Sah & CO.
Auditors Firm-2332
Ref:

Adress
Satokhar-4, Dhanusha

PAN NO:301012670

Independent Auditor's Report

To,
The Members,
Educating Nepal,
Kathmandu, Nepal

We have audited the accompanying Balance Sheet of the **M/S Educating Nepal, Kathmandu** as at Ashadh 31, 2070 (July 15 2013), related Income Statement and Cash Flow Statement of the Company for the period ended on that date annexed thereto and a Summary of significant Accounting Policies and other explanatory notes. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on auditing and relevant practices. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. We express our opinion that:

We report that:

1. We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law have been kept by the company in so for as it appears from our examination of those books of account.
3. The Balance Sheet and Income Statement dealt with by this report are in agreement with the books of account of the company.
4. In our opinion and to the best of our information and according to the explanations given to us, the said Statement of Accounts read with the notes give true and fair view:
   a. In the case of the Balance Sheet, of the state of affair of the company as at Ashadh 31, 2070 (15 July 2013).
   b. In the case of Income Statement, of the loss for the period ended on that date.
   c. In the case of Cash Flow Statement, the cash inflows and outflows for the period ended on that date.
5. In our opinion and to the best of our information and according to the explanation given to us and from our examination of the books of account of the company, we have not come across the cases where the board of directors or any member thereof or any employees of the company has acted in contravention of the existing laws, neither have they misappropriated fund nor caused any loss to the company so far as it appears from our audit.

KdShah
Registered Auditor

Date: 2070.04.27(08.11.2013)
Place: Kathmandu

EDUCATING NEPAL
Thamel-29 Kathmandu
Balance Sheet
as on 2070.03.31(07.15.2013)

Particulars	Schd.	Current Year Amount in Rs.	Previous Year Amount in Rs.
Assets			
Cash Balance		52,754.00	
		52,754.00	
Liabilities & Reserve			
Deficit of income over expenditure carried from Income Statement		(8,941.89)	
Current Liabilities			
Sundry Creditors			
Sah & Co., Registered Auditor 8500			
IRD Payable 1500		10,000.00	
Loan from Director		51,695.89	
		52,754.00	
Significant Accounting Policies and Notes to Accounts	5		

Subject to our report of even date

Date:2070.04.27(08.11.2013)
Place: Kathmandu

Binod Basnet
(President)

Ashirwad Tripathy
(Executive Director)

Sah & Co.
Registered Auditor

EDUCATING NEPAL

Thamel-29, Kathmandu

Income & Expenditure Account

For the period 2069.09.06(12.21.2012) to 2070.03.31(07.15.2013)

Particulars	Schd.	Current Year Amount in Rs.	Previous Year Amount in Rs.
Income			
Philanthropic Support	1	76,660.00	
Grant In Kind	2	422,835.00	
Membership Fee		50,000.00	
Total (A)		**549,495.00**	-
Expenditure			
Project Expenditure	4	352,520.89	
Administrative Expenses	3	205,916.00	
Total (B)		**558,436.89**	-
Excess of income over expenditure carried forward to the Balance Sheet (A-B)		**(8,941.89)**	-

Subject to our report of even date

Date:2070.04.27(08.11.2013)

Place: Kathmandu

Binod Basnet
(President)

Ashirwad Tripathy
(Executive Director)

Sah & Co.
Registered Auditor

EDUCATING NEPAL

Thamel-29, Kathmandu

Cash Flow Statement

For the period 2069.09.06(12.21.2012) to 2070.03.31(07.15.2013)

A.	**Cash Flows from Operating Activities**		**Amount (Rs)**
	Deficit of Income over Expenditure	(8,941.89)	
	Increase in creditors	61,695.89	
	Net Cash Flows From Operating Activities		**52,754.00**
B.	**Cash Flows From Investing Activities:**		-
C.	**Cash Flows From Financing Activities:**		-
	Net Decrease in cash and cash equivalent		52,754.00
	Cash and cash equivalent at the beginning of the period		-
	Cash and cash equivalent at the end of the period		**52,754.00**

Executive Director

President

Registered Auditor

EDUCATING NEPAL

Thamel-29, Kathmandu

Receipt and Payment Account

For the period 2069.09.06(12.21.2012) to 2070.03.31(07.15.2013)

Particulars	Current Year Amount in Rs.	Previous Year Amount in Rs.
Opening Balance as on 12.21.2012	-	
Cash in hand	-	
Receipt of the Year:		
Philanthropic Support	76,660.00	
Membership Fee	50,000.00	
Loan from Director	51,695.89	
Total(A)	**178,355.89**	
Payments of the Year:		
Building Under Construction	45,387.39	
School Operating Cost	21,898.50	
Community Development Tools	300.00	
The Smile Project	2,100.00	
Domain Purchased	1,200.00	
Printing & Stationery	841.00	
Legal Fees & Registration	3,525.00	
Promotional Tools	46,000.00	
Launch Expenses	3,000.00	
EN Banner	1,350.00	
Total(B)	**125,601.89**	
Closing Balance as on 07.15.2013 (A-B)		
Cash in hand	**52,754.00**	

Binod Basnet
(President)

Ashirwad Tripathy
(Executive Director)

Sah & Co.
Registered Auditor

Schedule 1

Income

Philanthropic Support	
Sujata and Family	11,700.00
Sharon	7,800.00
Bhadra Shiela Pun	500.00
B. Dipak Upadhayay	1,000.00
Manish Ghimire	500.00
Dhiraj Gartaula	500.00
Niraj Thapaliya	500.00
Shekhar Poudyal	500.00
Vivek Gautam	1,000.00
Bishnu Pd. Devkota	1,500.00
Sanjeev Silwal	5,000.00
Other Miscelleneous Reciept	34,160.00
Sponsorship for Teacher	12,000.00
	76,660.00

Schedule 2

Grant In Kind	
Course Books	90,000.00
Printing & Stationery	30,000.00
Website	50,000.00
White Boards	15,000.00
Computers	60,000.00
Rent	60,000.00
Stationery	65,000.00
The Smile Project	13,835.00
Support From Directors	39,000.00
	422,835.00

Schedule 3

Expenditure

Administrative Expenses	
Printing & Stationery	30,841.00
Legal Fees & Registration	3,525.00
Audit Fee & Expenses	10,000.00
Webpage Designing and Maintenance Cost	51,200.00
EN T-shirt	46,000.00
Public Launch Cost	3,000.00
EN Banner	1,350.00
Rent	60,000.00
Total Operational Cost	**205,916.00**

Executive Director

President

Registered Auditor

Schedule 4

Project Expenditure	
<u>Building Under Construction</u>	
Roof	32,797.39
Painting Expenses	4,790.00
School Board	300.00
Flooring	7,500.00
<u>School Operating Cost</u>	
Teacher's Salary	18,000.00
White Boards	15,000.00
Stationery	68,898.50
Course Books	90,000.00
<u>Community Development Tools</u>	
Computers	60,300.00
Support Community Task Force	9,000.00
<u>The Smile Project</u>	
Toys	13,835.00
Building Blocks	2,100.00
<u>Field Visit Cost</u>	
Transportation to Majhi Gaun	30,000.00
Total Project Cost	**352,520.89**

Schedule 5

Significant Accounting Policies and Notes to Accounts

1. **Accounting Convention:** The financial statements are prepared under the historical cost convention in accordance certain relevant Nepal Accounting Standards and requirements of Companies Act.

2. **Basis of Accounting :** Financial statements have been prepared on accrual basis of accounting in accordance with generally accepted accounting principles.

3. **Income Tax :** Income tax is calculated on the fiscal year having taxable income as per income Tax Act, 2058. However, the organisation has recieved tax exemption as per sec. 12 of the act.

Executive Director

President

Registered Auditor

EN Project Maile Gaun

Project Summary

Support to the Project	Amount in Rs.
Building Under Construction	**400,387.39**
Support From EN	
Roof	32,797.39
Painting Expenses	4,790.00
School Board	300.00
Flooring	7,500.00
Support From Community Task Force	
Land	150,000.00
Building Erection(Local Labour)	150,000.00
Roofing	10,000.00
Interiors	5,000.00
Flooring and furnishing	10,000.00
Toilet constructions	20,000.00
Use of local resourses	10,000.00
School Operating Cost	**377,898.50**
Support From EN	
Teacher's Salary	18,000.00
White Boards	15,000.00
Stationery	68,898.50
Course Books	90,000.00
Support From Community Task Force	
Support from EN Youth Wing	50,000.00
Cleaning and Maintenance	36,000.00
Government Grant to EN School Board	100,000.00
Community Development Tools	**81,300.00**
Support From EN	
Computers	60,300.00
Support to Community Task Force	9,000.00
Support From Community Task Force	
Support from EN Youth Wing	12,000.00
The Smile Project	**45,935.00**
Support From EN	
Toys	13,835.00
Building Blocks	2,100.00
Support From Community Task Force	
Transportation	30,000.00
Total Worth of Project	**905,520.89**
Total Support from EN	352,520.89
Total Support from Community Task Force	553,000.00
Local Resousce Utilisation	**61.07%**

Binod Basnet
(President)

Ashirwad Tripathy
(Executive Director)

Sah & Co,
Registered Auditor