

**R. K. Ghimire & CO.**

**Firm: 2118**

**Address**

G.P.O:

9243, Kathmandu

**Ref:**

Pan: 500067493

### **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 32, 2071 (July 16, 2014), 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 far 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 32, 2071 (16 July 2014).
  - 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.

Date: 2071.06.29(15.10.2014)

Place: Kathmandu

  
(R.K. Ghimire)  
For, R.K. Ghimire & Company

**EDUCATING NEPAL**

Thamel-29, Kathmandu

**Balance Sheet**


as on 32nd Ashad 2071 (16 July 2014)


Particulars	Schd.	Current Year Amount in Rs.	Previous Year Amount in Rs.
<b><u>Assets</u></b>			
Bank Account(NIBL no .01202050250382)		603,929.24	-
Cash Balance		5,000.00	52,754.00
Office Equipment(Capital Grant)		35,000.00	-
		<b>643,929.24</b>	<b>52,754.00</b>
<b><u>Liabilities &amp; Reserve</u></b>			
Balance upto last Year (8,941.89)			
Excess of income over expenditure carried from Income Statement 523,371.13		514,429.24	(8,941.89)
Capital Reserve(Capital Grant)		35,000.00	
Program Reserve Sponsor a Smile 44,500.00			
Sanitation Project 40,000.00		84,500.00	
<b><u>Current Liabilities</u></b>			
Sundry Creditors			
Audit Fee Payable 8,500.00			
IRD Payable 1,500.00		10,000.00	10,000.00
Short-term Support from Director		-	51,695.89
		<b>643,929.24</b>	<b>52,754.00</b>
Significant Accounting Policies and Notes to Accounts	4		

Subject to our report of even date

Date:2071.06.29(15.10.2014)

Place: Kathmandu

  
Ashirwad Tripathy  
Executive Director

  
Binod Basnet  
President

  
  
Radha Krishna Ghimire  
Auditor



**EDUCATING NEPAL**  
Thamel-29, Kathmandu  
**Income & Expenditure Account**

from 1st Shrawan 2070 to 32nd Ashad 2071 (16 July 2013 - 16 July 2014)

Particulars	Schd.	Current Year Amount in Rs.	Previous Year Amount in Rs.
<b><u>Income</u></b>			
Philanthropic Support		1,021,596.00	76,660.00
Sponsor A smile		298,000.00	-
Grant In Kind	1	316,843.00	422,835.00
Membership Fee		20,000.00	50,000.00
Other Income		4,882.42	-
<b>Total (A)</b>		<b>1,661,321.42</b>	<b>549,495.00</b>
<b><u>Expenditure</u></b>			
Project Expenditure	3	801,638.00	352,520.89
Administrative Expenses	2	251,812.29	205,916.00
<b>Total (B)</b>		<b>1,053,450.29</b>	<b>558,436.89</b>
Excess of income over expenditure		<b>607,871.13</b>	<b>(8,941.89)</b>
Transfer to Program Reserve		<b>84,500.00</b>	-
Surplus carried over to Balance Sheet		<b>523,371.13</b>	<b>(8,941.89)</b>

Subject to our report of even date

Date: 2071.06.29 (15.10.2014)

Place: Kathmandu



**Ashirwad Tripathy**  
Executive Director



**Binod Basnet**  
President



**Radha Krishna Ghimire**  
Auditor

**EDUCATING NEPAL**

Thamel-29, Kathmandu

**Cash Flow Statement**

from 1st Shrawan 2070 to 32nd Ashad 2071 (16 July 2013 - 16 July 2014)

A.	<b><u>Cash Flows from Operating Activities</u></b>		<b><u>Amount (Rs)</u></b>
	Excess of Income over Expenditure	607,871.13	
	Increase in creditors	-	
	Repayment of Short-term Support from Director	(51,695.89)	
	Net Cash Flows From Operating Activities		<b>556,175.24</b>
B.	<b><u>Cash Flows From Investing Activities:</u></b>		-
			-
C.	<b><u>Cash Flows From Financing Activities:</u></b>		-
	Net Decrease in cash and cash equivalent		556,175.24
	Cash and cash equivalent at the beginning of the period		52,754.00
	Cash and cash equivalent at the end of the period		<b>608,929.24</b>

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PresidentRadha Krishna Ghimire  
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**EDUCATING NEPAL**  
Thamel-29, Kathmandu  
**Receipt and Payment Account**

from 1st Shrawan 2070 to 32nd Ashad 2071(16 July 2013 - 16 July 2014)

Particulars	Current Year Amount in Rs.	Previous Year Amount in Rs.
<b><u>Opening Balance as on 12.21.2012</u></b>		
Cash in hand	52,754.00	-
<b>Total(A)</b>	<b>52,754.00</b>	<b>-</b>
<b><u>Receipt of the Year</u></b>		
Philanthropic Support	1,021,596.00	76,660.00
Sponsor a Smile Program	298,000.00	-
Membership Fee	20,000.00	50,000.00
Loan from Director	-	51,695.89
Other Income	4,882.42	-
<b>Total(B)</b>	<b>1,344,478.42</b>	<b>178,355.89</b>
<b><u>Payments of the Year:</u></b>		
Building Under Construction	375,000.00	45,387.39
Teacher's Salary	78,000.00	12,000.00
School Operating Cost	10,073.00	11,998.50
Community Development Tools	4,895.00	300.00
Educational Visit	64,045.00	-
Volunteer Mobilisation	26,718.00	-
Printing & Stationery	45,048.00	841.00
Legal Fees, Registration & Tax	9,929.29	3,525.00
Promotional Activities	46,905.00	49,000.00
Project Monitoring & Evaluation	51,064.00	-
Office Material	14,930.00	2,550.00
Auditor's Remuneration	10,000.00	-
Payments of loan	51,695.89	-
<b>Total(C)</b>	<b>788,303.18</b>	<b>125,601.89</b>
<b><u>Closing Balance as on 07.15.2013 (A+B-C)</u></b>	<b>608,929.24</b>	<b>52,754.00</b>
Cash in hand	5,000.00	52,754.00
Nepal Investment Bank Ltd.	603,929.24	-



Ashirwad Tripathy  
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Radha Krishna Ghimire  
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**EDUCATING NEPAL**  
Thamel-29, Kathmandu  
Fiscal Year 2070/71

**Schedule 1**

Grant In Kind	
Course Books	100,000.00
Printing & Stationery	20,000.00
Website Maintenance	2,000.00
Advertisement	3,000.00
Lodging for the kids on Visit to Kathmandu	25,000.00
Grant for EN Annual Day	40,000.00
Community Development Tool	1,105.00
Rent	60,000.00
Stationery	15,000.00
Engineer's Consultancy Fee	20,000.00
School bags	30,738.00
	<b>316,843.00</b>

**Schedule 2**

Administrative Expenses	
Printing & Stationery	65,048.00
Legal Fees, Registration & Tax	9,929.29
Audit Fee & Expenses	10,000.00
Webpage Designing and Maintenance Cost	2,000.00
Office operation	14,930.00
Promotional Activities	89,905.00
Rent	60,000.00
<b>Total Operational Cost</b>	<b>251,812.29</b>

  
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**EDUCATING NEPAL**  
Thamel-29, Kathmandu  
Fiscal Year 2070/71

**Schedule 3**

<b>Project Expenditure</b>	
<u>Innovative Learning Hub</u>	
Construction Materials (cements, rods, etc)	375,000.00
Engineer's Fee	20,000.00
<u>School Operating Cost</u>	
Teacher's Salary	78,000.00
Bags and Stationery	45,738.00
Year End Prize Distribution	10,073.00
Course Books	100,000.00
Educational Visit	89,045.00
<u>Community Development Tools</u>	
First Aid Kit	1,500.00
E-school Initiative	4,500.00
Volunteer Mobilisation	26,718.00
<u>Project Monitoring &amp; Evaluation</u>	
Meeting with School Board President	9,799.00
Transportation to Village	37,000.00
Miscellaneous Travel Expenses	4,265.00
<b>Total Project Cost</b>	<b>801,638.00</b>

**Schedule 4**

**Significant Accounting Policies and Notes to Accounts**

- Accounting Convention:** The financial statements are prepared under the historical cost convention in accordance certain relevant Nepal Accounting Standards and requirements of Companies Act.
- Basis of Accounting :** Financial statements have been prepared on accrual basis of accounting in accordance with generally accepted accounting principles.
- Income Tax :** Income tax is calculated on the fiscal year having taxable income as per income Tax Act, 2058. However, the organisation has received tax exemption as per sec. 12 of the act.
- Categorization of Expense Head:** Expenses has been re-arranged and categorized as per necessity.



Ashirwad Tripathy  
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Binod Basnet  
President




## EN Project Maihi Gaun

Project Summary(December 21, 2012 - July 16, 2014)

Support to the Project	till July 15, 2013	till July 16, 2014
Balance Transferred from Last Fiscal Year		905,520.89
<u>Innovative Learning Hub</u>	400,387.39	1,085,000.00
<b>Support From EN</b>		
Materials	45,087.39	375,000.00
Labour		20,000.00
Overheads	300.00	
<b>Support From Community Task Force</b>		
Land	150,000.00	2,00,000.00
Building Erection(Local Labour)	150,000.00	1,80,000.00
Roofing	10,000.00	
Interiors	5,000.00	
Flooring and furnishing	10,000.00	
Toilet constructions	20,000.00	
Use of local resources	10,000.00	230,000.00
Equipments,scaffoldings		30,000.00
Youth wing contribution		25,000.00
<b>Government Grant to EN School Board</b>		405,000.00
<u>School Operating Cost</u>	377,898.50	372,783.00
<b>Support From EN</b>		
Teacher's Salary	18,000.00	78,000.00
Educational Tour		89,045.00
Bags aand Stationery	83,898.50	45,738.00
Course Books	90,000.00	100,000.00
<b>Support From Community Task Force</b>		
Support from EN Youth Wing	50,000.00	
Cleaning and Maintenance	36,000.00	
Government Grant to EN School Board	100,000.00	60,000.00
<u>Community Development Tools</u>	127,235.00	47,718.00
<b>Support From EN</b>		
Computers	60,300.00	
First Aid Kit		1,500.00
e-school Innitiative		4,500.00
The Smile Project	15,935.00	
Support to Community Task Force	9,000.00	26,718.00
<b>Support From Community Task Force</b>		
Support from EN Youth Wing	42,000.00	15,000.00
<u>Project Monitoring &amp; Evaluation</u>	-	51,064.00
Meeting with School Board President		9,799.00
Transportation to Village		37,000.00
Miscellaneous Travel Expenses		4,265.00
<b>Total Worth of Project</b>	<b>905,520.89</b>	<b>2,462,085.89</b>



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