



बागमती सेवा समाज नेपाल

# **Bagmati Welfare Society Nepal (BWSN)** **Harion-11, Sarlahi**

## **Audit Report**

For

For the Period 17 July 2023 to 15 July 2024  
(FY 2080.81)



**Submitted by:**  
**Khatiwada Dipesh & Associates**  
**Chartered Accountants**  
**Mahalaxmi-7, Lalitpur**  
**Nepal**

## INDEPENDENT AUDITOR'S REPORT

**To The Members of Bagmati Welfare Society Nepal (BWSN)**

### Opinion

We have audited the financial statements of Bagmati Welfare Society Nepal (BWSN) for the year ended 31 Ashad 2081 (15 July 2024) which comprise of the Balance Sheet, Statement of Income and Expenditure and Statement of Cash Flow for the year ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Bagmati Welfare Society Nepal (BWSN) as at 31 Ashad 2081 (corresponding to 15 July 2024) and its financial performance and cash flows for the year then ended in accordance with the generally accepted accounting principles in Nepal.

### Basis for opinion

We conducted our audit 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 Bagmati Welfare Society Nepal (BWSN) in accordance with the handbook of code of ethics for professional accountants issued by Institute of Chartered Accountants of Nepal (ICAN), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with generally accepted accounting principles, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

### 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

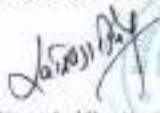


As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 control 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 the organization;
- Conclude on the appropriateness of the managements' 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; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For and on behalf of  
Khatiwada Dipesh & Associates,  
Chartered Accountants

  
Dipesh Khatiwada  
Principal

Date: 14 September 2024  
UDIN: 241004CA01360TBL2

**Bagmati Welfare Society Nepal**  
**Harion-11, Sarlahi**  
**Statement of Financial Position**  
**As at 31 Ashadh 2081(15 July 2024)**


Particulars	Notes	Current Year (NPR)	Previous Year (NPR)
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property Plant and Equipment	4.1	24,360.33	32,480.44
<b>Total Non - Current Assets</b>		<b>24,360.33</b>	<b>32,480.44</b>
<b>Current Assets</b>			
Accounts Receivable	4.2	8,243,220.65	3,835,224.98
Receivable From Donors	4.3	3,602,819.43	6,739,337.05
Cash And Cash Equivalents	4.4	9,028,461.51	9,876,202.24
<b>Total Current Assets</b>		<b>20,874,501.59</b>	<b>20,450,764.27</b>
<b>TOTAL ASSETS</b>		<b>20,898,861.92</b>	<b>20,483,244.71</b>
<b>LIABILITIES &amp; RESERVES</b>			
<b>Accumulated Reserves</b>			
Unrestricted Funds/Accumulated Surplus	4.5	503,261.54	(65,639.00)
Restricted Funds	4.6	8,615,618.94	7,720,939.74
Other Capital Reserve		24,360.33	32,480.44
<b>Total Accumulated Reserves</b>		<b>9,143,240.81</b>	<b>7,687,781.18</b>
<b>Non - Current Liabilities</b>			
Deferred Revenue		-	-
Other Non Current Liabilities		-	-
<b>Total Non - Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Accounts Payable	4.7	11,755,621.62	12,795,463.53
<b>Total Current Liabilities</b>		<b>11,755,621.62</b>	<b>12,795,463.53</b>
<b>Total Liabilities</b>		<b>11,755,621.62</b>	<b>12,795,463.53</b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>20,898,861.92</b>	<b>20,483,244.71</b>

Significant Accounting Policies and Notes to Account form an integral part of Statement of Financial Position

As per our attached report on even date

  
Sunil Kumar Shah  
Act. Executive Director



  
Sujata Kumari  
Chairperson

  
CA Dipesh Khatiwada  
Principal  
Khatiwada Dipesh & Associates  
Chartered Accountants

  
Rinku Kumari  
Treasurer

  
Krishna Pd Banjara  
Admin/Finance Manager

Location: Sarlahi, Nepal  
Date : 2024-09-14

**Bagmati Welfare Society Nepal**  
**Harion-11, Sarlahi**  
**Statement of Income and Expenditure**  
**For the Period from 17 July 2023 to 15 July 2024**

Particulars	Notes	Current Year (NPR)	Previous Year (NPR)
<b>INCOME</b>			
Grant Income (Government)	4.8	-	-
Grant Income (Other Entity)	4.8	264,332,948.11	275,928,058.04
Contribution from Member & Executive Committee		11,514.00	68,358.00
Capital Reserves Transferred to I/E		8,120.11	10,826.81
Other Income		611,636.54	-
<b>Total Income</b>		<b>264,964,218.76</b>	<b>276,007,242.85</b>
<b>EXPENDITURE</b>			
Expenses	4.9	264,387,198.11	276,014,158.04
Depreciation	4.9	8,120.11	10,826.81
<b>Total Expenditure</b>		<b>264,395,318.22</b>	<b>276,024,984.85</b>
<b>Net Surplus/(Deficit) Before Taxation</b>		<b>568,900.54</b>	<b>(17,742.00)</b>
Income Tax Expenses	4.10	-	-
<b>Net Surplus/(Deficit) for the year</b>		<b>568,900.54</b>	<b>(17,742.00)</b>
Surplus/(Deficit) till Previous Year		(65,639.00)	(47,897.00)
<b>Surplus/(Deficit) Transferred to Balance Sheet</b>		<b>503,261.54</b>	<b>(65,639.00)</b>

Significant Accounting Policies and Notes to Account form integral part of Statement of Income & Expenditure

As per our report of even date

  
Sunil Kumar Shah  
Act. Executive Director

  
  
Sujata Kumari  
Chairman

  
CA Dipesh Khatiwada  
Principal  
Khatiwada Dipesh & Associates  
Chartered Accountants

  
Rinku Kumari  
Treasurer

  
Krishna Pd Banjara  
Admin/Finance Manager

Location: Sarlahi, Nepal  
Date : 2024-09-14


**Bagmati Welfare Society Nepal**  
**Harion-11, Sarlahi**  
**Statement of Cash Flows**  
**For the Period from 17 July 2023 to 15 July 2024**

Particulars	Current Year (NPR)	Previous Year (NPR)
<b>Cash Flows From Operating Activities</b>		
Surplus/ (Deficit) For The Year (Before Tax)	568,900.54	(17,742.00)
<b>Adjustments to Reconcile Surplus/(Deficit) to Net Cash Flows: Non-Cash Items:</b>		
Depreciation and Impairment of Property, Plant and Equipment	8,120.11	10,826.81
Income from Capital Reserve	(8,120.11)	(10,826.81)
<b>Working Capital Adjustments:</b>		
Accounts Receivable	(1,271,478.05)	9,983,778.74
Increase/ (Decrease) in Restricted Fund	894,679.20	(17,881,070.01)
Accounts Payable	(1,039,841.91)	(8,178,856.86)
<b>Net Cash From/(Used In) Operating Activities</b>	<b>(847,740.22)</b>	<b>(16,093,890.13)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of Property Plant and Equipment	-	-
<b>Net Cash From/(Used In) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Cash Flows From Financing Activities</b>		
<b>Net Cash From/(Used In) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>	<b>(847,740.22)</b>	<b>(16,093,890.13)</b>
Cash And Cash Equivalents at the Beginning of the Period	9,876,202.24	25,970,092.37
<b>Cash And Cash Equivalents at the End of the Period</b>	<b>9,028,461.51</b>	<b>9,876,202.24</b>

As per our report of even date

  
Sunil Kumar Shah  
Act. Executive Director



  
Sujata Kumari  
Chairman

  
CA Dipesh Khatiwada  
Principal  
Khatiwada Dipesh & Associates  
Chartered Accountants

  
Rinku Kumari  
Treasurer

  
Krishna Pd Banjara  
Admin/Finance Manager

Location: Sarlahi, Nepal  
Date : 2024-09-14

**Bagmati Welfare Society Nepal (BWSN)**  
**Harion-11, Sarlahi**  
**Significant Accounting Policies and Notes to Financial Statement**  
**For the Year Ended 31 Ashad 2081 (15 July 2024)**

**1. General Information**

Bagmati Welfare society Nepal (BWSN) is a local non-governmental organization established in Sarlahi district in 1995 AD with registration no. 65/2051 in District Administration Office (DAO), Sarlahi. It is also affiliated to Social Welfare Council (SWC) with registration no 13303 and NGO Federation Nepal. It is also institutionally associated with Human Right and Social Justice Forum – Nepal, NANGAN-Nepal NGO coordination committee, Sarlahi and Gender and Social Inclusion (GESI) network. BWSN is primarily working for protecting and promoting human rights of marginalized, disadvantaged and vulnerable communities through developing their leadership and advocacy skills to claim their rights and engage in human rights promotion activities. BWSN has already implemented social and economic empowerment projects targeted to empowering marginalized and vulnerable communities especially women and girls (including to victims Gender Based Violence (GBV)), Dalits, disadvantaged Madhesi and Muslim communities, single and pregnant women, differently able and elderly persons and other conflict victims for protecting and promoting their rights.

BWSN has implemented some projects related to increasing access to education to marginalized population such as Muslim and Terai Dalit. Since its establishment, BWSN has been implementing many projects related to Human Rights, Education, Social and Economic Empowerment, Water, Sanitation and Hygienic (WASH), Agriculture, Environment, Micro Enterprise Development, Natural Resource Management, Public Health, Community Infrastructure etc. targeted to improve socioeconomic and human rights situation of poor, marginalized and vulnerable communities living in rural areas of Province No. 2 of Nepal.

**2. Basis of preparation**

The financial statements have been prepared using the historical cost convention or at Fair value wherever specifically disclosed.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on a going concern basis.

**2.1 Functional and Presentation Currency**

The financial statements are presented in Nepali Rupees (NPR), which is the organization's functional and presentation currency. All financial information is presented in Rupees, except when otherwise indicated.

**2.2 Changes in Accounting Policies and Disclosures**

The Accounting policies have been consistently applied, unless otherwise stated.

**2.3 Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the financial statements requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the accounting policies. The management makes certain estimates and assumptions regarding future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual



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**Bagmati Welfare Society Nepal (BWSN)**  
**Harion-II, Sarlahi**  
**Significant Accounting Policies and Notes to Financial Statement**  
**For the Year Ended 31 Ashad 2081 (15 July 2024)**

results may differ from these estimates and assumptions. Any material accounting judgements, estimates and assumptions are disclosed in the financial statements.

**3. Significant Accounting Policies**

**3.1 Recognition of Income**

**Income from Unrestricted Funds**

Unrestricted funds are those that are available for use by BWSN, in furtherance of the general objectives of BWSN and which are not designated for any specific purpose. Such funds are recognized as income when received. The surplus of funds after expenditure during the year are recognized as Unrestricted Funds in the Statement of Financial Position.

***Other Income***

Income such as bank interest, membership income, overhead income and other income of BWSN core fund is recognized as income on an accrual basis.

**Income from Restricted Fund**

The activities for which these restricted funds may and are being used are identified in the statement of financial position. Such restricted fund may include conditions for refund should there be balance of fund at the end of the project. The income from such restricted funds is recognized to the extent of the expenditure incurred for the project activities. The excess of fund over the expenditure is reflected as Restricted Fund and same will be utilized for the agreed program implementation in the succeeding period. Any amount already expended and yet to be received from the donors are recognized as income and shown in the statement of financial statements as receivable from donors.

**3.2 Recognition of Expenses**

Expenditures incurred by BWSN are recognized on an accrual basis. Any funds granted to various partners are booked as advance when fund is disbursed. Such advance is settled as expenditure when the partners submit the progress report along with the expenditure statement.

**3.3 Fixed assets and Depreciation**

All items of property, plant and equipment are initially recorded at cost. After the initial recognition of an asset, property plant and equipment are carried at cost less any subsequent depreciation. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment.

**Depreciation**

Depreciation is provided for on all Property Plant and Equipment on the written down value basis and is calculated on the cost of all property, plant and equipment other than land, to write off such amounts less any terminal value over the estimated useful lives of such assets.



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**Bagmati Welfare Society Nepal (BWSN)**  
**Harion-11, Sarlahi**  
**Significant Accounting Policies and Notes to Financial Statement**  
**For the Year Ended 31 Ashad 2081 (15 July 2024)**

Management Provides for the depreciation on the written down value method. The depreciation rates used for each class of assets are as follows:

Name of Asset	Depreciation Rate
Computer & Office Equipment	25%

All items of property, plant and equipment acquired from the restricted funds for the year, are charged as expense at the time of acquisition. A memorandum Fixed Assets Register (FAR) listing all the assets is maintained for internal control purposes.

### 3.4 Inventory

The cost of inventory in hand at the yearend is not reflected in the Statement of Financial Position as inventory items are charged as expenses at the time of acquisition.

### 3.5 Cash and cash Equivalents

BWSN considers and classifies cash in hand, amounts due from banks and short-term deposits with an original maturity of three months or less under the category of "Cash and Bank Balances". For fixed deposits with maturity greater than 3 months, such fixed deposits are classified as Investments.

### 3.6 Account Receivables & Payables

Accounts receivables and payables are stated at their transaction price.

### 3.7 Contingent Liabilities

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of BWSN. It may also be a present obligation that arises from past events but in respect of which an outflow of economic benefit is not probable or which cannot be measured with sufficient reliability.

No contingent liabilities exist as of the date of the Statement of Financial Position.



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