

D. Shahi & Associates

Chartered Accountants

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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 16th July 2023.

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

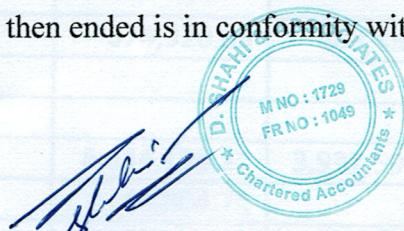
accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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:29.04.2080

For D. Shahi & Associates

Place:Kathmandu

CA Dilendra Shahi

UDIN: 230814CA017297vcB5

Chartered Accountants

Canopy Nepal
Baluwatar, Kathamandu
Statement of Financial Position as on 31st Ashad 2080 (16th July 2023)

Particular	Schedule	2079-80	2078-79
Capital & Liabilities			
Members Fund	1	-	-
Reserve & Surplus	2	1,504,818.72	1,209,513.00
Donor Fund	3	3,435,682.95	3,094,019.00
Liabilities			
Other Payable	4	123,440.00	121,511.00
	Total Rs.	5,063,941.67	4,425,043.00
Assets & Properties			
Fixed Assets	5	374,920.85	487,450.00
Current Assets			
Cash & Bank Balances	6	4,644,156.11	3,937,593.00
TDS Receivables	7	44,864.71	-
Net Current Assets		4,689,020.82	3,937,593.00
	Total Rs.	5,063,941.67	4,425,043.00

Significant accounting policies and notes to accounts in schedule 8
Schedules 1 to 8 Forms Integral Part of the Financial statement

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

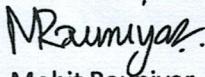
Finance Officer

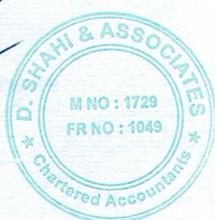
Canopy Nepal
Baluwatar , Kathamandu
Income and Expenditure Account
For the year ended 31st Ashad 2080 (16 July 2023)

Particulars	Schedule	2079-80	2078-79
Income			
Grant Income	3.1	9,556,772.30	9,165,134.00
Total Grant Received		9,556,772.30	9,165,134.00
Less :Program Expense	8A	8,017,390.30	7,934,889.00
Surplus (Deficit)		1,539,382.00	1,230,245.00
Add: Interest Income		407,834.87	168,732.00
Less : Admininstrative Expenses	8.5	1,539,382.00	1,230,245.00
Operating Surplus		407,834.87	168,732.00
Less :Depreciation	4	112,529.15	97,165.00
Surplus/(Deficit) for the Year		295,305.72	71,567.00
Surplus/(Deficit) Transfer to Balance Sheet		295,305.72	71,567.00

Significant accounting policies and notes to accounts in schedule 8
Schedules 1 to 8 Forms Integral Part of the Financial statement

As per our report of even date

M Rauniyar: R Bhatta: Shreya Upadhyay: D Shahi: 
Mohit Rauniyar Roshan Bhatta Shreya Upadhyay For D. Shahi & Associates
Chairperson Treasurer Director CA. Dilendra Shahi



Yuvraj Sonal
Finance Officer

COP :1175, ICAN Reg. 1049

Canopy Nepal
Baluwatar, Kathamandu
Cash Flow Statement as on 31st Ashad 2080 (16 July 2023)

Particular	2079-80	2078-79
A. Cash Flow from Operating Activities		
Surplus as per Surplus & (Deficit) A/C	295,305.72	71,567.00
Add : Depreciation	112,529.15	97,165.00
Cash Flow from Operarting Activities before changes in working capital	407,834.87	168,732.00
Cash Flow from changes in working capital		
Changes in Current Assets	(44,864.71)	-
Changes in Current Liabilities	1,929.00	1,986.00
Net Cash Flow Operating Activities (A)	364,899.16	170,718.00
B. Cash flow investment Activities		
(Increase)/Decrease in Asset	-	(273,932.00)
Net Cash Flow Investing Activities(B)	-	(273,932.00)
C. Cash flow from Financing Activities		
Increase/(Decrease) in Donor Fund	341,664.95	96,308.00
Net Cash Flow Financing Activities(C)	341,664.95	96,308.00
Net Cash Flow During the Year (A+B+C)	706,564.11	(6,906.00)
Cash & Bank Balance at the beginning of the year	3,937,593.00	3,944,500.00
Cash & Bank Balance at the end of the year	4,644,156.11	3,937,593.00

Significant accounting policies and notes to accounts in schedule 8

Schedules 1 to 8 Forms Integral Part of the Financial statement

As per our report of even date

Mohit Rauniyar Rauniyar
Chairperson

Roshan Bhatta Bhatta
Treasurer

Yuvraj Sonal
Finance

Shreya Upadhyay
Shreya Upadhyay
Director

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



Canopy Nepal
Baluwatar , Kathamandu

Schedule forming an integral part of Financial statements

Members Fund

Schedule No. 1

Particular		2079-80	2078-79
Opening Balance		-	-
Addition During the Year		-	-
Total		-	-

Reserve & Surplus:

Schedule No. 2

Particular		2079-80	2078-79
Opening Balance		1,209,513.00	1,137,946.00
Deficit/Surplus During the Year		295,305.72	71,567.00
Total		1,504,818.72	1,209,513.00

Donor Fund

Schedule No. 3

Particular	Sub-Sch	2079-80	2078-79
Opening Balance		3,094,019.00	2,997,712.00
Total Grant Received	3.1	9,898,436.25	9,261,441.00
Less: Expenses made during the year		9,556,772.30	9,165,134.00
Total		3,435,682.95	3,094,019.00

Grant Income

Schedule No. 3.1

Particulars		2079-80	2078-79
Opening Balance		3,094,019.00	2,997,712.00
Foreign Grant		7,960,268.25	7,401,441.00
CANSHIP		2,327,273.75	2,687,954.00
FESSHIP		1,938,168.00	1,656,781.00
Canopy Nepal		1,081,097.75	
Learners' Hub		-	1,297,270.00
Beyond Borders		2,613,728.75	1,759,436.00
Local Grant		1,938,168.00	1,860,000.00
CANSHIP		-	-
FESSHIP		-	-
Canopy Nepal		1,938,168.00	1,835,000.00
Learners' Hub		-	25,000.00
Less: To the Extent Not spent During the Year		3,435,682.95	3,094,019.00
Grant Income recognized During the year		9,556,772.30	9,165,134.00

Other Payables

Schedule No. 4

Particulars		2079-80	2078-79
Audit fee payable		111,500.00	111,500.00
Social Security tax		10,440.00	8,511.00
TDS on Allowance		-	-
TDS on Audit Fee		1,500.00	1,500.00
Social Welfare Council Payable		-	-
House rent Tax payable		-	-
Total		123,440.00	121,511.00

N Raumiya

Rita Shrestha

Dinesh Pradhan

Harihar Singh
Chartered Accountant
M NO : 1729
FR NO : 1049
JAIN ASSOCIATES

Cash & Bank Balances**Schedule No-6**

Particular	2079-80	2078-79
Siddhartha Bank		
CANSHIP	314,468.85	2,005.17
FESSHIP	99,620.82	10,321.38
Canopy Nepal	1,265,390.79	1,148,690.61
Learners Hub	111,013.59	20,053.71
Beyond Borders	338,629.71	250,522.12
NIBL	15,032.35	6,000.00
Fixed Deposit	2,500,000.00	2,500,000.00
Total	4,644,156.11	3,937,593.00

TDS Receivables**Schedule No-7**

Particular	2079-80	2078-79
Tds Receivables	44,864.71	-
Total	44,864.71	-

Program Expenses**Schedule No. 8**

Particular		2079-80	2078-79
Scholarship Expenses	7.1	3,036,123.30	3,442,742.75
Learners' Hub	7.2	2,345,366.00	2,008,019.00
Short Term Programs	7.3	1,691,305.00	1,726,537.00
Project Operation Expenses	7.4	944,596.00	757,590.00
Sub-total	7A	8,017,390.30	7,934,888.75
Administration Expenses	7.5	1,539,382.00	1,230,245.00
Total		9,556,772.30	9,165,133.75

Scholarship Expenses**Schedule No. 8.1**

Particulars		2079-80	2078-79
Admission/College Fees		1,496,713.00	1,664,768.00
Medicine and Checkups		21,193.30	38,162.79
Stationaries & Supplies		570,820.00	752,466.00
Scholars Transportation & Communication		167,953.00	218,490.00
School Workshop/Training /Sessions		78,218.00	133,667.00
Healthy Meal Program		199,253.00	200,505.96
Supplies (Electronics/Study Materials)		182,708.00	111,188.00
Uniform		314,409.00	318,205.00
Miscellaneous		4,856.00	5,290.00
Total		3,036,123.30	3,442,742.75

Learners' Hub**Schedule No 8.2**

Particular		2079-80	2078-79
Certificates/Token of Love		349,727.00	245,435.00
Facilitator Remuneration		487,567.00	513,786.00
Stationaries & Supplies		337,916.00	219,704.00
School Workshop/Training/Sessions		488,556.00	298,213.00
Travelling		370,427.00	343,470.00
Tutors		311,173.00	387,411.00
Total		2,345,366.00	2,008,019.00

Raumiya

Ratnayakhtoti

Anup Singh Rayamajhi



Short Term Programs**Schedule No 8.3**

Particular		2079-80	2078-79
Certificates/Token of Love		305,595.00	233,565.00
Trainers' Allowance		305,190.00	192,400.00
Stationaries & Supplies		344,500.00	355,879.00
Social Media Expenses		412,498.00	375,647.00
Travelling		109,222.00	334,480.00
Tutors		214,300.00	234,566.00
Total		1,691,305.00	1,726,537.00

Project Operation Expenses**Schedule No 8.4**

Particular		2079-80	2078-79
Meals & Refreshment		240,756.00	255,224.00
Travelling Expenses		302,525.00	353,268.00
Project Printing & Stationaries		48,600.00	-
Project Supplies & Equipments		171,315.00	25,843.00
Monitoring & Evaluation		140,000.00	58,113.00
Miscellaneous		41,400.00	65,142.00
Total		944,596.00	757,590.00

Administration Expenses**Schedule No. 8.5**

Particular		2079-80	2078-79
Remuneration		1,044,000.00	851,120.00
Rent		144,000.00	96,000.00
Printing & Stationary		1,670.00	16,700.00
Travelling Expenses		18,000.00	37,640.00
Audit Fee		113,000.00	113,000.00
Internet & Communication		68,910.00	22,700.00
Insurance Expenses		76,292.00	4,500.00
Water & Electricity		25,308.00	16,423.00
Renewal Charges		47,342.00	47,689.00
Miscellaneous		860.00	24,473.00
Total		1,539,382.00	1,230,245.00

Raumiya:

Rita Shatto:

S. Gangadhayya



Canopy Nepal
Baluwatar , Kathamandu

Property, Plant and Equipments

Schedule 5

	Cost	Land and Building	Plant and Machinery	Furniture and Fixture	Office Equipment	Vehicles	Under Construction	Total
Gross Property, Plant & Equipment								
Balance at Shrawan 2079	-	-	233,012.00	67,771.00	186,667.00			487,450.00
Additions:								
Upto Poush	-	-	-	-	-	-	-	-
Upto Chaitra	-	-	-	-	-	-	-	-
Upto Ashad	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
Balance at Ashadh 32, 2079	-	-	233,012.00	67,771.00	186,667.00			487,450.00
Depreciation Base:								
Upto Poush	-	-	-	-	-	-	-	-
Upto Chaitra (2/3rd)	-	-	-	-	-	-	-	-
Upto Ashad (1/3rd)	-	-	-	-	-	-	-	-
Depreciation Base at Ashadh 32, 2079	-	-	233,012.00	67,771.00	186,667.00			487,450.00
Depreciation and Impairment Losses								
Depreciation rate	5%	15%	25%	25%	20%			
Depreciation Charged For the Year	-	-	58,253.00	16,942.75	37,333.40			112,529.15
Adjustment due to impairment losses	-	-	-	-	-			-
Disposals	-	-	-	-	-			-
Carrying Amount								
At Shrawan 2079	-	-	233,012.00	67,771.00	186,667.00			487,450.00
At Ashadh 31, 2080	-	-	174,759.00	50,828.25	149,333.60			374,920.85



Suraj Prakash

Suraj Prakash

M. Rauniyar

Canopy Nepal

Baluwatar , Kathamandu

Notes to Financial Statements

Period ended Ashadh 31, 2080 (July 16, 2023)

SCHEDULE-8

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 1st 2079 to 31st Ashadh 2080 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.

N Raumiya: Rajesh Shrestha: Prayag Padhyay



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
- LEARNERS HUB
- BEYOND BORDERS

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 2079/80 from the organization core fund.

Particulars	Total
Opening Balance of Property Plant and Equipment	487,450.00
Previous Year Adjustment	-
Restated Opening Balance	487,450.00
Addition / (Disposal)	0.00
Total Asset	487,450.00

N.Raumiya: Suryajyoti Padhyay -



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Depreciation	112,529.15
Closing WDV of Property Plant and Equipment	374,920.85

2. Cash and Cash Equivalent

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

Particular	2079-80
Siddhartha Bank	
CANSHIP	314,468.85
FESSHIP	99,620.82
Canopy Nepal	1,265,390.79
Learners Hub	111,013.59
Beyond Borders	338,629.71
NIBL	15,032.35
Fixed Deposit	2,500,000.00
Total	4,644,156.11

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 2080:

- Audit Fee Payable – NPR 111,500.00

Following TDS payable and SST were noted at year end Ashad 2080:

- TDS Payable on Audit Fee - NPR 1,500.00
- Social Security Tax (SST) – NPR 10,440.00

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 2079-80 from interest income is NPR 362,970.16.

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 112,529.15.

6. Tax Exemption Renewal

The organization has not renewed the tax exemption certificate for fiscal year 2079/80.

7. Regrouping and Rearrange

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

M Rauniyar

Dnyanpal Bhagay



Signature