

S. Moktan & Associates

Chartered Accountants

COP No.: 892
Membership No.: 998

Firm No.: 789
PAN No.: 104370410

Independent Auditor's Report

To

The Board Members of Food for Life Nepal

Kathmandu

We have audited the accompanying Statement of Financial Position of the Food For Life Nepal as of Ashad 31, 2077 (July 15, 2020) and the related Statement of Income & Expenditure, Cash Flow Statement and Notes to Financial Statements for the year Ashad 31, 2077.

Directors and management's responsibilities for the Financial Statements:

The management is responsible for the preparation and fair presentation of these financial statements in accordance to relevant financial accounting standards and Acts. 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.

Basis for Opinion:

We have conducted our audit in accordance with the generally accepted auditing principles, circulars and directives issued under relevant Act. Our objective was to obtain reasonable assurance whether those guidelines and standards are followed and are free of material misstatement. An audit is based on test, sampling test, checking of supporting and disclosure in financial statements as we considered necessary in the circumstances.

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. The Statement of Financial Position, Statement of Income & Expenditure and the Cash Flow Statement dealt with by this report are in the agreement with the books of account maintained.
3. In our opinion and to the best of our information and according to the explanation given to us, members of the Board and any employees has not acted contrary to the



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legal provisions relating to accounts nor committed any misappropriation or cause loss or Damage to the organisation.

4. In our opinion, except for the effects of the adjustments on the financial statements, if any, as mentioned in the preceding paragraph and notes to financial statements, the financial statement gives a true and fair view as at 31 Ashad 2077.

Place: Kathmandu
Date: 2077.06.21



CA. Sunischit Moktan
For and on behalf of
S. Moktan & Associates,
Chartered Accountants

Food For Life Nepal


Kathmandu, Nepal


Statement of Financial Position

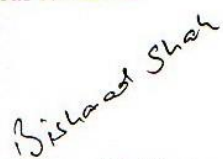
As on 31st Ashad 2077

Particulars	Sch	31.03.2077	31.03.2076
		NRs.	NRs.
Liabilities:			
Corpus Fund	1	1,000.00	1,000.00
Operation Fund	2	13,071,044.79	3,034,216.83
Restricted Fund	3	846,180.00	846,180.00
Current liabilities	4	2,300,150.01	485,517.00
Total		16,218,374.80	4,366,913.83
Assets:			
Fixed Assets	5	8,137,903.94	1,388,323.72
Less: Accumulated Depreciation	5	(514,686.20)	(274,137.89)
Net Fixed Assets		7,623,217.75	1,114,185.83
Capital WIP(Kitchen Center)	6	5,589,259.94	1,775,956.00
Investments		-	-
Cash and Cash Equivalents	7	2,289,707.11	774,394.00
Advance and Other receivables	8	716,190.00	702,378.00
Total		16,218,374.80	4,366,913.83


Schedules form integral parts of the financial statement


Brijesh Lacsula
Chairperson



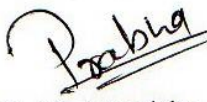

Bisharad P. Shah
Vice-Chairperson

As per our report


CA. Sunisshit Muktan
For S. Muktan & Associates
Chartered Accountants


Kundan Sharma
Treasurer


Deepasna Rana
Secretary


Prabha Timalina
Accountant

Food For Life Nepal

Kathmandu, Nepal

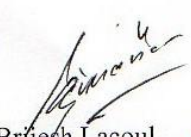
Statement of Income & Expenditure

For the period from 1st Shrawan 2076 to 31st of Ashad 2077


Amount in NPR

Particulars	Sch	31.03.2077	31.03.2076
Income:			
Donation Income	9	18,329,514.00	7,934,514.00
Other Income	10	650.34	143,701.00
Total (A)		18,330,164.34	8,078,215.00
Expenditure:			
Mid-day Meal Project Cost	11	4,286,286.44	3,750,806.00
Covid-19 Relief Project Cost		963,510.00	-
Office & Admin Cost	12	2,802,990.82	4,242,955.17
Depreciation	5	240,548.31	165,313.00
Total (B)		8,293,335.57	8,159,074.17
Surplus/ (Deficit) Transfer to Operational Fund		10,036,828.77	(80,859.17)
Total		18,330,164.34	8,078,215.00

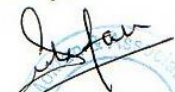
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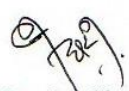

Brijesh Lacoul
Chairperson




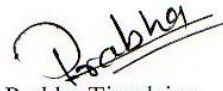

Bisharad P. Shah
Vice-Chairperson

As per our report


CA. Sunischit Moktan
For S. Moktan & Associates
Chartered Accountants


Kundan Sharma
Treasurer


Deepasna Rana
Secretary


Prabha Timalisina
Accountant

Food For Life Nepal

Kathmandu, Nepal

Statement of Cash Flow

For the period from 1st Shrawan 2076 to 31st of Ashad 2077

Amount in NPR


Particulars	Sch	31.03.2077	31.03.2076
Cash from Operating Activities			
Surplus/ (Deficits)		10,036,827.96	(80,859.17)
Depreciation		240,548.31	165,313.00
(Increase)/Decrease in Accounts Receivable		(13,812.00)	(650,025.00)
(Decrease)/Increase in Accounts Payable		1,814,633.01	(1,119,390.00)
Net Cash From Operating Activities		12,078,197.28	(1,684,961.17)
Cash from Investing Activities			
(Increase)/Decrease in Fixed Assets		(10,562,884.16)	(1,993,601.00)
(Increase)/Decrease in Term Deposits			718,242.00
Net Cash from Investing Activities		(10,562,884.16)	(1,275,359.00)
Cash from Financing Activities			
Increase/(Decrease) in Donor Restricted Fund			-
Increase/(Decrease) in Capital Reserve			-
Net Cash from Financing Activities		-	-
Net Increase/(Decrease) in Cash and Cash Equivalents		1,515,312.12	(2,960,320.17)
Opening Cash and Cash Equivalents		774,394.83	3,734,715.00
Balance at the end of the year		2,289,706.95	774,394.83

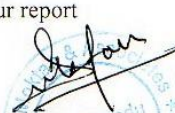
Schedules form integral parts of the financial statement


Brijesh Lācoul
Chairperson





Kundan Sharma
Treasurer

As per our report

Bisharad P. Shah
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CA. Sunischit Moktan
For S. Moktan & Associates
Chartered Accountants


Deepasna Rana
Secretary


Prabha Timalisina
Accountant

Food For Life Nepal
Schedules forming part of Financial Statement

Schedule-1: Corpus Funds

Particulars	Current Year	Previous Year
Opening Balances	1,000.00	1,000.00
Add: Received during the year	-	-
Total	1,000.00	1,000.00

Schedules-2: Operation Fund

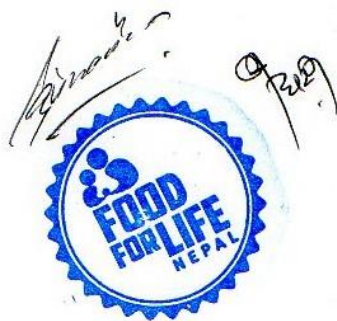
Particulars	Current Year	Previous Year
Opening Balances	3,034,216.83	3,115,076.00
Surplus/(Deficit) transfer during the year	10,036,828.77	(80,859.17)
Transfer/Adjstment on Fund	-	-
Total	13,071,045.60	3,034,216.83

Schedules-3: Restricted Fund-Kitchen construction

Particulars	Current Year	Previous Year
Opening Balances	846,180.00	846,180.00
Fund received during the year	-	-
Interest Income	-	-
Total	846,180.00	846,180.00

Schedules-4: Current Liabilities

Particulars	Current Year	Previous Year
Tds on Audit Fee Payables	300.00	300.00
Tds on SST payables	30,419.00	48,868.00
Tds on Salary Payables	1,696.00	-
Audit Fee Payables	22,300.00	22,300.00
TDS on Transportation payables	3,242.50	10,667.00
Tds on Suppliers	-	15.00
Tds on Designing payables	-	954.00
Tds on Rent	20,000.00	-
Rent payables	60,000.00	-
Salary payables	314,260.00	382,881.00
Sundry creditors	1,815,265.51	-
Staff payables	32,667.00	19,532.00
Total	2,300,150.01	485,517.00



Bishwaraj Shah
Prabha



Food For Life Nepal
 Schedules forming part of Financial Statement
 Schedule-5: Fixed Assets

Schedule - 5

no	Particulars	Cost Price				Acc Depreciation			Net Book Value	
		As on	Additional/transfer	Disposal	Total	Opening	Depreciation	Closing	As on	As on
		01.04.2076	During the Year	During the Year	Gross Value	01.04.2076	For the Year	31.03.2077	31.03.2077	31.03.2076
1	Non-Depreciable Assets									
	Land and Land Development		-	-	-		-	-	-	-
	Depreciable Assets									
2	Class "A" Construction/Building									
	Kitchen Construction		-	-	-		-	-	-	-
3	Class "B" Office Equipment & Furnitures	324,190.80	41,079.62	-	365,270.42	88,264.15	58,217.41	146,481.57	218,788.85	235,927.00
	Office Equipments	324,190.80	41,079.62	-	365,270.42	88,264.15	58,217.41	146,481.57	218,788.85	235,927.00
4	Class "C" Automobiles									
5	Class "D" Machinery Equipment	1,064,132.92	6,708,500.60	-	7,772,633.52	185,873.73	182,330.90	368,204.63	7,404,428.89	878,259.00
	Kitchen Equipments	1,064,132.92	6,708,500.60	-	7,772,633.52	185,873.73	182,330.90	368,204.63	7,404,428.89	878,259.00
6	Class "E" Other Assets (Leasehold)									
	Current Year Total	1,388,323.72	6,749,580.22	-	8,137,903.94	274,137.89	240,548.31	514,686.20	7,623,217.75	1,114,186.00
	Previous Year Total	1,170,679.00	217,645.80		1,388,324.80	108,825.00	165,313.00	274,138.00	1,114,186.80	



7/2/19
 Bishwajit Shrestha

Shrestha

Prabha



Food For Life Nepal
Schedules forming part of Financial Statement

Schedules-6: Capital WIP (Kitchen Construction)

Particulars	Current Year	Previous Year
Opening Balance	1,775,956.00	-
Addition during the year	3,813,303.94	1,775,956.00
Total	5,589,259.94	1,775,956.00

Schedules-7: Cash & Cash Equivalents

Particulars	Current Year	Previous Year
Cash in Hand	-	18,097.00
Bank Account		
SBL	54,423.78	9,391.00
EBL	83,237.00	52,776.00
KBL-1	157,704.22	643,498.00
KBL-2	12,440.59	50,632.00
KBL-3	1,969,811.52	-
Kamana Sewa BB	12,090.00	-
Total	2,289,707.11	774,394.00

Schedules-8: Current Assets, Loans & Advance

Particulars	Current Year	Previous Year
Advance for expenses	790.00	-
Bank Security	77,500.00	
Bond Security	637,900.00	
Other Advance	-	700,000.00
Staff Advance	-	2,378.00
Total	716,190.00	702,378.00

Schedules-9: Donation Income

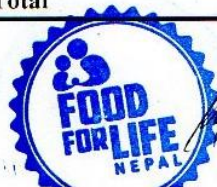
Particulars	Current Year	Previous Year
Donation from Japan Embassy	9,883,012.05	-
Donation as General	6,227,101.95	6,303,689.00
Donation from Government/Municipality	2,219,400.00	1,630,825.00
Total	18,329,514.00	7,934,514.00

Schedules-10: Other Income

Particulars	Current Year	Previous Year
Bank Interest	650.34	143,701.00
Total	650.34	143,701.00

Schedules-11: Mid-Day Meal Project Cost

Particulars	Current Year	Previous Year
Food material purchased	2,841,733.44	2,266,029.00
Kitchen staff salary	1,007,000.00	845,495.00
cooking gas	142,317.00	136,100.00
Food delivery cost	286,815.00	426,529.00
Kitchen General Expenses	6,986.00	53,925.00
Kitchen Consumable Goods	1,435.00	22,728.00
Total	4,286,286.44	3,750,806.00



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Bishwaraj Shah

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Food For Life Nepal
Schedules forming part of Financial Statement

Schedules-12: Office & Admin Cost

Particulars	Current Year	Previous Year
Audit fees	22,600.00	22,600.00
Bank Charges	547.56	555.00
Bid charges	24,000.00	-
Office expenses	42,257.00	44,169.00
Electricity expenses	11,427.00	-
Legal & Renewal fees	3,700.00	3,332.00
Repair & Maintenance	7,615.00	41,129.00
Souvenir for Donors	2,180.00	33,236.00
Miscellaneous Expenses	857.15	969.17
Printing and stationary	63,036.00	200,361.00
Telephone expenses	8,000.00	16,740.00
Salary expenses	1,637,328.00	2,902,775.00
Wages expenses	416,366.67	
Event expenses	27,345.00	176,972.00
Fuel Expenses	17,935.00	30,695.00
Hospitality and refreshment	119,250.00	41,605.00
Tshirt & visibility Items	-	400,600.00
Rent Expenses	200,000.00	-
Office Rent & Electricity	-	113,307.00
Internet charges	22,491.25	51,679.00
Advertisement	-	1,130.00
Staff Welfare	5,060.00	-
Local Transportation	95,807.00	-
Travelling expenses	75,189.00	161,101.00
Total	2,802,991.63	4,242,955.17



Signature

Bishwaraj Shrestha

Rana

Prabha



Food for Life Nepal

Kathmandu

Fiscal year: 2076/77

Significant accounting policies and notes to accounts

1. General Information of Food for Life Nepal.

Food for Life Nepal (FFLN) is a Non-profit Organization striving to promote health and education in Nepal by providing nutritious mid-day meal to children in need. FFLN is a non-governmental organization established under Social Welfare Act, 2049 on 2072.02.11, SWC registration No. being 42035; and registered with District Administration Office, Kathmandu on 2072.02.18 vide Regd. No. 910 and District Development Committee vide Regd. No. 869 FFLN has been registered with Inland Revenue Office, Kathmandu with Pan No. 603222021 on 2072.02.22. Inland Revenue Department has granted Tax exemption Certificate No. 232 dated 2072.05.14.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) and Generally Accepted Accounting Principles (GAAP). The accounts have been prepared on accrual basis for expenses and liability whereas income has been recognized on cash basis.

2.2 The Funds of the center are classified under the various heading as per below:

a. Corpus Funds

It includes donation that are collected as membership fee from its members.

b. Operations Funds

It includes donation that are collected for unspecified and general purpose. The surplus and deficit from operation during the year are transferred to Operation Funds.

c. Restricted Funds

It includes other donations that are collected for certain for certain specific purposes other than the above and it is operated for the restricted purpose only.

2.3 Fixed Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.



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Bishan Shah



2.4 Depreciation

Depreciation on fixed assets has been charged on Straight Line Method for the useful life of the particular assets as listed below:

Assets Type	Useful Life (Years)
Office Equipments	5
Electronic Equipments	5
Kitchen Equipments	5
Gas Stoves	10
Cooking Vessels	10
Storage pots-Metallic	10
Plastic Goods	2
Other Kitchen Goods	5
Furniture & Fixture	10

2.5 Cash and Bank

Cash balance at the year end is certified by management. Bank balances are the balances shown by books of accounts reconciled with bank statements and Bank Balance Certificate.

Cash held in hand is not insured against any risk.

2.6 Other Income

Other Income of FFLN includes Bank interest.

2.7 Advances

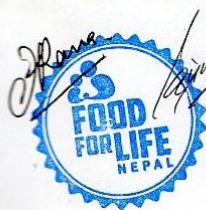
Advances includes bond security and performance guarantees SME security, which are holded by Kumari bank ltd as per contract between FFLN, Kumari bank and Municipal government of tokha, Kathmandu.

2.8 Government Taxes & Fees

In the financial statements, Government taxes and fee expenses are duly paid and booked accordingly during the year.

2.9 Regrouping and Reclassification

Previous year's figures has been regrouped and reclassified wherever considered necessary in order to facilitate comparison.



Bishan Singh
Prabha

