

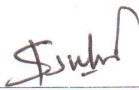
S.C. Subedi & Associates
Registered Auditors

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE
LAXMI PRATISTHAN**

We have audited the accompanying Balance Sheet of The LAXMI PRATISTHAN for the year ended 31 Ashadh 2069 (corresponding to 15 July 2012), the related Statements of Income & Expenditures and Cash Flows for the year then ended. These statements are the responsibility of the organisation's management. Our responsibility is to express our opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements conform with the Nepal Accounting Standards, and give a true and fair view of the financial conditions of the LAXMI PRATISTHAN as at 31 Ashadh 2069 (corresponding to 15 July 2012) and the results of operations & its cash flows for the year then ended.


RA Shyam Chandra Subedi
For S.C. Subedi & Associates
Registered Auditors

10 Bhadra 2069

Kathmandu




Laxmi Pratisthan
Balance Sheet
As on Ashad 31, 2069 (July 15, 2012)

| Particulars | Schedules | Current Year | Previous Year |
|---|-----------|-----------------------|-----------------------|
| Sources of Funds: | | | |
| Capital Fund | 1 | 135,808.75 | 135,808.75 |
| Surplus/(Deficit) | 2 | (2,007,467.72) | (1,473,441.25) |
| | | (1,871,658.97) | (1,337,632.50) |
| Application of Funds: | | | |
| Fixed Assets | | | |
| | 3 | 120,231.57 | 135,808.75 |
| Current Assets, Advances and Deposits | | | |
| Cash & Bank Balances | 4 | 69,902.40 | 7,826.00 |
| | | 69,902.40 | 7,826.00 |
| Less: Current Liabilities | 5 | 2,061,792.94 | 1,481,267.25 |
| Net Current Assets | | (1,991,890.54) | (1,473,441.25) |
| | | (1,871,658.97) | (1,337,632.50) |
| Significant Accounting Policies & Notes to the Accounts | 8 | | |

As per our attached report of even date

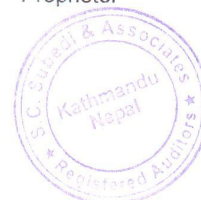
For & on behalf of:
S.C. Subedi & Associates


Sarita Bhandari
Accountant


Bishnu Gautam
Chairman


S.C. Subedi
Proprietor

Kathmandu
Date: 10th Bhadra 2069



Laxmi Pratisthan
Income & Expenditure Account
For the year ended Ashad 31, 2069 (July 15, 2012)

| Particulars | Schedules | Current Year | Previous Year |
|--|-----------|---------------------|---------------------|
| Income: | | | |
| Donation Received | 6 | 835,938.22 | 844,331.00 |
| Membership Fee | | 18,000.00 | - |
| CD Sales Income | | 9,285.00 | 1,220.00 |
| Hiking Income | | 55,000.00 | 45,500.00 |
| Royalty Income | | 5,700.00 | - |
| Smarika Advertisement Income | | 48,045.00 | - |
| Grant Received for Skill Training Programme | | 110,000.00 | - |
| Eye Camp Income | | - | 4,200.00 |
| | | 1,081,968.22 | 895,251.00 |
| Expenses: | | | |
| Donation | | 50,230.00 | 42,050.00 |
| Music Album Release | | 10,000.00 | 5,000.00 |
| Comics Power | | 3,800.00 | - |
| Road Divider Repair | | 5,103.00 | 5,715.00 |
| Support to Anekot VDC | | - | 10,013.00 |
| Adult Class Training | | - | 24,000.00 |
| Health Camp Programme | | - | 41,890.00 |
| Eye Camp Programme | | 116,698.00 | - |
| Ek Ghar Panch Fal Programme | | - | 22,500.00 |
| Documentary | | 25,000.00 | 39,705.00 |
| Interaction Programme | | - | 4,000.00 |
| Sport Programme | | - | 5,265.00 |
| Smarika | | 133,644.00 | 115,000.00 |
| Skill Development | | - | 13,700.00 |
| Shoe Making Training | | - | 19,560.00 |
| Support to School | | - | 29,000.00 |
| Drinking Water Support to Vakram Devi School | | - | 600,000.00 |
| Hiking Expenses | | 47,666.00 | 34,804.00 |
| C.D. Purchase | | 7,290.00 | - |
| School Clothes Distribution | | 48,960.00 | - |
| Tailoring Training Programme | | 481,840.00 | - |
| English Teacher Support | | 36,000.00 | - |
| English Language Training | | 20,000.00 | - |
| Human Rights Day Exp | | 1,100.00 | - |
| Building Electrician Training Programme | | 46,200.00 | - |
| Blood Donation | | 3,485.00 | - |
| Animal Health Programme | | 23,400.00 | - |
| Other Administrative Expenses | 7 | 515,501.50 | 313,943.00 |
| Depreciation | | 40,077.19 | 35,136.25 |
| | | 1,615,994.69 | 1,361,281.25 |
| Surplu/(Deficit) for the year | | (534,026.47) | (466,030.25) |

Significant Accounting Policies
& Notes to the Accounts

As per our attached report of even date
For & on behalf of:
S.C. Subedi & Associates

Sanita

S.C. Subedi

Kathmandu
Date: 10th Bhadra da



S.C. Subedi
S.C. Subedi
Proprietor



Laxmi Pratisthan
Cash Flow Statement
For the year ended Ashad 31, 2069 (July 15, 2012)

| Particulars | Current Year | Previous Year |
|--|---------------------|---------------------|
| A. Cash Flow from Operating Activities | | |
| Surplus | (534,026.47) | (466,030.25) |
| Add: | | |
| Depreciation | 40,077.19 | 35,136.25 |
| Cash Flow from Operating Activities before changes in W/C | (493,949.28) | (430,894.00) |
| Add/Less: | | |
| (Increase)/Decrease in Current Assets | - | - |
| Increase/(Decrease) in Current Liabilities | 580,525.69 | 463,056.25 |
| Net Cash Inflow from Operating Activities | 86,576.41 | 32,162.25 |
| B. Cash Flow from Investing Activities | | |
| Fixed Assets Purchase | (24,500.00) | (66,720.00) |
| Fixed Assets Sale | - | - |
| Net Cash Inflow from Investment Activities | (24,500.00) | (66,720.00) |
| C. Cash Flow from Financing Activities | | |
| Increase/(Decrease) in Capital Fund | | 31,583.75 |
| Net Cash Flow from Financing Activities | - | 31,583.75 |
| Total Cash Outflow (A+B+C) | 62,076.41 | (2,974.00) |
| Opening Cash & Bank Balances | 7,826.00 | 10,800.00 |
| Closing Cash & Bank Balances | 69,902.41 | 7,826.00 |

Sanita

Kathmandu

Subedi



Laxmi Pratisthan

Schedules forming part of Accounts for the year ended Ashad 31, 2069 (July 15, 2012)

Schedule - 1

Capital Fund

| Particulars | Current Year | Previous Year |
|-------------------------------|-------------------|-------------------|
| Capital Assets Reserve | | |
| Opening Balance | 135,808.75 | 104,225.00 |
| Addition during the year | - | 66,720.00 |
| Depreciation | - | (35,136.25) |
| Deletion during the year | - | - |
| | 135,808.75 | 135,808.75 |

Schedule - 2

Accumulated Surplus/(Deficit)

| Particulars | Current Year | Previous Year |
|---|-----------------------|-----------------------|
| Surplus/(Deficit) upto Last Year | (1,473,441.25) | (1,007,411.00) |
| Surplus/(Deficit) from Income & Expenditure A/c | (534,026.47) | (466,030.25) |
| | (2,007,467.72) | (1,473,441.25) |

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Sanita Pratisthan

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Laxmi Pratisthan
Schedules forming part of Accounts for the year ended Ashad 31, 2069 (July 15, 2012)

Schedule-8

Significant Accounting Policies & Notes to the Accounts

A. Significant Accounting Policies:

1) Accounting Convention:

The financial statements are prepared under historical cost conventions on an accrual concept, unless otherwise stated and are in accordance with Nepal Accounting Standards and others as applicable laws Prevalent in Nepal. The accounting policies are consistently applied by the

2) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

3) Fixed Assets:

Assets are stated at cost inclusive of all direct & indirect expenses attributable to the fixed assets being put to use, less depreciation.

4) Going Concern:

The Financial Statements are prepared on a going concern basis.

B. Notes to the Accounts:

1) Regrouping of Figures:

Previous year figures have been regrouped/rearranged wherever necessary.

2) Miscellaneous:

- i) All amounts are stated in Nepalese Rupees.
- ii) Schedule 1 to 8 form the integral part of Balance Sheet and Income Statement.

Sanita

