

R. K. Ghimire & CO.

Firm: 2118

Ref:

Address

G.P.O:9243,

Kathmandu, Nepal

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 31, 2072 (July 16 2015), 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 31, 2072 (15 July 2015).
 - 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: 2072/06/24

Place: Kathmandu



RA Radha Krishna Ghimire
For, M/S R.K. Ghimire & Co.
Registered Auditors

EDUCATING NEPAL

Thamel-29, Kathmandu

Balance Sheet

as on 31st Ashad 2072 (16 July 2015)

Particulars	Schd.	Current Year Amount in Rs.	Previous Year Amount in Rs.
Assets			
Bank Account (NIBL no .01202050250382)		2,321,001.92	603,929.24
Cash Balance		20,000.00	5,000.00
Office Equipment(Capital Grant)		35,000.00	35,000.00
Accumulated Depreciation		(7,000.00)	-
		2,369,001.92	643,929.24
Liabilities & Reserve			
Balance up to last Year	514,429.24		
Excess of income over expenditure carried from Income Statement	<u>1,164,572.68</u>	1,679,001.92	514,429.24
Capital Reserve(Capital Grant)		35,000.00	35,000.00
General Reserve		500,000.00	-
Program Reserve		145,000.00	84,500.00
Current Liabilities			
Audit Fee Payable	8500		
IRD Payable	<u>1500</u>	10,000.00	10,000.00
		2,369,001.92	643,929.24
Significant Accounting Policies and Notes to	4		

Subject to our report of even date

Date:2072.06.24(11.10.2015)

Place: Kathmandu

Ashirwad Tripathy
Executive DirectorBinod Basnet
PresidentRadha Krishna Ghimire
Auditor

EDUCATING NEPAL
Thamel-29, Kathmandu
Income & Expenditure Account

from 1st Shrawan 2071 to 31 Ashad 2072 (17 July 2014 - 16 July 2015)

Particulars	Schd.	Current Year Amount in Rs.	Previous Year Amount in Rs.
<u>Income</u>			
Philanthropic Support		4,278,798.22	1,021,596.00
Sponsor A smile		88,000.00	298,000.00
Grant in Kind	1	375,411.00	316,843.00
Membership Fee		22,500.00	20,000.00
Other Income		14,531.42	4,882.42
Total (A)		4,779,240.64	1,661,321.42
<u>Expenditure</u>			
Project Expenditure	3	2,811,984.99	801,628.00
Administrative Expenses	2	157,682.97	251,812.29
Total (B)		2,969,667.96	1,053,440.29
Excess of income over expenditure		1,809,572.68	607,881.13
Transfer to Program Reserve		(145,000.00)	84,500.00
Transfer to General Reserve		(500,000.00)	-
Surplus carried over to Balance Sheet		1,164,572.68	523,381.13

Subject to our report of even date

Date: 2072.06.24 (11.10.2015)

Place: Kathmandu


Ashirwad Tripathy
Executive Director


Binod Basnet
President



Radha Krishna Ghimire
Auditor

EDUCATING NEPAL

Thamel-29, Kathmandu

Cash Flow Statement

from 1st Shrawan 2071 to 31st Ashad 2072 (17 July 2014 - 16 July 2015)

		Amount (Rs)
A.	Cash Flows from Operating Activities	
	Excess of Income over Expenditure	1,164,572.68
	Increase in General Reserve	500,000.00
	Increase in Program Reserve	60,500.00
	Increase in Accumulated Depreciation	7,000.00
	Net Cash Flows From Operating Activities	1,732,072.68
B.	Cash Flows From Investing Activities:	-
C.	Cash Flows From Financing Activities:	-
	Net increase in cash and cash equivalent	1,732,072.68
	Cash and cash equivalent at the beginning of the period	608,929.24
	Cash and cash equivalent at the end of the period	2,341,001.92

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EDUCATING NEPAL

Thamel-29, Kathmandu

Receipt and Payment Account

from 1st Shrawan 2071 to 31 Ashad 2072 (17 July 2014 - 16 July 2015)

Particulars	Previous Year Amount in Rs.	Current Year Amount in Rs.
Opening Balance as on 17.07.2014		
Nepal Investment Bank Ltd	-	603,929.24
Cash in hand	52,754.00	5,000.00
Total(A)	52,754.00	608,929.24
Receipt of the Year		
Philanthropic Support	1,021,596.00	4,278,798.22
Sponsor a Smile Program	298,000.00	88,000.00
Membership Fee	20,000.00	22,500.00
Other Income	4,882.42	14,531.42
Total(B)	1,344,478.42	4,403,829.64
Payments of the Year:		
Building Under Construction	375,000.00	775,000.00
Teacher's Salary	78,000.00	199,000.00
School Operating Cost	10,075.00	83,229.00
Community Development Tools	4,895.00	1,257,256.61
Educational Visit	64,045.00	-
Volunteer Mobilisation	26,718.00	29,088.38
WOMEN Empowerment	-	50,000.00
Printing & Stationery	45,048.00	46,872.00
Legal Fees, Registration & Tax	9,929.29	7,423.97
Promotional Activities	46,905.00	16,387.00
Project Monitoring & Evaluation	51,064.00	197,500.00
Office Material	14,930.00	-
Auditor's Remuneration	10,000.00	10,000.00
Payments of loan	51,695.89	-
Total(C)	788,303.18	2,671,756.96
Closing Balance as on 16.07.2015 (A+B-C)		
Cash in hand	608,929.24	2,341,001.92
Nepal Investment Bank Ltd.	5,000.00	20,000.00
	603,929.24	2,321,001.92


Ashirwad Tripathy
Executive Director


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EDUCATING NEPAL
Thamel-29, Kathmandu
Fiscal Year 2071/72

Schedule 1

Grant in Kind	
Course Books	100,000.00
Website Maintenance	10,000.00
Community Development Tool	5,000.00
Rent	60,000.00
Stationery	35,000.00
Earthquake Relief Material	165,411.00
	375,411.00

Schedule 2

Administrative Expenses	
Legal Fees, Registration & Tax	7,423.97
Audit Fee & Expenses	10,000.00
Webpage Designing and Maintenance Cost	10,000.00
Office operation	45,872.00
EN Annual Day	16,387.00
Rent	60,000.00
Amotrisation Expenses	7,000.00
Total Operational Cost	157,682.97



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Thamel-29, Kathmandu

Fiscal Year 2071/72


Schedule 3

Project Expenditure	
<u>Innovative Learning Hub</u>	
Construction Materials (cements, rods, etc)	775,000.00
<u>School Operating Cost</u>	
Teacher's Salary	199,000.00
Desks and Benches	83,229.00
Stationery & equipment	35,000.00
Course Books	100,000.00
<u>Community Development Tools</u>	
WOMEN Empowerment	50,000.00
Earthquake Relief	1,338,167.61
Volunteer Mobilisation	29,088.38
Construction Materials	5,000.00
<u>Project Monitoring & Evaluation</u>	
Meeting with School Board President	35,000.00
Transportation to Village	160,000.00
Miscellaneous Travel Expenses	2,500.00
Total Project Cost	2,811,984.99

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.
- Depreciation on Office Equipment:** Depreciation has been charged using Straight Line Method (SLM) with useful life of 5 years.


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