

Independent Auditor's Report

**To The Board Members of Help Nepal Network,
Report on the Audit of the Financial Statements**

Unqualified Opinion

We have audited the financial statements of **Help Nepal Network**, which comprise the statement of financial position as at 32nd Ashadh, 2082 and the statement comprehensive income, other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements provides a true and fair view in conformity with NAS for NPOs, of the state of affairs of the entity as at 32nd Ashadh, 2082, of its profit/loss, and the cash flows for the period then ended.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit on the Financial Statements section of our report. We are independent of the Entity in accordance with the ICAN's Handbook of Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's handbook of The Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 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 a separate opinion on these matters. We have determined that there are no other Key Audit Matters to communicate in our report.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NAS for NPOs, and for such internal control as management determines necessary to enable the preparation of the 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 Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's 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 Nepal Standards in Audit will always detect a material misstatement when it exists. Misstatement 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 decision of users taken on the basis of these financial statements.

As a part of an audit in accordance with Nepal Standards on Audit, we exercise professional judgment 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 overrides 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 entity's internal control.
- Conclude on the appropriateness of 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 Entity'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 condition may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- We communicate with 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 the Other Legal and Regulatory Requirements

Based on our Audit, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of accounts as required by law have been kept by the entity so far as it appears from our examination of such books of accounts;
- The financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanation given to us, the financial statement, the said Balance Sheet, Income Statement and Cash Flow Statement, read together with the notes forming part of the accounts give the information required by the law in the manner so required and give a true and fair view.
- The entity has not complied with the requirements of The Social Security Act, 2075.
- Neither we have come across any of the information about the misappropriation of fund by the directors or any of the representative or entity's staffs during the course of our audit nor have we received any such information from the management.
- No instances of accounting fraud were found in the organization.

Date: 2082.05.30

Place: Kathmandu, Nepal

UDIN: 250915CA015634NfPv

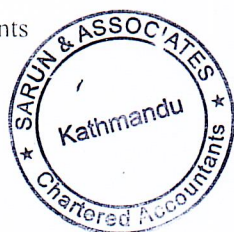
For: Sarun & Associates

Chartered Accountants



CA Sarun Chhetri

Proprietor



Help Nepal Network

Kathmandu, Nepal

Statement Of Financial Position

As at 32nd Ashadh 2082 (16 July 2025)

Figures in NPR

Restated *

Particulars	Notes	As at 32nd Ashadh 2082	As at 31st Ashadh 2081
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	4.1	34,877,516	34,912,322
Intangible Assets	-	-	-
Other Non-Current assets	-	-	-
Total Non - Current Assets		34,877,516	34,912,322
Current Assets			
Inventories	-	-	-
Accounts Receivable	4.2	51,645	673,258
Cash and Cash Equivalents	4.3	58,744,583	52,968,853
Total Current Assets		58,796,227	53,642,111
Total Assets		93,673,744	88,554,433
LIABILITIES & RESERVES			
Accumulated Reserves			
Unrestricted Funds/accumulated surplus	4.4	5,338,292	7,068,521
Designated Funds	-	-	-
Restricted Funds	4.5	8,386,586	1,531,929
Endowment Fund	4.6	50,000,000	50,000,000
Endowment Funds-Help Nepal Network Children Home	4.7	4,192,846	3,718,051
Administrative Fund	4.8	25,000,000	25,000,000
Other Capital Reserves	-	-	-
Total Accumulated Reserves		92,917,723	87,318,502
Non - Current Liabilities			
Loans and borrowings	-	-	-
Employee benefit liabilities	-	-	-
Deferred Revenue	-	-	-
Other non-current liabilities	-	-	-
Total Non - Current Liabilities		-	-
Current Liabilities			
Accounts payable	4.9	756,021	1,235,932
Loans and borrowings	-	-	-
Provisions	-	-	-
Bank overdrafts	-	-	-
Total Current Liabilities		756,021	1,235,932
Total Liabilities		756,021	1,235,932
Total Liabilities and Reserves		93,673,744	88,554,433

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



Suman Shrestha
Accountant



Rajendra Nath Shrestha
Treasurer



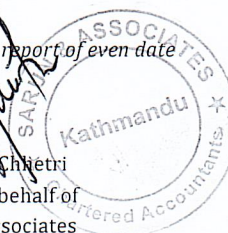
Arun Singh Basnet
Chairperson



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 32nd Ashadh 2082 (16 July 2025)

Figures in NPR
Restated *

Particulars	Notes	FY 2081-82	FY 2080-81
INCOME			
Incoming Resources	4.10	6,613,781	9,264,510
Financial Income	4.11	2,904,957	3,634,486
Other Income	4.11	-	-
Total Income		9,518,738	12,898,996
EXPENDITURE			
Staff Cost/Expenses	4.12	1,434,280	1,523,133
Program Expenses	4.13	7,718,270	12,595,041
General Administrative Expenditure	4.14	1,735,781	1,027,350
Depreciation	4.1	34,806	38,000
Other Expenditure	-	-	-
Total Expenditure		10,923,137	15,183,523
Net surplus/(deficit) before Taxation		(1,404,399)	(2,284,527)
Income Tax Expenses	4.15	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		(1,404,399)	(2,284,527)
APPROPRIATION OF SURPLUS FOR THE YEAR			
Allocation to Reserves		(1,404,399)	(2,284,527)
Allocation to Endowment Fund			

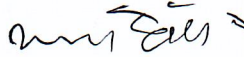
The Notes on accounts form an integral part of the financial statements.



Suman Shrestha
Accountant



Rajendra Nath Shrestha
Treasurer



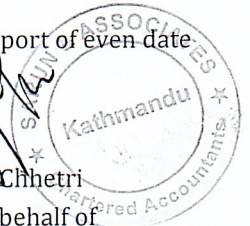
Arun Singh Basnet
Chairperson



As per our report of even date



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



Help Nepal Network
Kathmandu, Nepal

Statement of Changes in Reserves
As at 32nd Ashadh 2082 (16 July 2025)

Amount in NPR
*Restated

Description	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endowment Funds	Endowment Funds - HeNN Children Home	Administrative Fund	Capital Reserves	Result for the Year	Total
Balance as at 01 Shrawan, 2080	959,934	-	2,464,706	59,662,323	-	22,500,000	-	-	85,586,963
Prior Period Restatement - Opening Balances					1,784,540				1,784,540
Correction of shortfall in Administrative Fund balance			(2,500,000)			2,500,000		-	-
Utilization of Charity Endowment Fund not recorded earlier.			9,662,323	(9,662,323)				-	-
Restated Balance as at 01 Shrawan, 2080	959,934	-	9,627,029	50,000,000	1,784,540	25,000,000	-	-	87,371,503
Result for the Year								(2,284,527)	(2,284,527)
Addition during the FY	571,995				1,659,530				2,231,525
Allocation of results to Restricted Reserves								-	-
Allocation of results to Designated Fund								-	-
Allocation of results to Unrestricted Fund			(2,558,508)					2,558,508	-
Allocation of results to Endowment Fund								-	-
Allocation of results to Endowment Fund - HeNN Children Home					273,981			(273,981)	-
Allocation of results to Capital Fund								-	-
Foreign exchange Gain/ Loss								-	-
Balance as at 31st Ashadh 2081	1,531,929	-	7,068,521	50,000,000	3,718,051	25,000,000	-	(0)	87,318,502
Balance as at 01 Shrawan, 2081	1,531,929	-	7,068,521	50,000,000	3,718,051	25,000,000	-	(0)	87,318,502
Result for the Year								(1,404,399)	(1,404,399)
Addition during the FY	6,854,657				148,964				7,003,621
Allocation of results to Restricted Reserves								-	-
Allocation of results to Designated Fund								-	-
Allocation of results to Unrestricted Fund			(1,730,230)					1,730,230	-
Allocation of results to Endowment Fund								-	-
Allocation of results to Endowment Fund - HeNN Children Home					325,831			(325,831)	-
Allocation of results to Capital Fund								-	-
Foreign exchange Gain/ Loss								-	-
Balance as at 32 Asadh, 2082	8,386,586	-	5,338,292	50,000,000	4,192,846	25,000,000	-	0	92,917,723

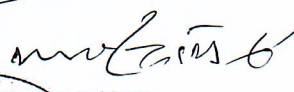
The notes on accounts form an integral part of the financial statement.

As per our report of even date


Suman Shrestha
Accountant


Rajendra Nath Shrestha
Treasurer




Arun Singh Basnet
Chairperson


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

Help Nepal Network
Kathmandu, Nepal

Statement of Cash Flow

For the year Ended 32nd Ashadh 2082 (16 July 2025)

Figures in NPR

***Restated**

Particulars	FY 2081-82	FY 2080-81
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/ (deficit) for the year (Before Tax)	(1,404,399)	(2,284,527)
Adjustments to reconcile surplus/(deficit) to net cash flows:		
Non-cash items:		
Depreciation and impairment of property, plant and equipment	34,806	38,000
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	-	-
Correction of shortfall in Administrative Fund balance	-	(2,500,000)
Utilization of Charity Endowment Fund not recorded earlier.	-	9,662,323
Transferred of interest income of endowment funds-Help Nepal Network Children Home	(325,831)	(273,981)
Working capital adjustments:		
Accounts receivable	621,613	(233,433)
Prepayments	-	-
Inventories	-	-
Other financial assets	-	-
Accounts payable	(479,911)	677,771
Accrued expenses and deferred income	-	-
Restricted Funds	6,854,657	571,995
Endowment Fund	-	(9,662,323)
Endowment Funds-Help Nepal Network Children Home	474,795	3,718,051
Administrative Fund	-	2,500,000
Other financial liabilities	-	-
Less:		
Income Tax Paid	-	-
Interest paid	-	-
Net Cash From Operating Activities	5,775,729	2,213,876
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	-	-
Purchase of intangible assets	-	-
Proceeds from sale of equipment	-	-
Purchase of securities	-	-
Interest received	-	-
Income from securities, net	-	-
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	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	5,775,729	2,213,876
OPENING CASH AND CASH EQUIVALENTS	52,968,853	50,754,977
CLOSING CASH AND CASH EQUIVALENTS	58,744,583	52,968,853

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



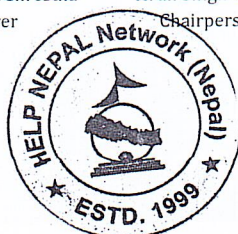
Suman Shrestha
Accountant



Rajendra Nath Shrestha
Treasurer

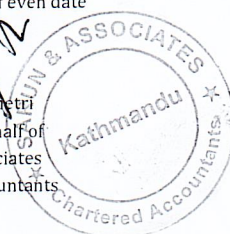


Arun Singh Basnet
Chairperson



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 16th July, 2025 (Ashad 32, 2082)

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 32nd Ashadh 2082 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

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.



Help Nepal Network

Kathmandu, Nepal

Statement of Accounting Policies and Notes to the Financial Statement For the year ended 16th July, 2025 (Ashad 32, 2082)

b. Depreciation

Depreciation is provided on all Property, Plant and Equipments on Written Down Value basis using the depreciation rate as prescribed below:

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

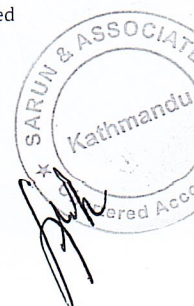
the company Considers and classifies cash in hand, amounts due from banks and short term deposits with and original maturity of three months or less under the category of "Cash and Cash Equivalents". Bank borrowings that are repayable on demand and form an integral part of the the company's cash management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

3.6 Provisions



Help Nepal Network

Kathmandu, Nepal

Statement of Accounting Policies and Notes to the Financial Statement For the year ended 16th July, 2025 (Ashad 32, 2082)

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

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.



Help Nepal Network

Kathmandu, Nepal

Statement of Accounting Policies and Notes to the Financial Statement For the year ended 16th July, 2025 (Ashad 32, 2082)

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

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.

3.12 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.

3.13 Taxation

a. Current Taxes

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

b. Deferred Taxes

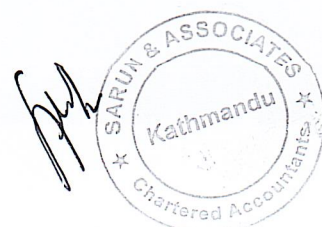
Deferred tax has not been created as the organization is tax-exempt. This status eliminates the need for recognizing deferred tax liabilities or assets.

3.14 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.

3.15 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

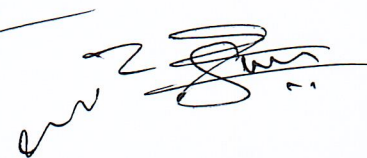
4. Notes to the Financial Statement

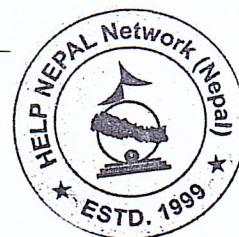
Note: 4.1 Gross Value		Property, Plant and Equipments			Figures in NPR
Item	Balance as at 01.04.2081	Additions during during the year	Disposals during the year	Balance as at 32.03.2082	
Land	34,770,844			34,770,844	
Buildings	-			-	
Vehicles	139,908			139,908	
Furniture and Fixture	268,145			268,145	
Office Equipments	480,571			480,571	
Sub-Total	35,659,468	-	-	35,659,468	
Capital Work in Progress	-			-	
Total	35,659,468	-	-	35,659,468	

Depreciation				
Item	Balance as at 01.04.2081	Charge for the year	Disposals during the year	Balance as at 32.03.2082
Land	-			-
Buildings	-			-
Vehicles	128,641	2,253		130,895
Furniture and Fixtures	158,230	27,479		185,709
Office Equipments	460,274	5,074		465,349
Sub-Total	747,146	34,806	-	781,952
Capital Work in Progress	-			-
Total	747,146	34,806	-	781,952

Carrying Amount

Item	Land	Buildings	Motor Vehicles	Furniture and Fixtures	Office Equipments	Sub Total	Capital Work in Progress	Total
As at 01.04.2081	34,770,844	-	11,267	109,914	20,297	34,912,322	-	34,912,322
As at 32.03.2082	34,770,844	-	9,014	82,436	15,223	34,877,516	-	34,877,516



Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Figures in NPR

Note: 4.2 Accounts Receivables

Particulars	FY 2081-82	FY 2080-81
Deposits and Advances	2,500	104,154
Prepayments	49,145	569,104
Total	51,645	673,258

Note: 4.3 Cash and Cash Receivables

Particulars	FY 2081-82	FY 2080-81
Cash in hand	2,448	1,517
Cash at bank		
Sanima Bank Ltd, Naxal (001010010000791)	3,471	18,522
Sanima Bank Ltd, Chuchchepati (009011170000871)	721,511	3,375,976
Kumari Bank Ltd. Chabahil (0190111580600001)	64,106	139,465
Lumbini Bikash Bank Ltd. Tripureshwar (03100120013952000001)	128,695	133,110
Siddhartha Bank Ltd, Lazimpat (03315095882)	8,609,264	514,521
Nepal Investment Mega Bank Ltd, Chuchchepati (16501050000062)	22,242	67,690
Kumari Bank FD	12,500,000	12,500,000
Lumbini Bikas Bank FD	12,500,000	12,500,000
Siddhartha Bank FD	20,000,000	20,000,000
Kumari Bank- HeNN Children Home	1,473	1,473
Prabhu Bank- HeNN Children Home	2,818	2,811
Atal Panchkunda sacos- HeNN Children Home	46,683	65,915
Budol Community Saccos - HeNN Children Home	61,872	112,852
Budol Community Saccos -Fixed deposit (HeNN Children Home)	2,520,000	2,135,000
Atal Panchkunda sacos-Fixed deposit (HeNN Children Home)	1,560,000	1,400,000
Total	58,744,583	52,968,853

The bank balance maintained for the Help Nepal Network – Children Home had not been included in cash and cash equivalents in the financial statements of prior years. During FY 2080/81, this omission was corrected by restating and booking the balance up to that year. Accordingly, the Children Home bank balance has been presented under cash and cash equivalents from FY 2080/81 onwards.

Note: 4.4 Unrestricted Funds/accumulated surplus

Particulars	FY 2081-82	FY 2080-81
Balance at beginning of the year	7,068,521	2,464,706
Unrestricted surplus/deficit in operating activities	(1,404,399)	(2,284,527)
Add: Utilization of Charity Endowment Fund not recorded earlier.	-	9,662,323
Less: Correction of shortfall in Administrative Fund balance	-	(2,500,000)
Less: Transferred of interest income of endowment funds-Help Nepal Network Children Home	(325,831)	(273,981)
Balance at the end of the year	5,338,292	7,068,521



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Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Figures in NPR

During the year, adjustments have been made under Unrestricted Funds/accumulated surplus to reflect prior period utilization and corrections of the Charity Endowment Fund & Administrative Fund:

1. In a prior year, Rs. 10,000,000 was allocated for the reconstruction of Rajkuleshwor Basic School, Dolakha, following the 2072 earthquake. Of this amount, Rs. 9,662,323 was actually utilized from the Charity Endowment Fund, while the remaining Rs. 337,677 was met through interest income, which had already been absorbed into reserves in earlier years. The reduction of Rs. 9,662,323 in the Fund balance had not been recorded previously and was corrected in FY 2080/81.

Accordingly, the Charity Endowment Fund balance has now been restated to reflect the above utilization.

2. During the year, adjustments have been made to reflect prior period corrections relating to the Administrative Fund. As per the decision of the management meeting of Help Nepal Network held on 2082/03/28, accumulated interest income of Rs. 2,500,000 has been transferred to the Administrative Fund, in order to maintain the Administrative Fund balance at Rs. 25,000,000.

Accordingly, the Reserve & Surplus balance has been reduced, and the adjustment has been restated in the financial statements of FY 2080/81.

Note: 4.5 Restricted funds

Particulars	FY 2081-82	FY 2080-81
Balance as at beginning of year	1,531,929	959,934
Additional Funds received during the year	13,430,838	8,493,255
Less: Transfer to Statement of Income & Expenditure	6,576,181	7,921,259
Balance at the end of the year	8,386,586	1,531,929

Note: 4.6 Endowment Funds

Particulars	FY 2081-82	FY 2080-81
Balance at beginning of the year	50,000,000	59,662,323
Utilization of Charity Endowment Fund not recorded earlier.	-	(9,662,323)
Balance at the end of the year	50,000,000	50,000,000

The Charity Endowment Fund was established for charitable activities as per the members' resolution dated 2071/04/28. The carried forward balance of the Fund has been shown at Rs. 59,662,323.15 in the financial statements for several years. The Fund was managed to maintain a balance of Rs. 60,000,000 by adjusting Rs. 337,676.85 through interest income during earlier years.

As per management's decision following the 2072 earthquake, Rs. 10,000,000 was approved for the reconstruction of Rajkuleshwor Basic School, Dolakha. Out of this amount, Rs. 9,662,323 was actually utilized from the Charity Endowment Fund, while the remaining was met through interest income, which had already been adjusted through Reserve & Surplus. However, the corresponding reduction of Rs. 9,662,323 in the Fund balance had not been recorded in the books.

During FY 2080/81, necessary adjustment entries have been made to restate the Fund balance at Rs. 50,000,000.

As of the reporting date, the Fund is represented by the following investments:

Particulars	Amount (Rs.)
Investment in Land	30,000,000
Fixed Deposit with Siddhartha Bank	20,000,000
Total	50,000,000



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Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Figures in NPR

Note: 4.7 Endowment Funds-Help Nepal Network Children Home

Particulars	FY 2081-82	FY 2080-81
Balance at beginning of the year	3,718,051	1,784,540
Addition During the year	148,964	1,659,530
Add: Interest Income of the fund	325,831	273,981
Surplus/deficit for the year	-	-
Balance at the end of the year	4,192,846	3,718,051

1. The funds and related interest income of the Help Nepal Network Children Home, which had not been recorded in prior years, were restated and booked in the financial statements of FY 2080/81. These amounts have been reflected as the opening balances and interest income respectively.

2. In both FY 2080/81 and FY 2081/82, additional funds received for the Children Home have been adjusted to the Children Home Fund. The corresponding interest income earned on such funds has also been directly adjusted with the Fund balance.

Accordingly, the Children Home Fund balance as at year-end represents the accumulated contributions together with the related interest income.

Note: 4.8 Administrative Fund

Particulars	FY 2081-82	FY 2080-81
Balance at beginning of the year	25,000,000	22,500,000
		2,500,000
Correction of shortfall in Administrative Fund balance	-	-
Addition During the year	-	-
Surplus/deficit for the year	-	-
Balance at the end of the year	25,000,000	25,000,000

The Administrative Fund has been established to meet the organization's administrative expenses. The Fund balance had been carried forward at Rs. 22,500,000 in the financial statements for several years.

As per the decision taken in the management meeting of Help Nepal Network held on 2082/03/28, management concluded that accumulated interest income of Rs. 2,500,000 should be transferred to the Administrative Fund to reflect the intended balance of Rs. 25,000,000.

The Fund balance had not been updated in prior years, and accordingly, the adjustment has been restated in the financial statements of FY 2080/81.

As of the reporting date, the Fund is invested as follows:

Particulars	Amount (Rs.)
Fixed Deposit - Kumari Bank	12,500,000
Fixed Deposit - Lumbini Bikas Bank	12,500,000
Total	25,000,000

Note: 4.9 Accounts Payable

Particulars	FY 2081-82	FY 2080-81
Bills payable	127,514	780,186
Expenses Payable	6,634	2,471
Salary Payable	176,418	27,700
Audit Fee Payable	110,000	111,500
Insurance Claim Payable	312,575	312,575
TDS of Staff	1,804	-
TDS on Others-Audit Fee	1,500	1,500
Advance to HeNN Children Home	19,576	-
Total	756,021	1,235,932



Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Note: 4.10 Incoming Resources

Particulars	FY 2081-82	FY 2080-81
Grants - Restricted Funding	6,576,181	7,921,259
Grants - Unrestricted Funding	37,600	1,343,251
Total	6,613,781	9,264,510

Note: 4.11 Other Income

Particulars	FY 2081-82	FY 2080-81
Interest income	2,904,957	3,634,486
Other Income	-	-
Total	2,904,957	3,634,486

Interest income also includes earnings from the bank deposits maintained for the Help Nepal Network Children Home. Similar to the fund, the interest income of prior periods had not been recorded earlier; these amounts were restated and booked in FY 2080/81. Interest income earned in subsequent years has been recognized under financial income in the respective financial statements.

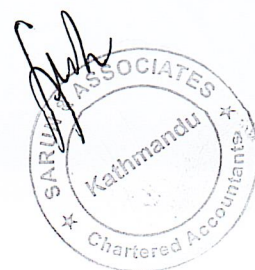
Note: 4.12 Staff Cost

Particulars	FY 2081-82	FY 2080-81
Wages and salaries	1,267,720	1,356,573
Post-employment benefit costs	166,560	166,560
Total	1,434,280	1,523,133

Note: 4.13 Program Expenses

Particulars	FY 2081-82	FY 2080-81
Help Nepal Health Post Expenses	1,173,322	989,653
Help Nepal Network Children Home	3,661,635	5,064,301
Support to Educational Institutions	934,452	3,510,176
Natural Disaster Relief Projects	1,448,862	3,030,911
Health Related Projects	500,000	-
Total	7,718,270	12,595,041

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Help Nepal Network
Kathmandu, Nepal
Notes to the Financial Statement

Note: 4.14 General Administrative Expenses

Particulars	FY 2081-82	FY 2080-81
AGM Expenses	-	38,265
Audit Fee	113,000	113,000
Bank Commission	2,410	2,670
Communication	3,000	3,000
Consumable Goods	-	4,110
Electricity	34,000	34,000
Farewell Expenses	-	11,520
Fuel Expenses	36,191	36,166
General Expenses	9,253	6,519
Insurance	75,487	50,670
Internet Expenses	35,665	35,467
Meeting Expenses	8,505	13,270
Office Rent	537,840	512,040
Printing & Stationery	9,280	16,313
Refreshment	18,841	37,516
Renew & Registration	4,800	8,300
Repair & Maintenance	14,934	29,600
Software Expenses	13,560	21,547
Transportation	14,050	12,565
Water	6,464	4,339
Website Hosting	36,064	36,473
Henn Documentary Exp.	141,250	-
25th yr celebration programme	621,188	-
Total	1,735,781	1,027,350

Note: 4.15 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. 494,863.51.



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Help Nepal Network
Kathmandu, Nepal
Statement of Accounting Policies and Notes to the Financial Statement
For the year ended 16th July, 2025 (Ashad 32, 2082)

4.16 Unrestricted Funds/accumulated surplus

During the year, adjustments have been made under Unrestricted Funds/accumulated surplus to reflect prior period utilization and corrections of the Charity Endowment Fund & Administrative Fund:

1. In a prior year, Rs. 10,000,000 was allocated for the reconstruction of Rajkuleshwor Basic School, Dolakha, following the 2072 earthquake. Of this amount, Rs. 9,662,323 was actually utilized from the Charity Endowment Fund, while the remaining Rs. 337,677 was met through interest income, which had already been absorbed into reserves in earlier years. The reduction of Rs. 9,662,323 in the Fund balance had not been recorded previously and was corrected in FY 2080/81. Accordingly, the Charity Endowment Fund balance has now been restated to reflect the above utilization.

2. During the year, adjustments have been made to reflect prior period corrections relating to the Administrative Fund. As per the decision of the management meeting of Help Nepal Network held on 2082/03/28, accumulated interest income of Rs. 2,500,000 has been transferred to the Administrative Fund, in order to maintain the Administrative Fund balance at Rs. 25,000,000.

Accordingly, the Reserve & Surplus balance has been reduced, and the adjustment has been restated in the financial statements of FY 2080/81.

4.17 Endowment Funds

The Charity Endowment Fund was established for charitable activities as per the members' resolution dated 2071/04/28. The carried forward balance of the Fund has been shown at Rs. 59,662,323.15 in the financial statements for several years. The Fund was managed to maintain a balance of Rs. 60,000,000 by adjusting Rs. 337,676.85 through interest income during earlier years.

As per management's decision following the 2072 earthquake, Rs. 10,000,000 was approved for the reconstruction of Rajkuleshwor Basic School, Dolakha. Out of this amount, Rs. 9,662,323 was actually utilized from the Charity Endowment Fund, while the remaining was met through interest income, which had already been adjusted through Reserve & Surplus. However, the corresponding reduction of Rs. 9,662,323 in the Fund balance had not been recorded in the books.

During FY 2080/81, necessary adjustment entries have been made to restate the Fund balance at Rs. 50,000,000.

As of the reporting date, the Fund is represented by the following investments:

Particulars	Amount (Rs.)
Investment in Land	30,000,000
Fixed Deposit with Siddhartha Bank	20,000,000
Total	50,000,000

4.18 Endowment Funds-Help Nepal Network Children Home

1. The funds and corresponding interest income of the Help Nepal Network Children Home, which had not been recorded in prior years, were as the opening balances and interest income respectively.

2. In both FY 2080/81 and FY 2081/82, additional funds received for the Children Home have been adjusted to the Endowment Funds-Help Nepal Network Children Home, and the related interest income earned on such funds has also been directly adjusted with the Fund balance.

Accordingly, the **Endowment Funds-Help Nepal Network Children Home** balance as at year-end represents the accumulated contributions together with the related interest income.

4.19 Administrative Fund

The Administrative Fund has been established to meet the organization's administrative expenses. The Fund balance had been carried forward at Rs. 22,500,000 in the financial statements for several years.

As per the decision taken in the management meeting of Help Nepal Network held on 2082/03/28, management concluded that accumulated interest income of Rs. 2,500,000 should be transferred to the Administrative Fund to reflect the intended balance of Rs. 25,000,000.

The Fund balance had not been updated in prior years, and accordingly, the adjustment has been restated in the financial statements of FY 2080/81.

As of the reporting date, the Fund is invested as follows:

Particulars	Amount (Rs.)
Fixed Deposit - Kumari Bank	12,500,000
Fixed Deposit - Lumbini Bikas Bank	12,500,000
Total	25,000,000

4.20 Cash and Cash Receivables

The bank balance maintained for the Help Nepal Network - Children Home had not been included in cash and cash equivalents in the financial statements of prior years. During FY 2080/81, this omission was corrected by restating and booking the balance up to that year. Accordingly, the Children Home bank balance has been presented under cash and cash equivalents from FY 2080/81 onwards.



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Sub Schedule 4.12 (a) Help Nepal Health Post Expenses

	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Salary	968,000.00	912,000.00
Printing & Stationery	-	3,015.00
Monitoring & Reporting Expenses	98,632.00	31,790.00
Outreach Clinic	47,520.00	42,848.00
General Expenses	6,000.00	-
Medicines	53,170.00	-
	1,173,322.00	989,653.00

Sub Schedule 4.12 (b) Help Nepal Network Children Home

	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Bank Charges	65.85	45.00
Bedding Expenses	-	67,250.00
Cleaning Expenses	8,510.00	9,500.00
Clothing Expenses	81,600.00	166,500.00
Coloring expenses	-	10,000.00
Communication	1,120.00	1,120.00
Consumable Goods	19,155.00	43,203.00
Documentary Expenses	-	24,915.00
Educational Expenses	159,153.00	64,508.00
Educational Tour	21,125.00	30,835.00
Electricity	40,529.00	38,165.00
Electronic Goods	-	-
eLibrary	-	501,715.00
Farewell Expenses	-	5,630.00
Farming Expenses	25,300.00	32,470.00
Festival Expenses	40,678.00	58,477.00
Flooring expenses	-	-
Health & Medicine Expenses	62,394.00	20,531.00
Inauguration Programme	-	-
Insurance	1,252,931.16	807,016.65
Internet Expenses	19,868.49	16,282.19
Kitchen Expenses	668,883.00	653,695.00
Kitchen utensils	2,625.00	11,805.00
Meeting expenses	6,022.00	36,775.00
Miscellaneous Expenses	22,840.00	22,905.00
Office Equipments	10,500.00	-
Office Furniture	-	30,800.00
Parqueting Expenses	-	-
Plumbing Expenses	-	15,126.00
Printing & Stationery	4,940.00	9,765.00
Railing expenses	-	17,340.00
Renew & Registration	500.00	500.00
Repair & Maintenance	79,147.00	15,830.00
Reporting & Monitoring expenses	50,434.00	29,990.00
Salary	862,850.00	893,080.00
Shelter Endowment Fund	-	1,209,027.00
Social Audit	10,255.00	8,380.00
Solar Expenses	-	53,000.00
Sports Expenses	15,300.00	35,200.00
Training Expenses	1,000.00	30,535.00
Transportation	31,250.00	5,975.00
Water	27,965.00	86,410.00
Well Installation	96,134.00	-
Gate Construction	38,560.00	-
	3,661,634.50	5,064,300.84



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Sub Schedule 4.12 (c) Support to Educational Institutions

	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Panchakanya Basic School, Kavre	825,306.00	827,219.00
Rajkuleshwor Basic School, Dolakha	82,630.00	464,331.66
Nepal Women Community Service Centre, Dang	-	180,000.00
Sipatinghare Sanskrit Secondary School, Sindhupalchowk	26,515.96	1,268,775.00
Indradhanus Primary School, Jajarkot	-	679,850.00
Nepal Rastriya Basic School, Parsa	-	90,000.00
	934,451.96	3,510,175.66

Sub Schedule 4.12 (d) Natural Disaster Relief Projects

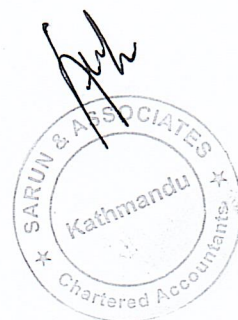
	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Bajhang Earthquake Victims	-	496,885.00
Jajarkot & Rukum Earthquake Victims	-	2,327,128.00
Lions Club of Pokhara	-	40,000.00
Khotang Fire victims	-	40,000.00
Saptari Fire Victims	-	126,898.00
Bajura Landslide & Earthquake victims	-	-
Flood/Landslide Victims	1,448,862.00	-
	1,448,862.00	3,030,911.00

Sub Schedule 4.12 (e) Health Related Projects

	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Barbardiya Nagar Hospital, Bardiya	470,000.00	-
Sajha Sahayatri Nepal	30,000.00	-
	500,000.00	-



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Sub Schedule 4.2 (a) Deposit & Advances

	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Advance of Others	2,500.00	2,500.00
Advance to Help Nepal Health Post	-	46,187.00
Advance to HeNN Children Home	-	49,224.10
Advance to Rastriya Awiskar Kendra	-	6,243.00
	2,500.00	104,154.10

Sub Schedule 4.8 (a) Salary Payable

	Amount (NRs.) FY 2081/82	Amount (NRs.) FY 2080/81
Shreeya Shrestha	-	7,700.00
Aastha Karki	-	20,000.00
Ranjana Regmi	49,005.00	-
Sarita Dhonju Shrestha	39,204.00	-
Amritmani Nepal	49,005.00	-
Sunita Guid	39,204.00	-
	176,418.00	27,700.00



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