



# *Financial Audit Report*

*Fiscal Year 2072-73*

Survivors Nepal  
Thapathali Kathmandu, Nepal  
info@the-survivors.org  
<http://www.the-survivors.org>  
Tel: 977-1- 4101620

Facebook: facebook.com/The15Survivors  
Twitter: The15Survivor

LA & ASSOCIATES

*Chartered Accountants*

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS**

**OF**

**SURVIVORS NEPAL, KATHMANDU, NEPAL**

**(NON-PROFIT DISTRIBUTING COMPANY)**

***Reports to the Financial Statements***

We have audited the attached Financial Statements of **Survivors Nepal, Kathmandu, Nepal**, which comprises the Balance sheet as at Ashad 31, 2073 (July 15, 2016) and the Income & Expenditure Account, Cash Flow Statement, Funds flow statement and Fund Accountability Statement for the period then ended & the summary of significant accounting policies & other explanatory notes.

***Management's Responsibility***

Management is responsible for the preparation & fair presentation of these financials statements in accordance with Nepal Accounting Standards. This responsibility includes: designing, implementing & maintaining internal control relevant to the preparation & fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting & 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 Nepal Standards of Auditing and relevant practices. Those standards and practices 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 examination on a 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 the audit evidence we have obtained is sufficient & appropriate to provide a basis for our audit opinion.



GPO-8975,EPC-5471  
(+977) 01 4100054  
(+977) 01 4100067 (Fax)  
info@laacanp.com  
www.laacanp.com

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, said accounts have been correctly drawn up so as to reflect a true and fair view:

- i. In the case of the Balance Sheet, of the economic condition of the company as at Ashad 31, 2073 (July 15, 2016) and
- ii. In the case of Income & Expenditure Account, Funds Flow Statement of the receipts and disbursements for the period then ended.
- iii. In the case of Fund Accountability Statement, of the receipts and disbursements and balance of funds as at Ashad 31, 2073 and for the period then ended.
- iv. In case of Cash Flow Statement, the cash flow of the company for year ended on that date.

Without qualifying our report, we would like to draw your attention that, the audit report has been revised concurring to point number 19 of the notes to accounts of the revised financial statements. The notes disclose a transaction that had previously been undisclosed and needed sufficient disclosure.

### **Reports on other Legal & Regulatory Requirements:**

As required by Company Act, 2063 in terms of subsection 1, 2 & 3 of section 115 we give report to the Liquidator.

As required by section 115 (3) of the Act, we report that:

1. We have obtained prompt replies to our queries and the explanations asked for,
2. The Balance Sheet, Income & Expenditure Account, Cash Flow Statement, Funds Flow Statement & Fund Accountability Statement thereto are in compliance with section 108 of the Company Act, 2063.
3. The accounts and records of the company have been accurately maintained in accordance with the law & practice,

In our opinion, the financial statements give a true and fair view of the financial position of the company as of Ashad 31, 2073 and of the result of its operations for the year then ended in accordance with Nepal Accounting Standards or relevant practices & Company Act, 2063.

Place: Kathmandu

Date: 20-11-2016



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Lalit Arya, FCA

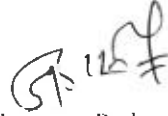
For, L.A. & Associates,  
Chartered Accountants

**Survivors Nepal**  
**Kathmandu, Nepal.**  
**Balance Sheet**  
**As on Ashad 31, 2073 ( July 15, 2016)**

S.N.	Particulars	Schedule	Amount in NRS.	
			Current Year	Previous Year
(A)	<b>Sources of fund</b>			
	Surplus of Fund	1	1,445,228	635,878
	Total		<b>1,445,228</b>	<b>635,878</b>
	<b>Total sources of fund</b>		<b>1,445,228</b>	<b>635,878</b>
(B)	<b>Application of Funds</b>			
	<b>Current Assets:</b>			
	Loan & Advances		100,000	
	Cash and Bank Balance	2	1,392,840	1,004,597
	Total		<b>1,492,840</b>	<b>1,004,597</b>
	<b>Less : Current liabilities</b>	3	47,611	368,719
	<b>Total Application of Funds</b>		<b>1,445,228</b>	<b>635,878</b>
	Significant Accounting Policies and Notes to Accounts	7		



Nirakar Shrestha  
Vice-President/Co-Founder



Jayaram Pudasaini  
Executive Director



Lalit Aryal, FCA  
For, LA & Associates,  
Chartered Accountants




RC Lohani  
Treasurer

**Survivors Nepal**  
**Kathmandu, Nepal.**  
**Income and Expenditure Account**  
**For the year ended**  
**As on Ashad 31, 2073 ( July 15, 2016)**

S.N.	Particulars	Schedule	Amount in NRS.	
			Current Year	Previous Year
(A)	<b>Income</b>			
	Donation Fund	4	3,417,315	3,249,659
	Office Operation Fund - Contribution		399,302	203,240
	Other Income		2,037	7,275
	<b>Total (A)</b>		<b>3,818,653</b>	<b>3,460,174</b>
(B)	<b>Expenditure</b>			
	Project Expenses	6	2,653,319	2,636,031
	Office Operational Expenses	5	355,984	188,265
	<b>Total (B)</b>		<b>3,009,303</b>	<b>2,824,296</b>
	<b>Surplus</b>		<b>809,350</b>	<b>635,878</b>

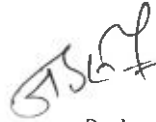
Significant Accounting Policies and Notes to Accounts

7

Nirakar Shrestha  
Vice-President/Co-Founder



Jayaram Pudasaini  
Executive Director






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Chartered Accountants




RC Lohani  
Treasurer

**Survivors Nepal**  
**Kathmandu, Nepal.**  
**Cash Flow Statement**  
**As on Ashad 31, 2073 ( July 15, 2016)**

S.N.	Particulars	Amount in NRS.	
		Current Year	Previous Year
(A)	<b>Cash From Operating Activities</b>		
	Profit After Income Tax	809,350	635,878
	<b>TOTAL</b>	<b>809,350</b>	<b>635,878</b>
	<b>Change in current Assets</b>		
	Changes in Advances and Deposits		-
	Changes in Current Liabilities	(321,108)	368,719
	<b>TOTAL</b>	<b>(321,108)</b>	<b>368,719</b>
	<b>Cash Flow From Operating Activities</b>	<b>488,243</b>	<b>1,004,597</b>
(B)	<b>Cash From Investing Activities</b>		
	Purchase Of Assets	-	-
	<b>Cash Flow From Investing Activities</b>	-	-
(C)	<b>Cash From Financial Activates</b>		
	Loan Payment	-	-
	<b>Cash Flow From Financial Activates</b>	-	-
	<b>Total Cash Increase/Decrease</b>	<b>488,243</b>	<b>1,004,597</b>
(D)	<b>(A+B+C)</b>		
	Opening Cash & Bank Balance	1,004,597	-
(E)	<b>Closing Cash &amp; Bank Balance</b>	<b>1,492,840</b>	<b>1,004,597</b>

  
Nirakar Shrestha  
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**# survivors**

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RC Lohani  
Treasurer

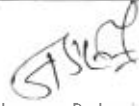
**Survivors Nepal**  
**Kathmandu, Nepal.**  
**Funds Flow Statement**  
**For the year ended**

S.N.	Particulars	Amount in NRS.	
		Current Year	Previous Year
<b>(A)</b>	<b>Fund Receipts</b>		
	Donation Fund	3,417,315	3,249,659
	Office Operation Fund - Contribution	399,302	203,240
	Other Income (Annex 5)	2,037	7,275
	<b>Total Fund Receipts</b>	<b>3,818,653</b>	<b>3,460,174</b>
<b>(B)</b>	<b>Fund Expenditures</b>		
	Office Operation Expenses	355,984	188,265
	Project Expenses	2,653,319	2,636,031
	Increase in Cash & Bank Balance	388,243	1,004,597
	Increase in Other Current Assets	-	-
	Less : Increase in Liabilities	321,108	(368,719)
	<b>Total Fund Expenditures</b>	<b>3,718,653</b>	<b>3,460,174</b>

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Kathmandu, Nepal.

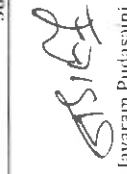
Fund Accountability Statement

As on Ashad 31, 2073 (July 15, 2016)

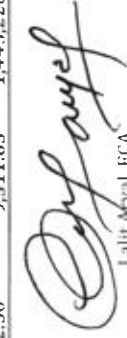
S.N.	Particulars	Office Operation Fund	Reconstruction Project Fund	Australian Embassy- DAP	Other Income	Total
<b>A. Sources of Funds</b>						
1	Opening Balance	14,975.00	613,628.01		7,275.28	635,878.29
2	Add: Founder Contribution	100,000.00	2,641,347.43	1,075,269.00	2,036.55	3,818,652.98
	Less: Apportion to Office Operation fund	299,301.50		(299,301.50)		
3	Add: Bank Interest/Other Income					
	<b>Total Source Of Fund</b>	<b>414,276.50</b>	<b>3,254,975.44</b>	<b>775,967.50</b>	<b>9,311.83</b>	<b>4,454,531.27</b>
<b>4 Less: Expenses occurred</b>						
	A. Office Operation Expenses	355,983.78				355,983.78
	B. Health Camp Expenses		171,049.00			171,049.00
	C. Post Earthquake Reconstruction Expenditure		1,975,386.90			1,975,386.90
	D. Earthquake Relief Support Expenses		135,462.54			135,462.54
	E. Other Expenses		1,335.70			1,335.70
	F. DAP Project Expenses			370,085.00		370,085.00
	<b>Total Expenses</b>	<b>355,983.78</b>	<b>2,283,234.14</b>	<b>370,085.00</b>		<b>3,009,302.92</b>
	<b>Balance of fund</b>	<b>58,292.72</b>	<b>971,741.30</b>	<b>405,882.50</b>	<b>9,311.83</b>	<b>1,445,228.35</b>
<b>B. Represented by</b>						
1	Cash In Hand	2,719.08				2,719.08
2	Bank Account	349,043.98	675,809.61	355,955.00	9,311.83	1,390,120.42
3	Advance Account		231,172.84	51,547.50		382,720.34
	Inter-project receivables		231,172.84	51,547.50		282,720.34
	Loan and advances	100,000.00				100,000.00
4	<b>Less: Payable Account</b>	<b>293,470.34</b>	<b>35,241.15</b>	<b>1,620.00</b>		<b>330,331.49</b>
	salary payable					
	TDS Payable		35,241.15			35,241.15
	Sundry Creditors	10,750.00				10,750.00
	Project Expenses Payable			1,620.00		1,620.00
	Inter-project payables	282,720.34				282,720.34
	<b>Total Represented by</b>	<b>58,292.72</b>	<b>871,741.30</b>	<b>405,882.50</b>	<b>9,311.83</b>	<b>1,445,228.35</b>



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RC Lohani  
Treasurer





Survivors Nepal  
Kathmandu, Nepal.  
F.Y. 2072-2073

Schedules Forming Part of Balance Sheet and Profit and Loss Account

Particulars	<i>Amount in NRS.</i>	
	Current Year	Previous Year
<b>Schedule 1: Reserve &amp; Surplus</b>		
Previous Year	635,878	-
Add: Current Year Surplus/Deficit	809,350	635,878
<b>Total</b>	<b>1,445,228</b>	<b>635,878</b>
<b>Schedule 2 : Cash and Bank Balance</b>		
Cash in Hand	2,719	95,564
Cash at Bank	1,390,120	909,033
<b>Sub Total</b>	<b>1,392,840</b>	<b>1,004,597</b>
<b>Schedule 3 : Other Liabilities</b>		
Duties & Taxes (Annex 4)	35,241	1,397
Sundry Creditor (Annex 3)	10,750	67,501
Project Expenses Payable	1,620	265,963
Salary Payable	-	33,858
<b>Sub Total</b>	<b>47,611</b>	<b>368,719</b>
<b>Schedule 4: Income</b>		
<b>External Income (Annex 1)</b>		
Donation Fund	2,641,347	3,249,659
Donation Fund- DAP mental Health	775,968	
<b>Sub-Total</b>	<b>3,417,315</b>	<b>3,249,659</b>
<b>Internal Income</b>		
Other Income (Annex 5)	2,037	7,275
Office Operation Fund - Contribution	399,302	203,240
<b>Sub-Total</b>	<b>401,338</b>	<b>210,515</b>
<b>Total</b>	<b>3,818,653</b>	<b>3,460,174</b>

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Survivors Nepal  
Kathmandu, Nepal.  
F.Y. 2072-2073

Schedules Forming Part of Balance Sheet and Profit and Loss Account

Particulars	Amount in NRS.	
	Current Year	Previous Year
<b>Schedule 5 : Project Expenses (Annex 2)</b>		
<b>Health Camp Expenses</b>	<b>171,049</b>	<b>20,000</b>
<b>Post Earthquake Reconstruction Expenditure</b>	<b>1,975,387</b>	<b>1,421,608</b>
Project-1 Bajbhairab Higher Secondary School	187,749	486,851
Project-2 Janjagriti Secondary School	72,447	311,637
Project-3 Kalika Primary School	9,433	35,353
Project-4 Rakta Kali Primary School	227,746	288,576
Project-5 Thokarpa Secondary School	446,644	220,591
Project-6 Kali Devi Primary School	9,433	32,928
Project-7 Mehendra Kanti Secondary School	9,433	5,608
Project-8 Jugal Boarding School	-	40,064
Project-9 Suryoday Primary School	879,162	
Project-10 Thokarpa Secondary School-New Building	133,340	
<b>Earthquake Relief Support Expenses</b>	<b>135,463</b>	<b>1,183,302</b>
Food exp volunteers		5,900
Labour charge loading & unloading		4,600
Medical camp relief		38,100
Relief material	135,463	976,352
Transportation charge		158,350
<b>Other Expenses</b>	<b>1,336</b>	<b>11,121</b>
<b>Australian Embassy- DAP Project</b>	<b>370,085</b>	<b>-</b>
<b>Total</b>	<b>2,653,319</b>	<b>2,636,031</b>
<b>Schedule 6 : Office Expenses</b>		
Audit Fees	15,000	40,000
Annual General Meeting Expenses	35,370	
Conveyance,Transportation & Traveling	-	9,000
Office Inaguration Expenses	-	8,105
Office incorporation Expenses	-	21,500
Office Operation expenses	35,150	61,250
Petrol & Fuel Expenses	4,200	2,700
Printing & Stationary	41,331	7,000
Salary Expenses	213,639	34,200
Telephon & Mobile Charges	11,293	2,250
Vacancy Announcement-Job com	-	2,260
<b>Total</b>	<b>355,984</b>	<b>188,265</b>



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Vice-President/Co- Founder




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Chartered Accountants



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Executive Director




RC Lohani  
Treasurer

Annexure-1

**Donation- Reconstruction**

Particulars	Amount
American Nepalis Society	552,309
Ammando- Crowd Fund collection	359,835
Donation Collection from Thailand	131,100
LA Associates	39,469
Pujan Rai	1,316,000
Sanjeev Pandey	5,250
Locally collected donation	100,000
Sujan Koirala	137,384
<b>Sub-Total</b>	<b>2,641,347</b>
<b>Donation- DAP- Mental Health</b>	
Australian Embassy-DAP Project	1,075,269
Less:- Apportion to Office Operation fund	299,302
<b>Sub-Total</b>	<b>775,968</b>
<b>Total</b>	<b>3,417,315</b>

Annexure-2

**Australian Embassy- DAP Project Expenses**

Particulars	Amount
Field Interview Charges	44,471
Travelling & Transportation	33,120
Daily Substance	17,543
Equipment Charges	14,941
Meeting Cost	3,187
Salary Expenses- DAP-project	256,823
	-
<b>Total</b>	<b>370,085</b>



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**Annex 3 :****Sundry Creditors**

Particulars	Amount (Rs.)	Fund
Audit Fees Payable	12,750	Office Operation
New Generation Engineering	(2,000)	Reconstruction Project Fund
<b>Total</b>	<b>10,750</b>	

**Annex 4 :****Duties & Taxes**

Particulars	Amount (Rs.)	Fund
TDS -Professional Fees	13,162	
TDS -Wages	774	Reconstruction Project Fund
TDS - Contract	11,086	Office Operation
TDS- Salary	10,219	Office Operation
<b>Total</b>	<b>35,241</b>	

**Annex 5 :****Other Income**

Particulars	Amount (Rs.)	Fund
Miscellaneous Donation	-	
Interest Income	2,037	Other Income
<b>Total</b>	<b>2,037</b>	



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**Survivors Nepal**  
**Kathmandu, Nepal**  
**Principle Accounting Policies and Significant Notes to Accounts**  
**For the Period ended 15<sup>th</sup> July 2016**

**Schedule 7**

**A. Organizational Purpose:**

Survivors Nepal is a Non-Profit Distributing Company registered at the Office of Company Registrar Nepal, with a registration number 135178/71/72 and registered office at Kathmandu, Nepal.

Survivors Nepal was established on May 11, 2015 with the following objectives:

1. To conduct non-profit making economic, social and educational programmes for the benefit of the poor and marginalized people of Nepal.
2. To provide relevant training and education for the development of health, education, skill and personality.
3. To work for increasing self-employment and poverty alleviation.
4. To provide necessary information related to human health and conduct activities like tree plantation and preservation, cleaning, utilization and protection of environment and natural resources.
5. To increase job opportunities by developing various skills and knowledge.
6. To develop tourism in rural regions by developing the local languages and traditions.
7. To conduct health camps in rural regions.
8. To work in support for poor, handicapped, disabled and select local people.
9. To build and run old age homes, hospitals and schools for homeless senior citizens, poor and disabled.
10. To conduct social development works in participation with local authorities and local residents.
11. To provide support to those ailed by natural disasters. To conduct training programmes related to safeguards from natural disasters.
12. To conduct various programmes and trainings related to prevention of communicable diseases like HIV aids, swine flu, etc.

**13. Basis of Preparation of Financial Statements:**

- a. Financial Statements are prepared under historical cost convention following generally accepted accounting principles and provision of the prevailing laws, as adopted consistently by company, except for certain provisions stated hereunder separately.
- b. The organization follows mercantile system of accounting and recognized income when expenditure on basis of project accounting period.

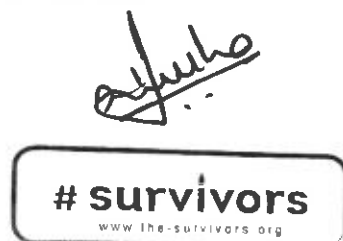
**14. Fixed Assets :**

Fixed assets are stated at cost gross of VAT and include incidental charges thereon less accumulated depreciation.

However during the period covered by this financial statements, no fixed assets have been acquired.

**15. Depreciation :**

Depreciation is to be calculated on Written Down Value(WDV) method.



## 16. Fund Accounting :

The Organization has seven different projects whose fund accountability statement has attached along with financial statement.

### Description of Funds.

#### 1. Office Operation Fund.

This fund has been created for the operation of administration of office. The fund is provide by donation from promoters and apportion from other project funds. During the reporting period Rs. 1,00,000 was received as donation from promoters and Rs. 2,99,302 was received as amount apportioned from DAP-Mental Health Project. The administrative expense are done through this fund. For the reporting period, the total expenditure from this fund amounts to Rs. 3,55,983.78. The balance of the fund is Rs. 58,292.72.

#### 2. Reconstruction Project Fund.

This fund has been established from donation received through personal donations from Nepal and Overseas. This amount in this fund has been utilized in the renovation, reconstruction and rehabilitation due to recent earthquake on April and May of 2015. The total amount collected in this fund in current reporting period is Rs. 25,41,347. During the report period, the total expense incurred is Rs. 22,83,234.14 under various activities, details of which are attached with the financial statements. The balance of the fund is Rs. 8,71,741.30.

This Project has been undertaken as 10 different sub-projects.

Project - 1	Bajbhairab Higher Secondary School
Project - 2	Janjagriti Secondary School
Project - 3	Kalika Primary School
Project - 4	Rakta Kali Primary School
Project - 5	Thokarpa Secondary School
Project - 6	Kali Devi Primary School
Project - 7	Mehendra Kanti Secondary School
Project - 8	Jugal Boarding School
Project - 9	Suryodaya Primary School
Project - 10	Thokarpa Ma- Vi (New Construction)

#### 3. DAP Mental Heath Fund.

This is a specific project fund. The amount received for this project is Rs. 10,75,269. Out of this amount Rs. 2,99,302 has been apportioned to office operation fund. During the reporting period Rs. 3,70,805 has been incurred for various expenses under this project. The balance of this fund is Rs. 405,822.50



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**Financial Summary of Funds**

<b>Account Heads</b>	<b>Office Operation Fund</b>	<b>Reconstruction Project Fund</b>	<b>Australian Embassy-DAP</b>	<b>Other Income</b>	<b>Total</b>
<b>Opeing Balance</b>	<b>14,975.00</b>	<b>6,13,628.01</b>	-	<b>7,275.28</b>	<b>6,35,878.29</b>
Sources of Funds	3,99,301.50	25,41,347.43	7,75,967.50	2,036.55	43,54,531.27
Less: Expenses occurred	3,55,983.78	22,83,234.14	3,70,085.00	-	30,09,302.92
<b>Balance of fund</b>	<b>58,292.72</b>	<b>8,71,741.30</b>	<b>4,05,882.50</b>	<b>9,311.83</b>	<b>13,45,228.35</b>
<b>Represented by</b>					
Cash In Hand	2,719.08	-	-	-	2,719.08
Bank Account	3,49,043.98	6,75,809.61	3,55,955.00	9,311.83	13,90,120.42
Advance Account	-	2,31,172.84	51,547.50	-	2,82,720.34
Less: Payable Account	2,93,470.34	35,241.15	1,620.00	-	3,30,331.49
<b>Total Represented by</b>	<b>58,292.72</b>	<b>8,71,741.30</b>	<b>4,05,882.50</b>	<b>9,311.83</b>	<b>13,45,228.35</b>

**17. Provisions and Contingent Liabilities :**

There are no any contingent liabilities of the company till the date of preparation of financial statements.




**18. Subsequent Event :**

No event has occurred subsequent to audit period that would require adjustment or disclosure in the financial statement.

**19. Revision to Financial Statements**

The following matter has come into attention of the management after the issue of Financial statements previously. The audited financial statements have also been previously issued and need a revision.

An amount of Rs. 1,00,000 had been locally collected and used by the collector which remained undisclosed previously. Now, that the matter has come into attention, it is imperative to make amendments in the financial statement and disclose the matter.



Nirakar Shrestha

Vice-President/Co-Founder



Lalit Aryal, FCA

For, LA & Associates,

Chartered Accountants



Jayaram Pudasaini

Executive Director



RC Lohani

Treasurer

