JHANKA ASSOCIATES

Neelakantha Municipality -6, Dhading

Mb No. 9843794242 **g-mail: jhankathapa87@gmail.com**

COP No. 0593 Firm No. 4156 Membership No.3296 PAN 300927852

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOWERS ACTION

Opinion

We have audited the accompaning financial statements of **Sowers Action Nepal ("the organization")**, which comprises the Statement of Financial Position as at **Ashadh 31st, 2080,** the Statement of Profit & Loss and the Statement of Cash Flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the financial statements present fairly, in all material respects, the financial position of the organization, as at **Ashadh 31st, 2080**, and its financial performance, cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, in accordance with Nepal Accounting Standards and other prevailing laws.

Basis for Opinion

We conducted our audit of the financial statements in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the Handbook of The Code of Ethics for Professional Accountants issued by The Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with the ICAN's Handbook of the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial Statements in accordance with Nepal Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

The members are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

On the basis of our examination, we would like to further report that:

i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose for audit.

ii. The accounts and records of the Organization have been maintained as required by law.

iii. Financial statements are in agreement with the books of account maintained by the Organization.

iv. In our opinion and to the best of our information and according to the explanations given to us, the Board of Members, the representative or any employee of the Organization has not acted contrary to the provision of law relating to accounts nor caused direct loss or damage to the Organization deliberately or acted in a manner that would jeopardize the interest and security of the Organization.

v. The operations of the Organization were within its jurisdiction.

vi. We have not come across any fraudulence in the accounts, so far as it appeared from our examination of the book of accounts.

For Jhanka & Associates
Registered Auditor

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RA. Jhank Bahadur Thapa Magar
(Proprietor)

Place: Kathmandu, Nepal
Date: 2080/04/27

UDIN: 230817RA03296jCT99

SOWERS ACTION NEPAL

Bouddha-06, Kathmandu, Nepal

Balance Sheet as on Ashadh 31st, 2080

(Corresponding to 16th July, 2023)

(Amount in NRs)

Particulars	Sch.	As on 31st Ashadh 2080	As on 32nd Ashadh 2079
Sources of Fund			
Surplus & Capital Fund	"1"	5,130,449.52	736,653.16
Donation in Kinds	"6"	-	-
Sources of Fund		**5,130,449.52**	**736,653.16**
Application of Funds			
Fixed Assets	"9"	643,476.21	232,212.75
Current Assets		**4,514,901.34**	**515,740.41**
Cash and Cash Equivalents	"2"	514,901.34	515,740.41
Short Term Advance, Deposits and Receivables	"3"	4,000,000.00	-
Less: Current Liabilites		**27,928.02**	**11,300.00**
Current Liabilities & Provisions	"4"	27,928.02	11,300.00
Total Application of Fund		**5,130,449.52**	**736,653.16**
Significant accounting policies & Notes to Accounts		"11"	
Schedule forms integral part of financial statements		"1 to 10"	

As per our report of even date attached

For and on behalf of Registered Auditor

On behalf of Members

Registered Auditor

सोवर्स एक्सन
SOWERS ACTION
Nepal

Chairman

Treasurer

Place: Kathmandu Nepal
Date:2080.04.27

SOWERS ACTION NEPAL

Bouddha-06, Kathmandu, Nepal

Statement of Receipt & Expenditures for the year ended on 31st Ashahd, 2080

(Corresponding to 17th July, 2022 to 16th July, 2023)

(Amount in NRs)

Particulars	Sch.	FY 2079-80	FY 2078-79
Receipts			
Grant Income	"5"	8,713,479.50	1,309,145.00
Income from Bank Interest	"7"	83,550.47	-
Less: Transferred to Capital Fund	"1"	4,393,796.36	736,653.16
Total Fund Receipts (A)		**4,403,233.61**	**572,491.84**
Less: Expenditures			
Administrative Expenses	"8"	2,313,524.38	539,318.59
Program Expenses	"9"	1,880,772.71	-
Depreciation	"10"	208,936.52	33,173.25
Total Expenditure (B)		**4,403,233.61**	**572,491.84**
Excess of Receipt over Expenditure (A-B)		-	-
Excess Surplus / (Deficit) transferred to Balance Sheet		-	-
Significant accounting policies & Notes to Accounts.	"11"		
Schedule forms integral part of financial statements	"1 to 10"		

As per our report of even date attached

For and on behalf of Registered Auditor

On behalf of Members

Registered Auditor

Chairman

Treasurer

Place: Kathmandu Nepal

Date:2080.04.27

SOWERS ACTION NEPAL

Bouddha-06, Kathmandu, Nepal

Cash flow for the Year Ended 31st Ashadh, 2080

(Amount in NRs)

Particulars	FY 2079-80	FY 2078-79
A. Cash flow from Operating Activities		
Surplus / (Deficit) of Current year	-	-
Adjustments:		
Add: a) Depreciation	208,936.52	33,173.25
b) Interest Expenses	-	-
Cash from Operation before adjusting Working Capital	**208,936.52**	**33,173.25**
Working Capital Adjustment		
a) Decrease /(Increase) in Current Assets	(4,000,000.00)	-
b) Increase/(Decrease) in Current Liabilities	16,628.02	11,300.00
Net Cash Flow from Operating Activities	*(3,774,435.46)*	*44,473.25*
B. Cash Flow from Investing Activities		
a) Purchase of Fixed Assets	(620,199.97)	(265,386.00)
b) Sale of Fixed Assets	-	-
Net Cash Flow from Investing Activities	*(620,199.97)*	*(265,386.00)*
C. Cash Flow from Financing Activities		
a) Interest Expenses	-	-
b) Increase in Capital Fund	4,393,796.36	736,653.16
Net Cash Flow from Financing Activities	*4,393,796.36*	*736,653.16*
Net Cash Increase/(Decrease) during the Year (A+B+C)	**(839.07)**	**515,740.41**
Add: Opening Cash & Cash Equivalent	515,740.41	-
Closing Cash & Cash Equivalent	**514,901.34**	**515,740.41**

Significant accounting policies & Notes to Accounts. "11"

Schedule forms integral part of financial statements "1 to 10"

As per our report of even date attached

For and on behalf of Registered Auditor **On behalf of Members**

सोवरस् एक्सन
SOWERS ACTION
Nepal

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Registered Auditor **Chairman** **Treasurer**

Place: Kathmandu Nepal

Date:2080.04.27

SOWERS ACTION NEPAL

Schedules forming part of Financial Statement as on 31st Ashadh, 2080

(Corresponding to 17th July, 2022 to 16th July, 2023)

(Amount in NRs)

Schedule 1 : Capital Fund & Surplus

Particulars	As on 31st Ashadh 2080	As on 32nd Ashadh 2079
Surplus Fund		
Opening Surplus Fund	-	-
Current Year Surplus/ (Deficit)	-	-
Closing Surplus/ (Deficit) Fund	-	-
Capital Fund		
Opening Capital Fund	736,653.16	-
Add: Transferred this Year	4,393,796.36	736,653.16
Closing Capital Fund	5,130,449.52	736,653.16
Total	**5,130,449.52**	**736,653.16**

Schedule 2 : Cash and Cash Equivalents

Particulars	As on 31st Ashadh 2080	As on 32nd Ashadh 2079
Cash Balance	2,475.37	1,695.41
Bank Balance	512,425.97	514,045.00
Total	**514,901.34**	**515,740.41**

Schedule 3 : Short Term Advance and Deposits

Particulars	As on 31st Ashadh 2080	As on 32nd Ashadh 2079
Advance for Building	4,000,000.00	-
Total	**4,000,000.00**	-

Schedule 4 : Current Liabilities & Provisions

Particulars	As on 31st Ashadh 2080	As on 32nd Ashadh 2079
Audit Fee Payable	11,150.00	11,150.00
TDS on Audit Fee Payable	150.00	150.00
SST Payable on Salary	14,700.02	-
Wages Payable	1,928.00	-
Grand Total	**27,928.02**	**11,300.00**

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SOWERS ACTION
Nepal

SOWERS ACTION NEPAL

Schedules forming part of Financial Statement as on 31st Ashadh, 2080

(Corresponding to 17th July, 2022 to 16th July, 2023)

Schedule 5 : Grant Income

(Amount in Nrs)

Particulars	FY 2079-80	FY 2078-79
Donation Income	8,713,479.50	1,309,145.00
Total	**8,713,479.50**	**1,309,145.00**

Schedule 6 : Donation in Kinds

Particulars	FY 2079-80	FY 2078-79
General Donation upto this Year	-	-
General Donation this Year	-	-
Total	-	-

Schedule 7 : Other Income

Particulars	FY 2079-80	FY 2078-79
Interest Income	83,550.47	-
Total	**83,550.47**	-

Schedule 8 : Administrative & Office Expenses

Particulars	FY 2079-80	FY 2078-79
Audit Fee	11,300.00	11,300.00
Bank Charge	-	100.00
House Rent	600,000.00	300,000.00
Printing and stationery Expenses	-	165.00
Office General Expense	90,911.01	2,691.00
Salary Expense	1,470,002.02	81,378.00
Internet	14,869.00	15,076.44
Communication Expenses	12,330.00	-
Vehicle Fuel	-	1,700.00
Repair/Maintenance	9,752.69	1,573.15
Registration and renewal Expenses	45,232.66	110,000.00
Kitchen Expenses	31,178.00	3,340.00
Electricity Expenses	10,305.00	5,185.00
Miscellaneous Expenses	-	1,878.00
Waste Management	17,644.00	3,487.00
Refreshment Expenses	-	1,445.00
Total	**2,313,524.38**	**539,318.59**

Schedule 8 : Program Expenses

Particulars	FY 2079-80	FY 2078-79
Fooding Expenses	202,919.96	-
Stationery Expenses	201,105.00	-
Medical Expeenses	52,000.00	-
Vaseline & Woollen gloves	71,400.00	-
Jacket Distribution	220,847.75	-
Support to Jhirpu Secondary School	1,132,500.00	-
Total	**1,880,772.71**	-

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SOWERS ACTION
Nepal

Sowers Action Nepal
Bouddha-06, Kathmandu, Nepal
DEPRECIATION CHART FOR THE YEAR ENDED 31st ASHADH 2080

Schedule 10

Particulars	Rate	Opening WDV (2079.04.01)	Adddition Up to Poush	Addition Up to Chaitra	Addition Up to Ashadh	Total Additons	Absorbed Additions	Unabsorbed Additions	Deletion during the Year	Depreciation Base for the year	Depreciaton during the Year	Closing WDV (2080.03.31)
Pool A:												
Building	5%	-	-	-	-	-	-	-	-	-	-	-
Land	0%	-	-	-	-	-	-	-	-	-	-	-
Sub Total Pool A		-	-	-	-	-	-	-	-	-	-	-
Pool B:												
Furniture and Fixtures	25%	112,437.50	424,551.20	-	-	424,551.20	424,551.20	-	-	536,988.70	134,247.17	402,741.52
Office Equipments	25%	119,775.25	170,648.78	-	25,000.00	195,648.78	178,982.11	16,666.66	-	298,757.36	74,689.34	240,734.69
Sub Total Pool B		**232,212.75**	**595,199.98**	-	**25,000.00**	**620,199.97**	**603,533.31**	**16,666.66**	-	**835,746.06**	**208,936.52**	**643,476.21**
Pool C:												
Vehicles	20%	-	-	-	-	-	-	-	-	-	-	-
Sub Total Pool C		-	-	-	-	-	-	-	-	-	-	-
Pool D:												
Plant & Machinery	15%	-	-	-	-	-	-	-	-	-	-	-
Sub Total Pool D		-	-	-	-	-	-	-	-	-	-	-
Pool E:												
Software	20%	-	-	-	-	-	-	-	-	-	-	-
Sub Total Pool E		-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL		232,212.75	595,199.98	-	25,000.00	620,199.97	603,533.31	16,666.66	-	835,746.06	208,936.52	643,476.21

Significant Accounting Policies & Notes to Financial Statement
The schedules referred to above form an integral part of these financial statements

As per our report of even date attached

For and on behalf of Registered Auditor

Registered Auditor

सोवरस् एक्सन
SOWERS ACTION
Nepal

On behalf of Members

Chairman **Treasurer**

Place: Kathmandu Nepal
Date:2080.04.27

SOWERS ACTION NEPAL

Bouddha-06, Kathmandu, Nepal

Fund Accountability Statement as on 31st Ashadh 2080

Corresponding to 16thJuly 2023

Particulars	Sch.	FY 2079-80	FY 2078-79
Opening balance of fund	1	736,653.16	-
Fund Receipt:		***8,797,029.97***	***1,309,145.00***
Grant Income	5	8,713,479.50	1,309,145.00
Interest Income	7	83,550.47	-
Expenditure:		***4,403,233.61***	***572,491.84***
Administrative Expenses	8	2,313,524.38	539,318.59
Program Expenses	9	1,880,772.71	-
Depreciation Expenses	10	208,936.52	33,173.25
Closing Balance of Fund		**5,130,449.52**	**736,653.16**
Represented by:			
Assets:		***5,158,377.54***	***747,953.16***
Cash and Bank Balance	2	514,901.34	515,740.41
Short Term Advance & Deposits	3	4,000,000.00	-
Fixed Assets	10	643,476.21	232,212.75
Liabilities:		***27,928.02***	***11,300.00***
Less: Account Payable	4	27,928.02	11,300.00
Closing Balance of Fund		**5,130,449.52**	**736,653.16**

Significant accounting policies & Notes to Accounts. "11"

Schedule forms integral part of financial statements "1 to 10"

As per our report of even date

For and on behalf of Registered Auditor

On behalf of Board of Members

सोवरस् एक्सन
SOWERS ACTION
Nepal

Registered Auditor

Chairman

Treasurer

Place: Kathmandu Nepal
Date:2080.04.27

SOWERS ACTION NEPAL

Bouddha-06, Kathmandu, Nepal

[FY 2079-80]

Schedule forming part of the financial statements

Schedule- 11

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied throughout the period, unless otherwise stated. The financial statements are prepared on historical cost convention except where otherwise stated.

1.2. Statement of Compliance

The financial statements have been prepared in accordance with General Accepted Accounting Principles (GAAP) and in conformity with the applicable laws.

1.3. Fixed Assets & Depreciation

Fixed assets are stated at cost less depreciation. Depreciation on fixed assets has been charged on written down value method at the rates as specified in Income Tax Rules.

1.4. Income & Expenses Recognition

The Income is recognized on cash basis & Expenditure is recognized on accrual basis.

1.5. Income Taxes

The Organization is a tax exempted entity hence tax is not required to be calculated.

1.6. Provisions & Contingencies

Provisions are recognized when the Organization has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions required to settle are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Contingencies are disclosed unless the likelihood of an outflow of resources is remote and there is ... but probably will not, require an outflow of

SOWERS ACTION NEPAL
Bouddha-06, Kathmandu, Nepal
[FY 2079-80]

Schedule forming part of the financial statements

2. NOTES TO ACCOUNTS

2.1. Income & Expenses

Grants, charity, membership fee are included in income. The Organization has received local & outside grant fund. The income of Organization is its member's fee and member's donation. The total operating expenditure of the Organization has been shown as direct expenses.

2.2. Going Concern

The Financials Statements are prepared on the assumption that the Organization is a Going Concern.

2.3. Cash & Cash Equivalents

Cash & Cash equivalents for the purpose of Cash Flow Statement comprise of cash in hand and balance with banks.

2.4. Comparative Information

The accounting policies have been consistently followed by the Organization and are consistent with those used in the previous year.

2.5. Previous year figures

Previous year figures have been regrouped/re-arranged wherever considered necessary to facilitate comparison with current year's figures.

For and on Behalf of Registered Auditor

On and behalf of Board of Member

सोवरस् एक्सन
SOWERS ACTION
Nepal