

INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF THE BOARD OF DIRECTORS

**Canopy Nepal  
Baluwatar, kathmandu**

**Audit Report**  
**2078-79**

**D.Shahi & Associates  
Tinkune, Kathmandu-32**

# **D. Shahi & Associates**

## **Chartered Accountants**

**Contact: +977-9851237882**

**Address: Tinkune, Kathmandu-32, Nepal**

**E-mail: dshahiandassociates@gmail.com**

### **INDEPENDENT AUDITOR'S REPORT To The Members of Canopy Nepal**

We have audited the accompanying financial statements of **Canopy Nepal** which comprises the Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserve, Statement of Cash Flow, related schedules and notes to account for the period ended 16<sup>th</sup> July 2022.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards generally accepted in the Nepal. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair 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 in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the Nepal. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of



accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Canopy Nepal's policy is to prepare the accompanying financial statements on accrual basis of accounting.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the Statement of Financial Position, Statement of Income & Expenditure, Statement of Cash Flow, related schedules and notes to account for the period then ended is in conformity with accounting principles generally accepted in the Nepal.

Date: 11.04.2079

Place: Kathmandu

UDIN: 220727CA017296BiPv



For D. Shahi & Associates

CA Dilendra Shahi

Chartered Accountants

**Canopy Nepal**  
 Baluwatar, Kathamandu  
 Statement of Financial Position  
 As on 32nd Ashad 2079 (16 July 2022)

Particulars	Schedule	Current Year	Previous Year
<b>Fund &amp; Liabilities</b>			
<b>Fund Balances</b>			
Members Fund	1	-	-
Reserve & Surplus	2	1,209,513	1,137,946
Donor Fund	3	3,094,019	2,997,712
<b>Liabilities</b>			
Other Payables-TDS	4	121,511	119,525
<b>Total</b>		<b>4,425,043</b>	<b>4,255,183</b>
<b>Non Current Asset</b>			
Property, Plant and Equipments	5	487,450	310,683
<b>Current Assets</b>			
Cash & Bank Balances	6	3,937,593	3,944,500
<b>Total</b>		<b>4,425,043</b>	<b>4,255,183</b>

Significant accounting policies and notes to accounts in schedule 11  
 Schedules 1 to 11 Forms Integral Part of the Financial statement



Mohit Rauniyar, CANOPY  
 NEPAL  
 Estd. 2015

Chairperson

Roshan Bhatta

Treasurer

Yuvraj Sonal

Finance Officer

As per our report of even date

Shreya Upadhyay

Director

For D. Shahi & Associates

CA. Dilendra Shahi

Chartered Accountants

Membership No.1729

COP :1175, ICAN Reg. 1049



Yuvraj Sonal

Finance Officer

Date : 11.04.2079

Place: Kathmandu

# Canopy Nepal

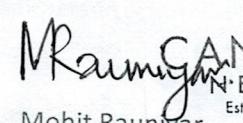
Baluwatar , Kathamandu  
Income and Expenditure Account  
For the year ended 32nd Ashad 2079 (16 July 2022)

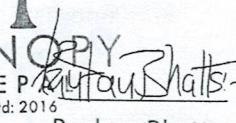
Particulars	Schedule	Current Year	Previous Year
<b>Income</b>			
Grant Income	7	9,165,134	8,287,047
Other Income - Interest Income		168,732	82,093
<b>Total</b>		<b>9,333,866</b>	<b>8,369,140</b>
<b>Expenditure</b>			
Program Expenses	8	7,934,889	7,253,911
Less : Adminstrative Expenses	9	1,230,245	1,033,136
<b>Total</b>		<b>9,165,134</b>	<b>8,287,047</b>
<b>Surplus (Deficit)</b>		<b>168,732</b>	<b>82,093</b>
Less :Depreciation	10	97,165	69,946
<b>Surplus/(Deficit) for the Year</b>		<b>71,567</b>	<b>12,147</b>
<b>Surplus/(Deficit) Transfer to Balance Sheet</b>		<b>71,567</b>	<b>12,148</b>

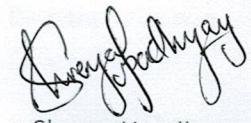
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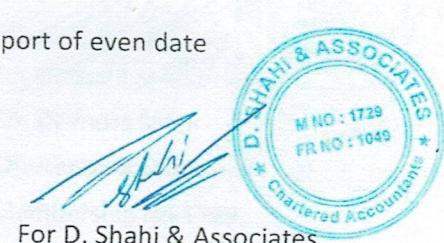


As per our report of even date

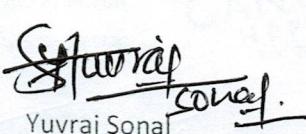
  
Mohit Rauniyar  
Chairperson

  
Roshan Bhatta  
Treasurer

  
Shreya Upadhyay  
Director



For D. Shahi & Associates  
CA. Dilendra Shahi  
Chartered Accountants  
Membership No.1729  
COP :1175, ICAN Reg. 1049

  
Yuvraj Sonal  
Finance Officer

Date : 11.04.2079  
Place: Kathmandu

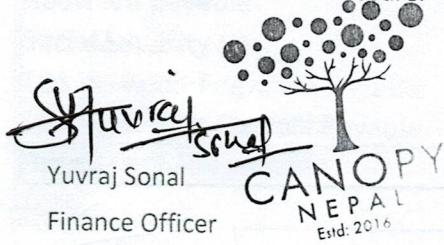
**Canopy Nepal**  
**Baluwatar, Kathamandu**  
**Cash Flow Statement as on 32nd Ashad 2079 (16 July 2022)**

Particular	Current year	Previous Year
<b>A. Cash Flow from Operating Activities</b>		
Surplus / Deficit	71,567	12,148
Add : Depreciation	97,165	69,946
<b>Cash Flow from Operarting Activities before changes in working capital</b>	<b>168,732</b>	<b>82,094</b>
<b>Changes in working capital</b>	<b>1,986</b>	-
(Increase)/Decrease in Current Assets	-	-
Increase/ (Decrease) in Current Liabilities	1,986	-
<b>Net Cash Flow Operating Activities</b>	<b>170,718</b>	-
<b>B. Cash flow from Investment Activities</b>	<b>(273,932)</b>	<b>(184,270)</b>
(Increase)/Decrease in Assets	(273,932)	(184,270)
<b>C. Cash flow from Financing Activities</b>	<b>96,308</b>	<b>2,889,575</b>
Increase/ (Decrease) in Grant Liabilities	96,308	2,889,575
<b>Net Cash Flow During the Year (A+B+C)</b>	<b>(6,906)</b>	<b>2,705,305</b>
Cash & Bank Balance at the beginning of the year	3,944,500	1,173,500
<b>Cash &amp; Bank Balance at the end of the year</b>	<b>3,937,593</b>	<b>3,944,500</b>

As per our report of even date

*M.Rauniyar.*  
Mohit Rauniyar

Chairperson



*S. Sonal*  
Yuvraj Sonal  
Finance Officer

*Roshan Bhatta*  
Roshan Bhatta

Treasurer

*Shreya Upadhyay*  
Shreya Upadhyay

Director

For D. Shahi & Associates

CA. Dilendra Shahi  
Chartered Accountants

Membership No.1729  
COP :1175, ICAN Reg. 1049



Date : 11.04.2079

Place: Kathmandu

**Canopy Nepal**  
Baluwatar , Kathamandu

Schedules forming part of the Financial Statement

**Members Fund**

Schedule 1

Particular		Current Year	Previous Year
Opening Balance		-	-
Addition During the Year		-	-
<b>Total</b>		-	-

**Reserve & Surplus:**

Schedule 2

Particular		Current Year	Previous Year
Opening Balance		1,137,946	1,125,798
Deficit/Surplus During the Year		71,567	12,148
<b>Total</b>		<b>1,209,513</b>	<b>1,137,946</b>

**Donor Fund**

Schedule 3

Particular	Sub-Sch	Current Year	Previous Year
Opening Balance		2,997,712	108,138
Total Grant Received	3.1	9,261,441	11,176,621
Less: Expenses during the year		9,165,134	8,287,047
<b>Total</b>		<b>3,094,019</b>	<b>2,997,712</b>

**Other Payables**

Schedule 4

Particulars		Current Year	Previous Year
Audit fee payable		111,500	111,500
Social Security tax		8,511	6,525
TDS on Audit Fee		1,500	1,500
Social Welfare Council Payable		-	-
House rent Tax payable		-	-
<b>Total</b>		<b>121,511</b>	<b>119,525</b>

Maunijan. *Benjyadhyay* / *Kutau Bhatti* - *Shubra* *Shah* *Shah*



**Property, Plant and Equipments**

**Schedule 5**

Particulars		Current Year	Previous Year
Fixed Asset		487,450	310,683
<b>Total</b>		<b>487,450</b>	<b>310,683</b>

**Cash & Bank Balances**

**Schedule 6**

Particular		Current Year	Previous Year
<b>Siddhartha Bank</b>			
CANSHIP		2,005	3,909
FESSHIP		10,321	2,676
Canopy Nepal		1,148,691	3,355,202
Learners Hub		20,054	190,416
Beyond Borders		250,522	392,297
Fixed Deposit		2,500,000	-
Nepal Investment Bank		6,000	-
<b>Total</b>		<b>3,937,593</b>	<b>3,944,500</b>

**Grant Income**

**Schedule 7**

Particulars		Current year	Previous year
<b>Opening Balance</b>		<b>2,997,712</b>	<b>108,138</b>
<b>Foreign Grants Received</b>		<b>7,401,441</b>	<b>10,853,887</b>
CANSHIP		2,687,954	3,819,400
FESSHIP		1,656,781	1,638,395
Canopy Nepal		1,297,270	4,241,985
Beyond Borders		1,759,436	1,154,108
<b>Local Grant</b>		<b>1,860,000</b>	<b>207,925</b>
CANSHIP		-	-
FESSHIP		-	-
Canopy Nepal		1,835,000	295,134
Learners' Hub		25,000	27,600
Less: To the Extent Not spent During the Year		3,094,019	2,997,712
<b>Grant Income recognized During the year</b>		<b>9,165,134</b>	<b>8,287,047</b>

M. Rauniyar. *Ramachary*  
*RautayShatt* - *Pravai Sonel* *Habli*



**Program Expenses**

**Schedule 8**

Particular		Current Year	Previous Year
Scholarship Expenses	8.1	3,442,743	4,673,505
Learners' Hub	8.2	2,008,019	1,931,104
Short Term Programs	8.3	1,726,537	-
Project Operation Expenses	8.4	757,590	649,303
<b>Sub-total</b>		<b>7,934,889</b>	<b>7,253,911</b>
Administration Expenses	9	1,230,245	1,033,136
<b>Total</b>		<b>9,165,134</b>	<b>8,287,047</b>

**Scholarship Expenses**

**Schedule 8.1**

Particulars		Current Year	Previous Year
Admission/College Fees		1,664,768	1,058,565
Digital Gadgets for scholars (laptops)		-	1,248,000
Medicine and Checkups		38,163	70,316
Stationaries & Supplies		752,466	942,799
Scholars Transportation & Communication		218,490	89,587
School Workshop/Training /Sessions		133,667	40,935
Healthy Meal Program		200,506	31,820
COVID Relief (Food and Sanitation Supplies)		111,188	945,587
Uniform Expenses		318,205	221,835
Miscellaneous Expenses		5,290	24,062
<b>Total</b>		<b>3,442,743</b>	<b>4,673,505</b>

**Learners' Hub**

**Schedule 8.2**

Particular		Current Year	Previous Year
Certificates/Token of Love		245,435	270,351
Facilitator Remuneration		513,786	412,700
Stationaries & Supplies		219,704	431,760
School Workshop/Training/Sessions		298,213	288,900
Travelling		343,470	262,893
Tutors		387,411	264,500
<b>Total</b>		<b>2,008,019</b>	<b>1,931,104</b>

Mr. Rauniyar Pranay Jyoti Shrestha - S. Kauraj long.



**Short Term Programs**

**Schedule 8.3**

Particular		Current Year	Previous Year
Certificates/Token of Love		233,565	-
Trainers' Allowance		192,400	-
Stationaries & Supplies		355,879	-
Social Media Expenses		375,647	-
Travelling		334,480	-
Tutors		234,566	-
<b>Total</b>		<b>1,726,537</b>	-

**Project Operation Expenses**

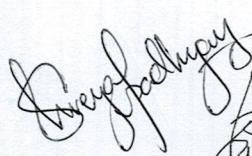
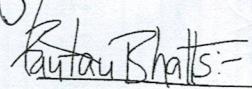
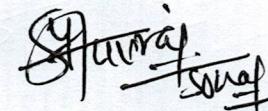
**Schedule 8.4**

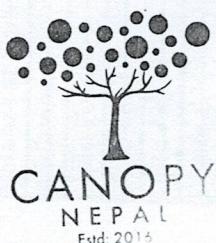
Particular		Current Year	Previous Year
Meals & Refreshment		255,224	163,312
Travelling Expenses		353,268	242,399
Project Printing & Stationaries		-	10,684
Project Supplies & Equipments		25,843	98,488
Monitoring & Evaluation Expenses		58,113	110,000
Miscellaneous Expenses		65,142	24,420
<b>Total</b>		<b>757,590</b>	<b>649,303</b>

**Administrative Expenses**

**Schedule 9**

Particular		Current Year	Previous Year
Remuneration		851,120	652,535
Rent		96,000	96,000
Printing & Stationary		16,700	5,625
Travelling Expenses		37,640	80,988
Audit Fee		113,000	113,000
Internet & Communication		22,700	38,640
Website Expenses		4,500	13,249
Water & Electricity		16,423	13,576
Renewal Charges		47,689	2,525
Miscellaneous Expenses		24,473	16,998
<b>Total</b>		<b>1,230,245</b>	<b>1,033,136</b>



## Canopy Nepal

Baluwatar , Kathamandu

### Property, Plant and Equipments

	Cost	Land and Building	Plant and Machinery	Furniture and Fixture	Office Equipment	Vehicles	Under Construction	Total
<b>Gross Property, Plant &amp; Equipment</b>								
<b>Balance at Shrawan 2078</b>	-	-	310,683.00	-	-	-	-	<b>310,683.00</b>
Additions:								
Upto Poush	-	-	-	-	-	-	-	-
Upto Chaitra	-	-	-	-	-	-	-	-
Upto Ashad	-	-	-	73,932.00	200,000.00	-	-	273,932.00
Disposal	-	-	-	-	-	-	-	-
<b>Balance at Ashadh 32, 2079</b>	-	-	<b>310,683.00</b>	<b>73,932.00</b>	<b>200,000.00</b>	-	-	<b>584,615.00</b>
Depreciation Base:								
Upto Poush	-	-	-	-	-	-	-	-
Upto Chaitra (2/3rd)	-	-	-	-	-	-	-	-
Upto Ashad (1/3rd)	-	-	-	24,644.00	66,667.00	-	-	91,311.00
<b>Depreciation Base at Ashadh 32, 2079</b>	-	-	<b>310,683.00</b>	<b>24,644.00</b>	<b>66,667.00</b>	-	-	<b>401,994.00</b>
Depreciation and Impairment Losses								
Depreciation rate	5%	15%	25%	25%	20%	-	-	-
Depreciation Charged For the Year	-	-	77,671.00	6,161.00	13,333.00	-	-	97,165.00
Adjustment due to impairment losses	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Carrying Amount								
At Shrawan 2078	-	-	<b>310,683.00</b>	-	-	-	-	<b>310,683.00</b>
At Ashadh 31, 2079	-	-	<b>233,012.00</b>	<b>67,771.00</b>	<b>186,667.00</b>	-	-	<b>487,450.00</b>

Schedule 10



*D. Sethi*

*Chartered Accountant*

*Shrawan 2079*

*Canopy Nepal*

*Bank of England*

*M. Rammohan*



CANOPY  
NEPAL

**Canopy Nepal**  
Baluwatar , Kathamandu  
Notes to Financial Statements  
Period ended Ashadh 32, 2079 (July 16, 2022)

**SCHEDULE-11**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNT**

**A. ORGANIZATION AND PURPOSE**

**Canopy Nepal** hereinafter was established with non-profit motive company registered in the office of **company registrar vide registration no.47204** to bring improvements in quality of education in Nepal and create accessibility to the children through scholarship programs, and improvements of interactive skills among students, teachers and youths through conducting different development and skill based programs.

**Canopy Nepal** is registered as non-profit making company which is situated at **Baluwatar, Kathamandu**. The Organization was registered with Inland Revenue department vide **PAN no.604238784**.

**B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. ACCOUNTING SYSTEM AND BASIS OF PRESENTATION**

The accounts are prepared in accordance with the generally accepted accounting principles and Nepal Accounting Standards. The organization has prepared financial statement which contains the Balance Sheet, Statement of Income and Expenditure, Cash Flow Statement. The Financial statements are prepared on a historical cost convention and on accrual basis. The accounting policies are consistently applied.

**2. AUDIT PERIOD**

The audited period is Shrawan 1<sup>st</sup> 2078 to 32<sup>nd</sup> Ashadh 2079 and accordingly financial statements including Fund Accounting Statement has been prepared for 12 months.

**3. GOING CONCERN**

The financial statements are prepared on the assumption that the firm is going concern.

**4. CASH FLOW STATEMENT**

Cash flow statement is prepared using indirect method.



## 5. REVENUErecognition

The financial statements of Canopy Nepal are prepared on accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when obligation is incurred.

- All grants received from donors are recognized as income when received.
- Property Plant and Equipment purchased from the project cost and handed to organization after the completion of project is recognized on deferred income liability at written down value and deferred income is recognized as income on a systematic and rational basis over the useful life of the asset.

## 6. EXPENDITURErecognition

- All expenditures are recorded on accrual basis.
- The Program expenditures heads have been charged this year as under different projects as below:
  - CANSHIP
  - FESSHIP

## 7. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at the cost of acquisition including the incidental expenses incurred to put the asset into use.

## 8. DEPRECIATION

Organization has the policy of charging depreciation on Written Down Value (WDV) basis and following the rate and procedure prescribed by Income Tax Act 2058.

## 9. LEASES

Lease of premises under which there is no substantial transfer of the risks and rewards incident to ownership are classified as operating lease. Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term.

## C. NOTES TO THE ACCOUNTS

### 1. Property Plant and Equipment

Fixed assets were procured during the fiscal year 2078/79 from the organization core fund.

Particulars	Total
Opening Balance of Property Plant and Equipment	3,10,683
Previous Year Adjustment	-
Restated Opening Balance	3,10,683
Addition / (Disposal)	2,73,932
Total Asset	5,84,615
Depreciation	97,165
Closing WDV of Property Plant and Equipment	4,87,450

Canopy Nepal Notes to Accounts FY 2078/79

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## 2. Cash and Cash Equivalent

Cash & Bank balance is shown below and certified by bank and management respectively.

Siddhartha Bank	Amount(NPR)
CANSHIP	2,005
FESSHIP	10,321
Canopy Nepal	1,148,691
Learners Hub	20,054
Beyond Borders	250,522
Fixed Deposit	2,500,000
NIBL	6,000
<b>Total</b>	<b>3,937,593</b>

## 3. Statutory Dues and Other Payables

The organization has booked the expenses on accrual basis due to which following expense payables were noted at year end Ashad 2079:

- Audit Fee Payable – NPR 111,500.00

Following TDS payable and SST were noted at year end Ashad 2079:

- TDS Payable on Audit Fee - NPR 1500.00
- Social Security Tax (SST) – NPR 8,511.00

## 4. Grant and Other Income

All grant received from donor agencies other than that funded by the government's agencies are recognized on cash basis. However, in case of unspent fund the income is recognized to the extent of the expenses incurred for the better & fair presentation of financial statement. In case of projects funded by the government's agencies they are recognized on accrual basis.

Other income during the year 2078-79 from interest income is NPR 1,68,732.

## 5. Depreciation

Depreciation has been charged on the assets as per the rate prescribed under Income Tax Act, 2058. Depreciation charged during the fiscal year is NPR 97,165.

## 6. Tax Exemption Renewal

The organization has not renewed the tax exemption certificate for fiscal year 2078/79, however such tax exemption certificate not been renewed for fiscal year 2077/78.

## 7. Regrouping and Rearrange

Previous year's figures have been re-grouped and rearranged wherever necessary and applicable.

M Rauniyar  
Canopy Nepal Notes to Accounts 2078/79

CANOPY  
NEPAL  
Estd: 2016

RamayShah - Deependra Pathak  
Deependra Pathak

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