugu landslide victims.	350,000.00	-
Total	1,355,204.40	1,128,453.64

Schedule 14

Other Projects Expenses

Particulars	Current year 2076-77	Previous year 2075-76
Dhurmus Suntali Foundation	-	-
IT Meet	-	10,000.00
NHRPF For the Disabled, Nepal	-	-
Total	-	10,000.00



Schedule -15

General & Administrative Expenses

Particulars	Current year 2076-77	Previous year 2075-76
Audit Fee	113,000.00	113,000.00
Bank Commission	1,565.00	3,085.00
Communication Expenses	42,002.25	42,049.99
Consumable Good Expenses	6,361.00	3,636.00
Electricity Expenses	35,625.00	35,500.00
General Expenses	4,633.00	6,401.00
Insurance Charges	115,672.00	118,388.00
Internet Expenses	33,900.00	-
Office Rent	421,321.00	401,253.00
Printing & Stationery Expenses	14,729.00	28,975.00
Refreshment Expenses	14,051.50	23,069.00
Registration & Renewal Expenses	5,175.00	4,510.00
Repair & Maintenance	36,204.00	34,690.00
Staff Salary	932,514.00	1,100,355.00
Transportation Expenses	47,370.00	46,830.00
Water Expenses	4,294.00	3,570.80
Audit Expenses	-	3,400.00
Agreement signing program	-	12,444.00
HeNN Documentary expenses	-	84,750.00
20th yr celebration program	435,440.60	-
AGM Expenses	-	40,004.00
Total	2,263,857.35	2,105,910.79



Help Nepal Network (Nepal)
Significant Accounting Policies & Notes to the Accounts

Schedule 16

A) Organization Information:

Help Nepal Network, Nepal is a Non -Profit Organisation registered in Social Welfare Council, Kathmandu on 2061/06/08 and in Income Tax Office of Chabahil, Kathmandu on 2062/03/29 through PAN 301940313.

The objective of the organization is to motivate Nepalese spread all over the world for the contribution in development of Nepal including in the field of Education & Health & supporting in the cases of natural disasters as well and to act as facilitator/mediator to any foreign individual or foreign organization wanting to do charitable activities in Nepal.

B) Significant Accounting Policies:

1) Accounting Conventions:

The financial statements are prepared under the historical cost conventions on an accrual concept and are in accordance with Nepal Accounting Standards (NAS), unless otherwise stated, and other applicable laws prevalent in Nepal. The accounting policies are consistently applied by the organization.

2) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

3) Fixed Assets (NAS 16):

- i) Fixed assets are stated at cost of acquisition, construction inclusive of all the expenses upto commissioning/putting the assets to use.
- ii) Depreciation is charged on written down value method at the rates prescribed in Nepalese Income Tax Act

4) Going Concern:

The Financial Statements are prepared on a going concern basis.

5) Revenue Recognition (NAS 18):

Income is recognized on Cash basis. Donation from people and organisation from national and international level is the major source of income of the organisation.

6) Interest Income

Interest income earned on fixed deposits from Lumbini Bank Ltd and on other bank accounts have been shown net of tax deducted on interest. Advance tax has not been claimed by the organization deducted on its interest income.

7) Taxes and Duties Payables

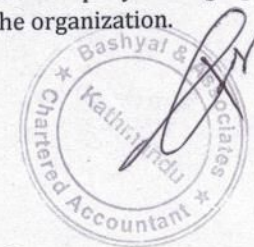
The organization has booked and deposited all the applicable TDS as per Income Tax Act, 2058.

8) Cash and Bank Balances:

Cash and bank balances comprises of cash in hand, cheques in hand and balances with banks as on Balance Sheet date.

9) Cash Flow Statements (NAS 07):

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the organization.



C) Notes to the Accounts:

1) Regrouping of Figures

Figures are regrouped/ rearranged wherever necessary.

2) Miscellaneous:

- a) All amounts are stated in Nepalese rupees.
- b) All the schedules form the integral part of Balance Sheet and Statement of Financial Activities.
- c) Figures in bracket represents deduction.



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