

INDEPENDENT AUDITOR'S REPORT

To

Members of Federation of Sexual and Gender Minorities Nepal (FSGMN)
Lazimpaat, Kathmandu, Nepal

Independent Auditor's Report On

The Financial Statements of the Federation of Sexual and Gender Minorities Nepal (FSGMN) for Nepalese Fiscal Year 2081/82 (i.e., corresponding to 16th July 2024 to 16th July 2025).

Opinion

We have audited the accompanying financial statements of Federation of Sexual and Gender Minorities Nepal (FSGMN) (hereinafter referred to as the Organization), which comprise the Statement of Financial Position as at 32nd Ashadh 2082 (corresponding to 16th July 2025), and the Statement of Income and Expenditure and Statement of Cash Flows for the year then ended, and notes to the financial statement including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of the organization as at 32nd Ashadh 2082 (i. e. 16th July, 2025) and of the results of its financial performance and its cash flows for the year then ended on that date in accordance with Nepal Accountings Standards (NAS) for Not-for-Profit Organizations (NPOs).

Basis of Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). We are independent of the Organization in accordance with the ICAN's Handbook for Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook for Code of Ethics for Professional Accountants. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Matters of Uncertainty Relating to Going Concern

Financial statements are prepared based on going concern assumption. There is no uncertainty reported as on the date of our audit for ceasing or discontinuation of business of the organization. Hence, our opinions are formed based on going concern assumption.

Key Audit Matters (KAM)

We have determined that there are no key audit matters to communicate in our report.




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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles so far as applicable in compliance with prevailing Acts, Laws and terms and conditions of the accounting policy of Federation of Sexual and Gender Minorities Nepal (FSGMN), Kathmandu, Nepal. The responsibility includes designing, implementing and maintaining a system of internal control and accounting system relevant to the utilization of fund, preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or errors; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Those charged with governance 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 judgement 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 management.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

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.



The image shows a handwritten signature in black ink over a blue circular stamp. The stamp contains the text "P. P. Pathak & Associates Chartered Accountants", "Kathmandu", and "Nepal" around a central star.

Report on Other Legal and Regulatory Requirements

We have obtained information and explanations asked for, which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, statement of financial position, the statement of income and cash flow statement have been prepared in accordance with the requirements of the regulatory body for Not-for-Profit Organization (NPO) and are in agreement with the books of account of the organization; and proper books of account as required by law have been kept by the organization.

To the best of our information and according to explanations given to us and so far, appeared from our examination of the books of account of the organization necessary for the purpose of our audit, we have not come across cases where management or any employees of the organization have acted contrary to the provisions of law relating to the accounts, or committed any misappropriation or caused loss or damage to organization relating to the accounts in the organization.



Buddhi Prasad Pathak, FCA

Principal/Partner

B. P. PATHAK & ASSOCIATES
CHARTERED ACCOUNTANTS

UDIN: 250817CA00660NpLgv

Date: 2082.04.13 BS

Place: Kathmandu, Nepal

Federation of Sexual and Gender Minorities Nepal (FSGMN)

Lazimpat, Kathmandu, Nepal

Statement of Financial Position

As on 32 Ashadh 2082 (16 July 2025)

Particulars	Notes	As on Ashad 32, 2082	As on Ashad 31, 2081
Assets			
Non-Current Assets			
Property, Plant and Equipment	4.1	1,218,560	1,218,560
Intangible Assets	4.2	8,475	8,475
Investment Property	4.3	-	-
Long Term Investment	4.4	-	-
Other Non-current Assets	4.5	-	-
Total Non-current Assets		1,227,035	1,227,035
Current Assets			
Inventories	4.6	-	-
Staff Advance & Other Advance	4.7	-	70,383
Local Sub-Implementing Partner Advance	4.8	-	-
Cash and Cash Equivalents	4.9	1,022,743	1,338,086
Total Current Assets		1,022,743	1,408,470
Total Assets		2,249,778	2,635,505
Liabilities & Reserve			
Accumulated Reserve			
Unrestricted Fund	4.10	966,243	935,045
Designated Funds	4.11	-	-
Restricted Funds	4.12	(39,833)	217,265
Endowment Fund	4.13	-	-
Other Capital Reserve	4.14	1,227,035	1,227,035
Total Accumulated Reserve		2,153,445	2,379,346
Non- Current Liabilities			
Loan & Borrowings	4.15	-	-
Employee Benefit Liabilities	4.16	-	-
Deferred Revenue	4.17	-	-
Other Non-current Liabilities	4.18	-	-
Total Non-Current Liabilities		-	-
Current Liabilities			
Account Payable	4.19	96,333	256,159
Provision	4.20	-	-
Bank Overdraft	4.21	-	-
Total Current Liabilities		96,333	256,159
Total Liabilities		2,249,778	2,635,505

As per our report of even date

Kailash Adhikari
Admin & Finance Officer

Simran Sherchan
Program Coordinator

Raju Lakhan
Chairperson

Sudip Gautam
Treasurer

CA. Buddhi P. Pathak
Principal
B. P. PATHAK & ASSOCIATES
CHARTERED ACCOUNTANTS

Federation of Sexual and Gender Minorities Nepal (FSGMN)

Lazimpat, Kathmandu, Nepal

Statement Of Income & Expenditure

For the Fiscal Year From Shrawan 1, 2081 to Ashadh 32, 2082

Particulars	Notes	Amount in NPR	
		Current Year	Previous Year
INCOME			
Incoming Resources	4.22	4,927,890	5,961,600
Financial Income	4.23	27,696	34,066
Other Income	4.24	126,292	55,560
Total Income		5,081,878	6,051,226
EXPENDITURE			
Staff Cost/Expenses	4.25	2,395,453	2,723,660
Program Expenses	4.26	1,754,024	1,897,171
General Administrative Expenditure	4.27	1,158,301	1,258,192
Depreciation	4.10	-	-
Monitoring, Evaluation and Other Expenses	4.28	-	-
Other Expenses	4.29	-	-
Total Expenditure		5,307,779	5,879,023
Net surplus(deficit) before taxation		(225,901)	172,204
SURPLUS/(DEFICIT) FOR THE YEAR		(225,901)	172,204
APPROPRIATION OF SURPLUS FOR THE YEAR		-	-
Allocation to Reserve		-	-
Allocation to Endowment Fund			

As per our report of even date

Kailash Adhikari
Admin & Finance Officer

Simran Sherchan
Program Coordinator

Raju Lama
Chairperson

Sudip Gautam
Treasurer

CA. Buddhi P. Pathak
Principal
B. P. PATHAK & ASSOCIATES
CHARTERED ACCOUNTANTS

Date: 2082/04/13

Place: Kathmandu, Nepal

Federation of Sexual and Gender Minorities Nepal (FSGMN)

Lazimpat, Kathmandu, Nepal

STATEMENT OF CASH FLOW

For the Fiscal Year From Shrawan 1, 2081 to Ashadh 32, 2082

Particulars	Current Year	Previous Year
CASHFLOW FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year (Before Tax)	(225,901)	172,203.89
Adjustments to reconcile surplus/(deficit) to net cash flow - Non cash ite	(225,901)	172,202.94
Depreciation and amortization	-	-
Changes in Capital Reserve	-	-
Increase in Grant Liability	(257,098)	106,388.94
Provision and losses on inventories	-	-
Increase/ (Decrease) Other Fund	31,198	65,814.00
Changes in Reserve due to NAS for NPOs in prior year	-	-
Movement in provisions, receivables and specific risks	-	-
Losses/ (gains) on securities	-	-
Gains from disposal of Fixed assets	-	-
Working capital adjustments:	(89,443)	7,752.62
Account receivables	70,383	(34,919.65)
Prepayments	-	-
Inventories	-	-
Other Financial assets	-	-
Account payable	(159,826)	42,672.27
Accrued expenses and deferred income	-	-
Other financial liabilities	-	-
Less:		
Income Tax paid	-	-
Interest paid	-	-
Net cash from/(used in) operating activities	(315,343)	179,955.56
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	-	-
Purchase of intangible assets	-	-
Purchase from sale of equipment	-	-
Purchase of securities	-	-
Interest received	-	-
Income from securities, net	-	-
Net cash from/(used in) investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowing of government loans	-	-
Repayments of government loans	-	-
Net cash from/(used in) financing activities	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(315,343)	179,955.56
CASH AND CASH EQUIVALENTS (OPENING)	1,338,086	1,158,129.88
CASH AND CASH EQUIVALENTS (CLOSING)	1,022,743	1,338,086.00

Kailash Adhikari
Admin & Finance Officer

Sudip Gautam
Treasurer

Date: 2082/04/13
Place: Kathmandu, Nepal

Simran Sherchan
Program Coordinator

As per our report of even date

Raju Lama
Chairperson



CA. Buddhi P. Pathak
Principal
B. P. PATHAK & ASSOCIATES
CHARTERED ACCOUNTANTS