

**CANOPY-NEPAL**  
**BALUWATAR KATHMANDU-NEPAL**

**INDEPENDENT AUDITOR'S REPORT**

For The Financial year 2076-2077  
(CORRESPONDING PERIOD 2019-2020)



**Address: New Baneshwor-10, Kathmandu, Nepal**  
**CONTACT NO: 014795201**

**B.B. Joshi & Associates**  
Chartered Accountants



Ref. No.

Date :

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CANOPY-NEPAL  
BALUWATAR, KATHMANDU, NEPAL**

We have audited the accompanying financial statements of **Canopy, Nepal** which comprise the Balance Sheet as at 31<sup>st</sup> Ashadh, 2077 (July 15, 2020), and the related Income and expenditure account and Cash Flow statement with significant Accounting Policies & Notes to Accounts for the year then ended.

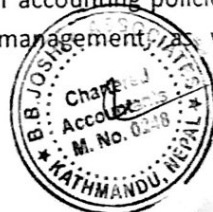
**Management Responsibilities on Financial Statements:**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control system relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable at the circumstances.

**Auditor's Responsibilities:**

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. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain the reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and disclosure in the financial statements. The procedures selected depend on our professional judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal control system relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of financial statements.



We believe that our audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion

**Opinion:**

1. 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.
2. In our opinion, proper books of accounts have been kept by the organization so far as appears from the examination of those books.
3. The Balance Sheet, Income & Expenditure Account, and Cash Flow Statement dealt with by this report are prepared in compliance with the Nepal Accounting Standards.
4. In our opinion and to the best of our information and according to the explanation given to us and as shown by the books of the Organization, the accounts have been correctly drawn-up so as to reflect the financial position of the organization:
  - a. In case of the Balance Sheet of the state of affairs of the organization as at 31<sup>st</sup> Ashadh, 2077.
  - b. In case of the Income & Expenditure Account of the Surplus for the year ended 31<sup>st</sup> Ashadh, 2077.
  - c. In case of Cash Flow Statement of the cash flow for the year ended 31<sup>st</sup> Ashadh, 2077.
5. In our opinion and to the best of our information and according to the explanation given to us, the Board of management committee, the representative or any employee of the company has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Organization deliberately.

**Place:** Kathmandu

**Date:** 14.09.2020

  
Bhakti Joshi FCA  
For: B.B. Joshi & Associates  
Chartered Accountants  
UDIN: 200916 CA00248Kw150

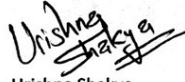
**Canopy Nepal**  
Baluwatar , Kathmandu  
Consolidated Balance Sheet as on 31st Ashad 2077

Particular	Sch no.	Current Year	Previous Year
<b>Capital &amp; Liabilities</b>			
Members Fund	1	-	-
Reserve & Surplus	2		
Surplus/ (Deficit)		1,125,798	1,191,251
Grant Liabilities	3	108,138	-
other Adjustment			
<b>Total Rs.</b>		<b>1,233,935</b>	<b>1,191,251</b>
<b>Assets &amp; Properties</b>			
Fixed Assets	4	196,359	-
<b>Current Assets</b>			
Cash & Bank Balances	5	1,173,500	1,223,923
<b>Less : Current Liabilities &amp; Provision</b>			
Sundry Creditors & Payable	6	135,924	32,672
<b>Net Current Assets</b>		<b>1,037,576</b>	<b>1,191,251</b>
<b>Total Rs.</b>		<b>1,233,935</b>	<b>1,191,251</b>

As per the Report of Even Date

Schedule 1-9 form an integral part of the Financial statement

  
Roshan Bhatt  
Treasurer

  
Urishna Shakya  
Secretary

  
Mohit Rauniyar  
Chairperson



## Canopy Nepal

Baluwatar , Kathmandu

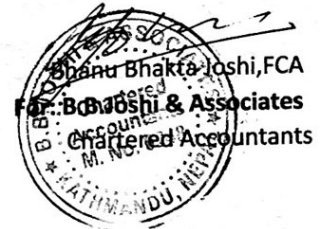
Consolidated Income & Expenditure Account for the year Ashad end 2077

Particulars	Sch no.	Current Year	Previous Year
<b>Income</b>			
Grant Income	7	4,457,669	4,754,182
Local Grant			-
<b>Total Grant Received</b>		<b>4,457,669</b>	<b>4,754,182</b>
<b>Less :Program Expenses</b>	<b>8.1</b>	<b>3,666,143</b>	<b>4,364,080</b>
<b>Surplus (Deficit)</b>		<b>791,526</b>	<b>390,102</b>
<b>Less : Administration Expenses</b>	<b>8.2</b>	<b>791,526</b>	<b>563,735</b>
<b>Operating Surplus</b>		<b>-</b>	<b>(173,633)</b>
Less :Depreciation	4	(65,453)	
<b>Surplus/(Deficit)</b>		<b>(65,453)</b>	<b>(173,633)</b>
<b>Surplus/(Deficit) Transfer to Balance Sheet</b>		<b>(65,453)</b>	<b>(173,633)</b>

  
Roshan Bhatt  
Treasurer

  
Urishna Shakya  
Secretary

  
Mohit Rauniyar  
Chairperson


  
B. B. Joshi & Associates  
Chartered Accountants  
Kathmandu, Nepal



**Canopy Nepal**  
Baluwatar , Kathmandu  
Cash Flow Statement as on 31st Ashad 2077

Particular	Current year	Previous Year
<b>A. Cash Flow from Operating Activities</b>		
Surplus as per Surplus & ( Deficit) A/C	(65,453)	(173,633)
Add : Depreciation	65,453	
<b>Cash Flow from Operating Activities before changes in working capital</b>	-	(173,633)
<b>Cash Flow from changes in working capital</b>		
Changes in Current Assets		
Changes in Current Liabilities	103,252	2,673
<b>Net Cash Flow Operating Activities</b>	<b>103,252</b>	<b>2,673</b>
<b>B. Cash flow investment Activities</b>		
Purchase of Assets	(261,812)	
<b>C. Cash flow from Financing Activities</b>		
Grant Liabilities	108,138	
<b>Net Cash Flow During the Year (A+B+C)</b>	<b>(50,423)</b>	<b>(170,961)</b>
Cash & Bank Balance at the beginning of the year	1,223,923	1,394,884
<b>Cash &amp; Bank Balance at the end of the year</b>	<b>1,173,500</b>	<b>1,223,923</b>

  
Roshan Bhatt  
Treasurer

  
Urishna Shakya  
Secretary

  
Mohit Rauniyar  
Chairperson



## Canopy Nepal

Baluwatar, Kathmandu

### Members Fund

### Schedule No-1

Particular	Current Year	Previous Year
Opening Balance	-	-
Addition During the Year	-	-
Total	-	-

### Reserve & Surplus:

### Schedule No-2

Particular	Current Year	Previous Year
Opening Balance	1,191,251	1,364,884
Deficit During the Year	(65,453)	(173,633)
Total	1,125,798	1,191,251

### Grant Liabilities ( To the Extent no Spent )

### Schedule No-3

Particular	Current Year	Previous Year
Total Grant Received	4,565,807	-
Less: Expenses Spent	4,457,669	-
Total	108,138	-

### Cash & Bank Balances

### Schedule No-5

Particular	Current Year	Previous Year
<b>Bank Balances</b>		
CANSHIP	289,564	
FESSHIP	5,000	
Canopy Nepal ( Learners' Hub)	878,936	
Total	1,173,500	1,223,923



## Detail of Payables

Schedule No.6

Particulars	Current Year	Previous Year
Audit fee payable	50,175	12,750
Social Security tax	5,074	3,272
TDS on Audit Fee	675	2,250
Social Welfare Council Payable	80,000	-
House rent Tax payable	-	14,400
<b>Total</b>	<b>135,924</b>	<b>32,672</b>

## Grant Received

Schedule No.7

Particulars	Current year	Previous year
<b>Foreign Grant</b>	<b>4,357,882</b>	<b>-</b>
CANSHIP	1,539,082	-
FESSHIP	1,804,000	-
Canopy Nepal	1,014,800	-
<b>Local Grant</b>	<b>207,925</b>	<b>-</b>
CANSHIP	-	-
FESSHIP	-	-
Canopy Nepal	207,925	-
Grant Liabilities	(108,138)	-
<b>Grant Income</b>	<b>4,457,669</b>	<b>4,754,182</b>

## Program Expenses

Schedule No. 8.1

Particular	Current Year	Previous Year
Fees (Hostel and School Fees)	881,792	1,750,000
Certificate & Prizes	428,573	-
Lunch & Refreshments	427,152	-
Travelling Expenses	526,006	875,400
Stationery Expenses	633,524	1,098,707
Training & Workshops	311,597	-
Uniform	103,412	-
Covid - 19 Relief	170,373	-
Monitoring & Evaluation	80,000	-
Miscellaneous	103,714	639,973
<b>Total</b>	<b>3,666,143</b>	<b>4,364,080</b>

## Administration Expenses

Schedule No 8.2

Particular	Current Year	Previous Year
Salary	507,362	324,000
Rent	120,000	129,600
Stationary	28,061	43,605
Travel Expense	30,000	38,765
Audit Fee	50,850	15,000
Miscellaneous Expenses	20,825	12,765
Internet & Communication	34,428	-
<b>Total</b>	<b>791,526</b>	<b>563,735</b>





<b>Canopy Nepal</b> <b>Baluwatar, Kathmandu</b> <b>(For The Purpose of Tax on WDV Method)</b>								
<b>Details of Fixed Assets:</b>								
S.No.	Depreciable Assets	Rate %	Opening WDV	Addition	Addition to Dep Base	Dep Base	Dep for the year	Closing WDV
1	Group A	5%	-	261,812	-	261,812	-	196,359
2	Group B	25%	-	-	-	-	-	-
3	Group C	20%	-	-	-	-	-	-
4	Group D	15%	-	-	-	-	-	-
5	Group E	SLM	-	-	-	-	-	-
	<b>Total</b>		-	<b>261,812</b>	<b>261,812</b>	<b>261,812</b>	<b>65,453</b>	<b>196,359</b>



**Canopy Nepal**  
**Baluwatar-4, Kathmandu, Nepal**

**Accounting policies and explanatory notes to the financial statements for the year ended on 31 Ashad 2077.**

**1. General Information**

**Canopy Nepal** is a non-profit company registered in the Office of the Company Registrar (Reg. No.: 47204) under the Company Act 2063. The organization has obtained Permanent Account Number (**PAN 604238784**) from the Inland Revenue Department, Tangal, Kathmandu for Income Tax Purpose. Primary objectives of this non-profit company is to create accessibility in education for children through scholarship programs and promotion of interactive skills among students, youths and teachers through workshops, trainings and seminars and support in improving quality of education in Nepal. .

**2. Significant Accounting Policies**

**1. Basis Of Preparation**

These financial statements have been prepared in compliance with the Nepal Accounting Standards issued by the Accounting Standards Board of Nepal.

Financial statements are prepared under historical cost convention on an accrual concept and are in accordance with Nepal Accounting Standards Except otherwise mentioned and other applicable laws prevalent in Nepal.

The Presentation of financial statements in accordance with NAS requires the determination and consistent application of accounting policies to transactions and events.

**1. Use of Estimates**

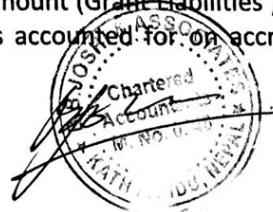
The Preparation of the financial statements in conformity with the NAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of balance sheet. Actual amount could differ from those estimates. Any differences from those estimates are recorded in the period in which they are identified.

**1. Going Concern**

The Financial Statements are prepared on the assumption that the company is going concern.

**1. Revenue**

Revenue income represents Grant received minus unspent amount (Grant Liabilities ) as expenses in the admin & programs of the project which is accounted for on accrual basis.



**1. Borrowing costs**

All borrowing costs are recognized in the Income Statement in the period in which they are incurred.

**1. Leases**

Rental costs under operating leases are charged to the income statement in equal annual amounts over the Lease term.

**7. Property, Plant and equipment**

Fixed assets have been purchased this year of Rs.261.812.00

**8. Depreciation Base.**

Depreciation is charged using the Diminishing Balance Method for Taxation and accounting purpose.

**9. Cash & Cash equivalents**

Cash and cash equivalents are defined as cash in hand demand deposits and short-term highly liquid investments, readily convertible to know amounts of cash and subject to insignificant risk of changes in value.

**3 Notes to Account**

**3.1 Taxation.**

The organization is exempted from tax liabilities

**3.2 Trade & other payables:**

Liabilities for trades and other payables are carried at cost which is the fair value of services & goods.

**3.3 Cash flow Statement:**

Cash Flow statement has been prepared in accordance with Nas-07.

**3.4 Cash & Bank Balance:**

The Cash & Bank Balance is shown in the Balance Sheet as certified by the management and bank respectively.

Note:

a) Previous year figures have been regrouped or rearranged wherever considered necessary to make them comparable with the current year figures.

b) Note Schedule from 01-09 form an integral part of the financial statement.

  
Secretary

  
Treasurer

  
Chairperson

