



Independent Auditors' Report

To,
The Members,
Help Nepal Network
Chabahil-07, Kathmandu, Nepal

Opinion

We have audited the accompanying financial statements of **Help Nepal Network**, which comprises the Statement of Financial Position as at **Ashad 31, 2081 (July 15, 2024)**, Statement of Income and Expenditure, Statement of Changes in Reserves and Statement of Cash Flow 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 **Help Nepal Network** as at **Ashad 31, 2081 (July 15, 2024)** and its financial performance and its cash flows for the year then ended in accordance with **NAS for NPOs**.

Basis for opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs), NAS for NPOs and applicable laws. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section in our report. We are independent of the Organization in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* and *Institute of Chartered Accountants of Nepal code of ethics for Professional Accountants* together with the ethical requirement that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with **NAS for NPOs**, and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.



PAN No: 121668790
(977) 9841667781
sarun.associates@gmail.com
Chandragiri - 10
Kathmandu, Nepal

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

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 NSAs 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.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

- a) Information & explanations have been made available as were required for the completion of the audit;
- b) Books of accounts have been maintained properly as required by prevailing laws of Nepal reflecting the real affairs of the Organization.
- c) Financial Statements dealt with by this report agree with the books of account of the organization.



- d) We have not come across cases where representative/employees of the organization have acted contrary to law or misappropriated any property of the organization or caused any loss/damage to the organization or committed accounting fraud.


CA Sarun Chhetri
Proprietor
Sarun & Associates

Place: Kathmandu

Date: 23 September, 2024

UDIN Number: 241002CA01563yP4aW


Help Nepal Network
Kathmandu, Nepal

Statement Of Financial Position
As at 31st Ashadh 2081 (15 July 2024)

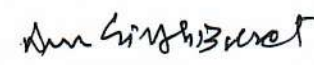
Figures in NPR
*Restated **

Particulars	Notes	As at 31st Ashad 2081	As at 31st Ashad 2080
ASSETS			
Non - Current Assets	4.1	34,912,322	34,950,323
Property, Plant and Equipment	-	-	-
Intangible Assets	-	-	-
Other Non-Current assets	-	34,912,322	34,950,323
Total Non - Current Assets			
Current Assets	-	-	-
Inventories	4.2	673,258	439,824
Accounts Receivable	4.3	49,250,802	50,754,977
Cash and Cash Equivalents	-	49,924,060	51,194,802
Total Current Assets		84,836,382	86,145,124
Total Assets			
LIABILITIES & RESERVES			
Accumulated Reserves	4.4	(93,802)	2,464,706
Unrestricted Funds/accumulated surplus	-	-	-
Designated Funds	4.5	1,531,929	959,934
Restricted Funds	4.6	59,662,323	59,662,323
Endowment Fund	4.7	22,500,000	22,500,000
Administrative Fund	-	-	-
Other Capital Reserves	-	83,600,451	85,586,963
Total Accumulated Reserves			
Non - Current Liabilities	-	-	-
Loans and borrowings	-	-	-
Employee benefit liabilities	-	-	-
Deferred Revenue	-	-	-
Other non-current liabilities	-	-	-
Total Non - Current Liabilities			
Current Liabilities	4.8	1,235,932	558,161
Accounts payable	-	-	-
Loans and borrowings	-	-	-
Provisions	-	-	-
Bank overdrafts	-	1,235,932	558,161
Total Current Liabilities		1,235,932	558,161
Total Liabilities		84,836,382	86,145,124
Total Liabilities and Reserves			

The Notes on accounts form an integral part of the financial statements.

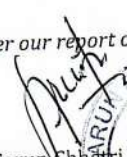

Suman Shrestha
Accountant


Rajendra Nath Shrestha
Treasurer


Arun Singh Basnet
Chairperson



As per our report of even date


CA Sarun Chhetri
for and on behalf of
Sarun & Associates
Chartered Accountants




Help Nepal Network
Kathmandu, Nepal

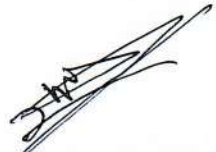
Statement of Income & Expenditure
For the year Ended 31 Ashadh 2081 (15 July 2024)

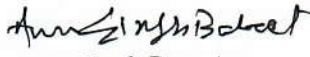
Figures in NPR
Restated *

Particulars	Notes	FY 2080-81	FY 2079-80
INCOME			
Incoming Resources	4.9	9,264,510	4,334,177
Financial Income	4.10	3,360,505	6,117,895
Other Income	-	-	-
Total Income		12,625,015	10,452,072
EXPENDITURE			
Staff Cost/Expenses	4.11	1,523,133	1,637,987
Program Expenses	4.12	12,595,041	9,945,526
General Administrative Expenditure	4.13	1,027,350	939,404
Depreciation	4.1	38,000	58,574
Other Expenditure	-	-	-
Total Expenditure		15,183,523	12,581,491
Net surplus/(deficit) before Taxation		(2,558,508)	(2,129,418)
Income Tax Expenses	4.14	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		(2,558,508)	(2,129,418)
APPROPRIATION OF SURPLUS FOR THE YEAR			
Allocation to Reserves		(2,558,508)	(2,129,418)
Allocation to Endowment Fund			

The Notes on accounts form an integral part of the financial statements.



Suman Shrestha
Accountant


Rajendra Nath Shrestha
Treasurer


Arun Singh Basnet
Chairperson



As per our report of even date


CA Sakun Chhetri
for and on behalf of
Sarun & Associates
Chartered Accountants




Help Nepal Network
Kathmandu, Nepal

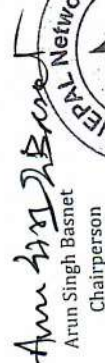
Statement of Changes in Reserves
As at 31st Ashadh 2081 (15 July 2024)

Description	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endowment Funds	Administrative Fund	Capital Reserves	Result for the Year	Amount in NPR	
									*Restated
Balance as at 31 Asadh, 2079									
Result for the Year	959,934							86,756,448	
Allocation of results to Restricted Reserves								(2,129,418)	
Allocation of results to Designated Fund									959,934
Allocation of results to Unrestricted Fund									
Allocation of results to Endowment Fund									
Allocation of results to Capital Fund									
Balance as at 01 Shrawan, 2080	959,934	-	2,464,706	59,662,323	22,500,000	-		85,586,963	
Result for the Year	571,995							(2,558,508)	
Allocation of results to Restricted Reserves									571,995
Allocation of results to Designated Fund									
Allocation of results to Unrestricted Fund									
Allocation of results to Endowment Fund									
Allocation of results to Capital Fund									
Foreign exchange Gain/ Loss									
Balance as at 31 Asadh, 2081	1,531,929	-	(93,802)	59,662,323	22,500,000	-		83,600,451	

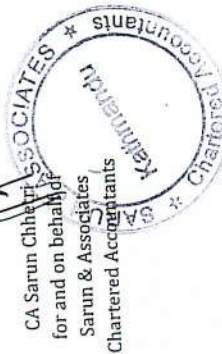
The notes on accounts form an integral part of the financial statement.


Suman Shrestha
Accountant


Rajendra Nath Shrestha
Treasurer


Arun Singh Basnet
Chairperson

As per our report of even date.

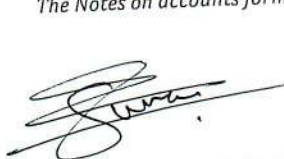


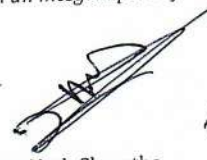
Help Nepal Network
Kathmandu, Nepal

Statement of Cash Flow
For the year Ended 31 Ashadh 2081 (15 July 2024)

Particulars	Figures in NPR	
	FY 2080-81	*Restated FY 2079-80
CASH FLOWS FROM OPERATING ACTIVITIES	(2,558,508)	(2,129,418)
Surplus/ (deficit) for the year (Before Tax)		
Adjustments to reconcile surplus/(deficit) to net cash flows:		
Non-cash items:		
Depreciation and impairment of property, plant and equipment	38,000	58,574
Amortization and impairment of intangible assets	-	-
Provision and losses on inventories	-	-
Movement in provisions, receivables and specific risks	-	-
Interest and securities income	-	-
Losses/ (gains) on securities	-	-
Gains from disposal of fixed assets	-	-
Working capital adjustments:	(233,433)	(318,231)
Accounts receivable	-	-
Prepayments	-	-
Inventories	-	-
Other financial assets	677,771	(752,375)
Accounts payable	-	-
Accrued expenses and deferred income	571,995	959,934
Restricted Funds	-	-
Other financial liabilities	-	-
Less:	-	-
Income Tax Paid	-	-
Interest paid	(1,504,175)	(2,181,517)
Net Cash From Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES	-	(34,770,844)
Purchase of Property Plant and Equipment	-	-
Purchase of intangible assets	-	-
Proceeds from sale of equipment	-	-
Purchase of securities	-	-
Interest received	-	-
Income from securities, net	-	(34,770,844)
Net cash from/(used in) investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Borrowing of government loans	-	-
Repayments of government loans	-	-
Net cash from/(used in) financing activities	(1,504,175)	(36,952,361)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	50,754,977	87,707,338
OPENING CASH AND CASH EQUIVALENTS	49,250,802	50,754,977
CLOSING CASH AND CASH EQUIVALENTS		

The Notes on accounts form an integral part of the financial statements.

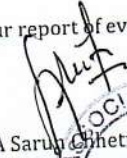

Suman Shrestha
Accountant


Rajendra Nath Shrestha
Treasurer


Arun Singh Basnet
Chairperson



As per our report of even date


CA Sarun Chhetri
for and on behalf of
Sarun & Associates
Chartered Accountants



Help Nepal Network

Kathmandu, Nepal

Statement of Accounting Policies and Notes to the Financial Statement For the year ended 15th July, 2024 (Ashad 31, 2081)

1. General Information

The entity is a Non-Government Organization having registered office at Kathmandu 7, Nepal registered on 2051/10/29. The Organization was registered on PAN with IRD on 2062/03/29 with PAN 301940313. The organization has obtained registration from Social Welfare Council on 2061/06/08 with Social Welfare Number 16758.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on going concern basis.

2. Basis of Preparation

2.1 Statement Of Compliance

The Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 31st Ashadh 2081 and for the year then ended comply with the Generally Accepted Accounting Principles to the extent applicable and Nepal Accounting Standards for NPOs (NAS for NPOs) issued by Accounting Standard Board of Nepal.

2.2 Basis of Measurement

The financial statements have been prepared using the historical cost convention or at fair value wherever specifically disclosed.

2.3 Functional and Presentation Currency

The financial statements are presented in Nepali Rupees (NRS.), which is the organization's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest rupees, except when otherwise indicated.

2.4 Changes in Accounting Policies and Disclosures

The Accounting Policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

2.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires the use of certain accounting estimates and judgements. It also requires management to exercise judgement in the process of applying the accounting policies. The management makes certain estimates and assumptions regarding the future events. Estimates and judgements are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions.

3. Summary of Significant Accounting Policies

3.1 Property, Plant And Equipment

a. Cost and Valuation

All Items of Property, Plant And Equipments are initially recorded at cost subject to cost more than Rs 2000, which is not in consonance with Generally Accepted Accounting Principle. Subsequent to the initial recognition of an asset, Property, Plant And Equipments are carried at Cost less any subsequent depreciation. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the Statement of Income & Expenditure as an expenses as incurred.

b. Depreciation

Depreciation is provided on all Property, Plant and Equipments on Written Down Value basis using the depreciation rate prescribed under Schedule - 2 of Income Tax Act, 2058 which is not in consonance with Generally Accepted Accounting Principle

Particulars	Rate
Office Equipment	25%
Furniture & Fixtures	25%
Computer	25%
Vehicles	20%
Others Fixed Assets	15%
Building & Structure	5%

Donated Assets

Where Property, Plant And Equipments are purchased as a part of a Project through Restricted Funds which is initially written off as Project Cost with Corresponding Income, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project with the approval from funding agencies and brought into the Financial Statements under Property Plant and Equipment with corresponding credit to a Capital Reserve. Depreciation provided on such assets will be charged against such Capital Reserve. For the purpose of depreciation, the date of valuation for inclusion in the financial statements is considered the date of purchase.



3.2 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost minus any accumulated amortization, except for assets with indefinite useful lives. Internally generated intangible assets are not capitalized; expenditure is therefore reflected in the Statement of Income and Expenditure in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful economic life. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Accordingly, straight line amortization over the useful life is carried out.

Intangible assets with indefinite useful lives are tested for impairment annually. Such intangibles are not amortized. The useful life of an intangible assets with indefinite life is reviewed annually to determine whether indefinite life assessment is continuous to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3.3 Foreign- Currency Transactions

Transactions in currencies other than Nepalese Rupees will be converted into Nepalese Rupees at rates which approximate the actual rates at the transaction date. At the reporting date, monetary assets (including securities) and liabilities denominated in foreign currency are converted into Nepalese Rupees at the rate of exchange at that date. Realized and unrealized exchange differences will be reported in the Statement of Income and Expenditure.

3.4 Cash and Cash Equivalents

The company Considers and classifies cash in hand, amounts due from banks and short term deposits with and original maturity of three months or less under the category of "Cash and Cash Equivalents". Bank borrowings that are repayable on demand and form an integral part of the the company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.5 Inventories

Inventories will be valued at the lower of cost and net realizable value. Net realizable value is the price at which inventories can be reasonably expected to be sold in the market place, less any estimated cost necessary to make the sale.

The cost will be determined on first-in first-out (FIFO) method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

Items donated for distribution or resale will not included in the financial statements until such time they are distributed or resold.

3.6 Provisions

Provision will be recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation, and the obligation can be measured reliably.

3.7 Employee Benefits Liabilities

The organization's obligation in respect of the defined future benefit plans is calculated separately for each benefit plans by estimating the amount of future benefit that employees have earned in the current and prior periods. The calculation of the defined benefit obligations is performed annually.

Gratuity, medical facilities & accumulated leave provision will be provided as per By Laws, assuming that all the staffs will be retired at the reporting date.

3.8 Loans and Borrowings and Account Payables

Loans and Borrowings and Accounts payables will be stated at their cost.

3.9 Accounting for the receipt and utilization of Funds/Reserves

Reserves are classified as either restricted or unrestricted reserves.

a. Unrestricted Reserves/Funds/accumulated surplus

Unrestricted funds are those that are available for use by the company at the discretion of the Board, in furtherance of the general objectives of the company and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the prior approval of the Donor.

Contributions received from the general public are recognized in the Statement of income & Expenditure on a cash basis.

b. Designated Reserves/Funds

Unrestricted funds designated by the Board to a specific purpose will be identified as designated funds. The activities for which these funds may be used are identified in the financial statements.

Where grants are received for use in an identified project or activity, such funds will be held in a restricted fund account and transferred to the Statement of Income and Expenditure to match with expenses incurred in respect of that identified project. Unutilized fund will be held in their respective Fund accounts and included under accumulated fund in the Statement of Financial Position until such time as they are required.

Where approved grant expenditure exceeds the income received and there is certainty that the balance will be received such amount is recognized through Debtors in the Statement of Financial Position.



c. **Restricted Fund**

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements. Restricted Reserves/Funds. Such restricted fund may include conditions for refund should there be balance of fund at the end of the project.

3.10 **Grants and Subsidies**

Grants and Subsidies are recognized in the financial statements at fair value. When the grant or subsidy relates to an expense it is recognized as deferred income necessary to match it with the costs over the accounting years, which is intended to compensate for on a systematic basis.

Grants and subsidies in the form of PPE (Fixed assets) are generally shown as deferred income in the Statement of Financial Position and credited to the Statement of Income and Expenditure over the useful life of the asset by the amount of depreciation with corresponding debit to deferred income over more than one accounting period.

In the case of grants received to fund an entire project or activity, which includes the purchase of an asset, and the cost of such asset is charged with the project costs to the Statement of Income and Expenditure, the grant value is recognized as income in the same period as the cost of the asset is charged to it. At the end of the project, when there is certain fair value remains of such assets charge to the Statement of Income and Expenditure, same will be recognized as capital reserve at fair value with corresponding value of PPE. Each year and over its useful life, the depreciation will be charged to capital reserve with corresponding credit to related PPE.

3.11 **Income Recognition**

a. **Contributions/Incoming Sources:**

Income realized from the restricted funds is recognized in the Statement of Income and Expenditure only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Income and Expenditure. Unutilized funds are carried forward as such in the Statement of Financial Position.

Gifts and donations received in kind will be recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the social organization at the point of such sale. Items received not sold or distributed will be inventories but not recognized in the Statement of Income and Expenditure.

All other incomes will be recognized when the social organization is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through funds raising activities and donations.

b. **Financial Income**

Interest earned is recognized on an accrual basis when there is certainty of receipt.

Dividend received is recognized when the right to receive dividend is established.

Revenues earned on services rendered are recognized in the accounting period in the services were rendered and accepted by the clients of the social organization.

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the Statement of Income and Expenditure after deducting from the proceeds on disposal, the carrying value of the item disposed off and any relating selling expenses.

Other income is recognized on an accrual basis except otherwise categorically explained to be on cash basis.

3.1 **Expenditure Recognition**

Expenses in carrying out the projects and other activities of the social organization are recognized in the Statement of Income and Expenditure during the period in which they are incurred. Other expenses incurred in administering and running the social organization and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Income and Expenditure.

3.1 **Taxation**

a. **Current Taxes**

The income tax expense for the current year has not been booked, as the organization has obtained a tax exemption certificate.

b. **Deferred Taxes**

Deferred tax has not been created as the organization is tax-exempt. This status eliminates the need for recognizing deferred tax liabilities or assets.

3.1 **Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are charged off to Statement of Income and Expenditure as expense. Other borrowing costs are treated as an expense in the period in which it is incurred.

3.2 **Contingent Liabilities**

A Contingent Liability is a possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of social organization. It may also be a present obligation that arises from past events but in respect of which an outflow of economic benefit is not probable or which cannot be measured with sufficient reliability.



Help Nepal Network
Kathmandu, Nepal

4. Notes to the Financial Statement

Figures in NPR

Note: 4.1 Property, Plant and Equipments

Gross Value		Balance as at	Additions during	Disposals	Balance as at
Item		01.04.2080	during the year	during the year	31.03.2081
Land		34,770,844			34,770,844
Buildings					139,908
Vehicles		139,908			268,145
Furniture and		268,145			480,571
Fixtuture					
Office Equipments		480,571			35,659,468
Sub-Total		35,659,468			35,659,468
Capital Work in					
Progress					
Total		35,659,468			35,659,468

Depreciation		Balance as at	Charge for the year	Disposals	Balance as at
Item		01.04.2080	during the year	during the year	31.03.2081
Land					
Buildings		124,886	3,756		128,641
Vehicles					158,230
Furniture and		130,751	27,479		460,274
Fixtures					
Office Equipments		453,509	6,766		747,146
Sub-Total		709,146	38,000		747,146
Capital Work in					
Progress					
Total		709,146	38,000		747,146

Carrying Amount		Land	Buildings	Motor Vehicles	Furniture and	Office	Sub Total	Capital Work	Total
Item					Fixtures	Equipments		in Progress	
As at 01.04.2080		34,770,844		-	137,393	27,063	34,950,323	-	34,950,323
As at 31.03.2081		34,770,844		15,023	109,914	20,297	34,912,322	-	34,912,322



[Handwritten signature]

[Handwritten signature]

Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Figures in NPR

Note: 4.2 Accounts Receivables

	FY 2080-81	FY 2079-80
Particulars		
Deposits and Advances	104,154	133,984
Prepayments	569,104	305,840
Total	673,258	439,824

Note: 4.3 Cash and Cash Receivables

	FY 2080-81	FY 2079-80
Particulars		
Cash in hand	1,517	6,055
Cash at bank	18,522	207,563
Sanima Bank Ltd, Naxal (001010010000791)	3,375,976	3,440,746
Sanima Bank Ltd, Chuchchepati (009011170000871)	139,465	223,905
Kumari Bank Ltd. Chabahil (0190111580600001)	133,110	292,110
Lumbini Bikash Bank Ltd. Tripureshwor (03100120013952000001)	514,521	1,569,331
Siddhartha Bank Ltd, Lazimpat (03315095882)	67,690	15,268
Nepal Investment Mega Bank Ltd, Chuchchepati (16501050000062)	12,500,000	12,500,000
Kumari Bank FD	12,500,000	12,500,000
Lumbini Bikas Bank FD	20,000,000	20,000,000
Siddhartha Bank FD	49,250,802	50,754,977
Total		

Note: 4.4 Unrestricted Funds/accumulated surplus

	FY 2080-81	FY 2079-80
Particulars		
Balance at beginning of the year	2,464,706	4,594,125
Unrestricted surplus/deficit in operating activities	(2,558,508)	(2,129,418)
Balance at the end of the year	(93,802)	2,464,706

Note: 4.5 Restricted funds

	FY 2080-81	FY 2079-80
Particulars		
Balance as at beginning of year	959,934	-
Additional Funds received during the year	8,493,255	5,244,511
Less: Transfer to Statement of Income & Expenditure	7,921,259	4,284,577
Balance at the end of the year	1,531,929	959,934

[Signature]

Am G. M.



[Signature]



Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Figures in NPR

Note: 4.6 Endowment Funds

	FY 2080-81	FY 2079-80
Particulars		
Balance at beginning of the year	59,662,323	59,662,323
Addition During the year	-	-
Surplus/deficit for the year	-	-
Balance at the end of the year	59,662,323	59,662,323

Note: 4.7 Administrative Fund

	FY 2080-81	FY 2079-80
Particulars		
Balance at beginning of the year	22,500,000	22,500,000
Addition During the year	-	-
Surplus/deficit for the year	-	-
Balance at the end of the year	22,500,000	22,500,000

Note: 4.8 Accounts Payable

	FY 2080-81	FY 2079-80
Particulars		
Bills payable	780,186	111,982
Expenses Payable	2,471	9,393
Salary Payable	27,700	-
Audit Fee Payable	111,500	111,500
Insurance Claim Payable	312,575	312,575
TDS of Staff	-	10,416
TDS on Audit Fee	1,500	1,500
TDS on Others	-	795
Total	1,235,932	558,161



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Figures in NPR

Note: 4.9 Incoming Resources

	FY 2080-81	FY 2079-80
Particulars		
Grants - Restricted Funding	7,921,259	4,284,577
Grants - Unrestricted Funding	1,343,251	49,600
Total	9,264,510	4,334,177

Note: 4.10 Financial Income

	FY 2080-81	FY 2079-80
Particulars		
Interest income from fixed deposit	3,360,505	6,117,895
Dividend from Investment	3,360,505	6,117,895
Total		

Note: 4.11 Staff Cost

	FY 2080-81	FY 2079-80
Particulars		
Wages and salaries	1,356,573	1,471,427
Post-employment benefit costs	166,560	166,560
Total	1,523,133	1,637,987

Note: 4.12 Program Expenses

	FY 2080-81	FY 2079-80
Particulars		
Help Nepal Health Post Expenses	989,653	986,645
Help Nepal Network Children Home	5,064,301	2,490,017
Support to Educational Institutions	3,510,176	6,369,364
Natural Disaster Relief Projects	3,030,911	99,500
Total	12,595,041	9,945,526



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Note: 4.13 General Administrative Expenses

	FY 2080-81	FY 2079-80
Particulars		
AGM Expenses	38,265	-
Audit Fee	113,000	113,000
Bank Commission	2,670	2,833
Communication	3,000	1,700
Consumable Goods	4,110	1,150
Electricity	34,000	30,400
Farewell Expenses	11,520	-
Fuel Expenses	36,166	29,872
General Expenses	6,519	13,330
Insurance	50,670	77,311
Internet Expenses	35,467	18,526
Meeting Expenses	13,270	21,749
Office Rent	512,040	487,650
Printing & Stationery	16,313	18,630
Refreshment	37,516	20,774
Renew & Registration	8,300	4,800
Repair & Maintenance	29,600	39,000
Software Expenses	21,547	5,573
Transportation	12,565	22,345
Water	4,339	4,248
Website Hosting	36,473	2,043
Henn Documentary Exp.	-	22,600
Kitchen Utensils	-	1,870
Total	1,027,350	939,404

Note: 4.14 Income Tax Expense

Help Nepal Network has got tax exemption status and accordingly no provision for tax has been made for other surplus fund. However, income tax deducted at sources of income has been charged to such revenue and reflected net of such withholding tax amounts to. NRs. 6,10,080.70



[Handwritten signature]

[Handwritten signature]



Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Sub Schedule 4.2 (a) Deposit & Advances

	Amount (NRs.) FY 2080/81	Amount (NRs.) FY 2079/80
Advance of Others	2,500.00	2,500.00
Advance to Help Nepal Health Post	46,187.00	41,435.00
Advance to HeNN Children Home	49,224.10	71,829.10
Advance to Rastriya Awiskar Kendra	6,243.00	18,220.12
	104,154.10	133,984.22

Sub Schedule 4.8 (a) Salary Payable

	Amount (NRs.) FY 2080/81	Amount (NRs.) FY 2079/80
Shreeya Shrestha	7,700.00	-
Aastha Karki	20,000.00	-
	27,700.00	-

Sub Schedule 4.12 (a) Help Nepal Health Post Expenses

	Amount (NRs.) FY 2080/81	Amount (NRs.) FY 2079/80
Salary	912,000.00	932,000.00
Printing & Stationery	3,015.00	2,125.00
Monitoring & Reporting Expenses	31,790.00	5,000.00
Outreach Clinic	42,848.00	47,520.00
	989,653.00	986,645.00



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Help Nepal Network

Kathmandu, Nepal

Notes to the Financial Statement

Sub Schedule 4.12 (b) Help Nepal Network Children Home

	Amount (NRs.) FY 2080/81	Amount (NRs.) FY 2079/80
Bank Charges	45.00	45.00
Bedding Expenses	67,250.00	2,700.00
Cleaning Expenses	9,500.00	3,500.00
Clothing Expenses	166,500.00	75,524.00
Coloring expenses	10,000.00	17,100.00
Communication	1,120.00	3,800.00
Consumable Goods	43,203.00	55,584.00
Documentary Expenses	24,915.00	-
Educational Expenses	64,508.00	92,623.00
Educational Tour	30,835.00	3,925.00
Electricity	38,165.00	34,115.00
Electronic Goods		12,825.00
eLibrary	501,715.00	-
Farewell Expenses	5,630.00	7,212.00
Farming Expenses	32,470.00	38,940.00
Festival Expenses	58,477.00	62,798.00
Flooring expenses		15,865.00
Health & Medicine Expenses	20,531.00	127,558.00
Inauguration Programme		2,375.00
Insurance	807,016.65	143,949.18
Internet Expenses	16,282.19	19,000.00
Kitchen Expenses	653,695.00	581,301.00
Kitchen utensils	11,805.00	575.00
Meeting expenses	36,775.00	-
Miscellaneous Expenses	22,905.00	22,515.00
Office Equipments		7,900.00
Office Furniture	30,800.00	3,390.00
Parqueting Expenses		188,936.00
Plumbing Expenses	15,126.00	-
Printing & Stationery	9,765.00	6,510.00
Railing expenses	17,340.00	-
Renew & Registration	500.00	500.00
Repair & Maintenance	15,830.00	42,531.00
Reporting & Monitoring expenses	29,990.00	97,296.00
Salary	893,080.00	759,390.00
Shelter Endowment Fund	1,209,027.00	-
Social Audit	8,380.00	-
Solar Expenses	53,000.00	-
Sports Expenses	35,200.00	-
Training Expenses	30,535.00	-
Transportation	5,975.00	18,950.00
Water	86,410.00	40,785.00
	5,064,300.84	2,490,017.18



[Handwritten signature]

[Handwritten signature]



Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Sub Schedule 4.12 (c) Support to Educational Institutions

	Amount (NRs.) FY 2080/81	Amount (NRs.) FY 2079/80
Panchakanya Basic School, Kavre	827,219.00	775,410.00
Rajkuleshwor Basic School, Dolakha	464,331.66	3,763,082.80
Nepal Women Community Service Centre, Dang	180,000.00	275,000.00
Sipatinghare Sanskrit Secondary School, Sindhupalchowk	1,268,775.00	-
Indradhanus Primary School, Jajarkot	679,850.00	-
Nepal Rastriya Basic School, Parsa	90,000.00	-
Siddheshwori Secondary School, Tanahun	-	198,252.00
Dadeldhura elibrary	-	750,249.00
Women Community Service Society, Dolpa	-	434,000.00
Kedar Medium School, Doti	-	73,370.00
Saraswoti Primary School, Pyuthan	-	100,000.00
	3,510,175.66	6,369,363.80

Sub Schedule 4.12 (d) Natural Disaster Relief Projects

	Amount (NRs.) FY 2080/81	Amount (NRs.) FY 2079/80
Bajhang Earthquake Victims	496,885.00	-
Jajarkot & Rukum Earthquake Victims	2,327,128.00	-
Lions Club of Pokhara	40,000.00	-
Khotang Fire victims	40,000.00	-
Saptari Fire Victims	126,898.00	-
Bajura Landslide & Earthquake victims	-	99,500.00
	3,030,911.00	99,500.00



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Help Nepal Network
Kathmandu, Nepal
4. Notes to the Financial Statement

4.15 First-time adoption of NAS for NPOs

These financial statements, for the year ended 31 Ashadh 2081, are the first the organization has prepared in accordance with Nepal Accounting Standards for Non-profit Organizations (NAS for NPOs). For periods up to and including the year ended 31 Ashadh 2080, the organization prepared its financial statements in accordance with local generally accepted accounting principles.

Accordingly, the organization has prepared financial statements that comply with NAS for NPOs applicable as at 31 Ashadh 2081, together with the comparative period data for the year ended 31 Ashadh 2080, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the organization in restating its local GAAP financial statements, including the statement of financial position for the year ended 31 Ashadh 2080.

Reconciliation of Statement of Financial Position as at 31 Ashadh 2080 (date of transition to NAS for NPOs)

Particulars	Previously Reported	Reclassification and Remeasurements	NAS for NPO's as at 31 Ashadh 2080
Non - Current Assets			34,950,323
Property, Plant and Equipment	34,950,323		
Intangible Assets			-
Investment Property			
Long term investments			
Other Non Current Assets		-	34,950,323
Total Non - Current Assets	34,950,323		
Current Assets			
Inventories	439,824		439,824
Accounts Receivable	50,754,977		50,754,977
Cash and Cash Equivalents	51,194,802	-	51,194,802
Total Current Assets	86,145,124	-	86,145,124
Total Assets			
LIABILITIES & RESERVES			
Accumulated Reserves			2,464,706
Unrestricted Funds/ accumulated surplus	3,424,640	959,934	-
Designated Funds	-	(959,934)	959,934
Restricted Funds	59,662,323		59,662,323
Endowment Fund	22,500,000		22,500,000
Administrative Fund	-		-
Other Capital reserves	85,586,963	0	85,586,963
Total Accumulated Reserves			
Non - Current Liabilities			
Employee benefit liabilities			
Deferred Revenue			
Total Non - Current Liabilities			
Current Liabilities			558,161
Accounts Payable	558,161		-
Short Term Borrowing			-
Provisions			-
Bank overdrafts	558,161	-	558,161
Total Current Liabilities	558,161	-	558,161
Total Liabilities	86,145,124	0	86,145,124
Total Liabilities and Reserves			



Am Giron

[Signature]

[Signature]

[Signature]



Help Nepal Network
Kathmandu, Nepal

4. Notes to the Financial Statement

Reconciliation of Statement of Income and Expenditure for the year ended 31 Ashadh 2080

Particulars	Previously Report	Remeasurements and reclassifications	NAS for NPO's for the year ended 31 Ashadh 2080
Incoming Resources	5,132,511	5,132,511	-
Fund For Activities	-	(4,284,577)	4,284,577
Grants - Restricted Fundings	-	(49,600)	49,600
Grants - Unrestricted Funds	-	-	-
Other Income	6,279,495	161,600	6,117,895
Financial Income	11,412,007	959,934	10,452,072
Total Income			
EXPENDITURE	1,637,987	-	1,637,987
Staff Cost	9,945,526	-	9,945,526
Program Expenses	939,404	-	939,404
General Administrative Expenditure	58,574	-	58,574
Depreciation	-	-	-
Other Expenditure	12,581,491	-	12,581,491
Total expenditure	(1,169,484)	959,934	(2,129,418)
Net surplus/(deficit) before Taxation	-	-	-
Income Tax Expenses	(1,169,484)	959,934	(2,129,418)
SURPLUS/(DEFICIT) FOR THE YEAR			

4.16 Property, Plant and Equipment

Recognition of Assets transferred from Projects

Previously, the organization has not recognized the assets transferred to the organization as a result of phase out of projects.

In accordance with NAS for NPO's' Where property plant and equipment is purchased as a part of a project through restricted funds which initially written off as project cost with corresponding income, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project with the approval from funding agencies and brought into the financial statements under property plant and equipment with corresponding credit to a Capital Reserve.

The organization has recognized the assets transferred to projects at fair value as of 31 Ashadh 2080 in line with NAS for NPO's creating a equivalent Capital Reserve in Funds.

Description	Previously Reported	Reclassification and Remeasurements	NAS for NPO's as at 31 Ashadh 2080	Remarks
Property, Plant and Equipment	34,950,323		34,950,323	
Internal Assets	34,950,323	-	34,950,323	
Total				

4.17 Classification of Funds

The organization adopted a significant change in existing accounting policy regarding the classification of funds adopting to classification of funds in. line with NAS for NPOs. Prior to this year, the financial statements did not differentiate between restricted and unrestricted funds. The funds that are designated for specific purpose by donors are classified under restricted funds and the funds available for general use are classified under unrestricted funds. The recognition and presentation of such funds has been done in line with NAS for NPOs.

The adoption of this policy was applied retrospectively from 31 Ashadh 2080. Following adjustments were made in the figures of 31 Ashadh 2080 to reclassify funds in accordance to NAS for NPOs.



Am Gun

[Signature]

[Signature]

[Signature]



Help Nepal Network
Kathmandu, Nepal
4. Notes to the Financial Statement

Description	Previously Reported	Reclassification and Remeasurements	NAS for NPO's as at 31 Ashadh 2080	Remarks
Funds				
Unrestricted Funds	3,424,640	(959,934)	2,464,706	Classification of unrestricted funds
Restricted Funds		959,934	959,934	Recognition of restricted funds
Capital Reserve		-	-	Recognition of capital reserves
Total	3,424,640	-	3,424,640	

Reconciliation of Unrestricted Funds	
Particulars	Amount
Previously reflected Unrestricted funds as of 31 Ashadh 2080	3,424,640
Less:	
Restricted funds reflected as unrestricted funds	959,934
Total Adjustments	959,934
Revised Unrestricted Funds as of 31 Ashadh 2080	2,464,706

Restricted Funds Summary	Fund Received	Expenditures	Closing Fund Balance
Help Nepal Health Post Expenses	200,000	200,000	
HeNN Children Home	3,449,951	2,490,017	959,934
Rajkuleshwor Lower Secondary School	885,560	885,560	
Women Community Service Society, Dolpa	434,000	434,000	
Nepal Women Community Service Centre, Dang	275,000	275,000	
Total	5,244,511	4,284,577	959,934



[Handwritten signature]

[Handwritten signature]



