

**Independent Auditor's Report of
The Umbrella Foundation Ltd. Ireland Nepal
for the financial year 2014-15 (2071-72)**

The Members,

We have audited the accompanying Statement of Financial Position of **The Umbrella Foundation Ltd. Ireland Nepal** as of 16 July 2015 (Ashad 31, 2072) and Income & Expenditure Statement, Fund Accountability Statement and Summary of Significant Accounting Policies & Other Explanatory Notes for the period then ended.

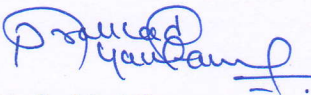
Management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation 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.

Our responsibility is to express an 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

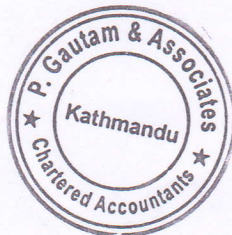
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on the information and explanation provided to us and our audit, those financial statements give true and fair view of the financial position for the period ending 16th July 2015 (Ashad 31, 2072), and of the results of its operations of **The Umbrella Foundation Ltd. Ireland Nepal** for the period then ended in accordance with generally accepted accounting principles.


CA. Prahlad Gautam
Principal
Kathmandu

Date: 06.10.2015





Giving Nepal's Children a Future

The Umbrella Foundation Nepal

Swoyambhu, Kathmandu

P. O. Box # 24796, Kathmandu - 15, Nepal

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To P. Gautam & Associates,
Chartered Accountants
Kathmandu, Nepal

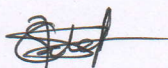
Subject: **Written Representation Letter**

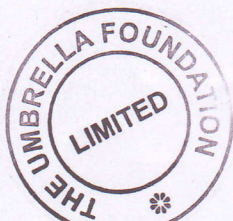
Dear Sir,

In connection with your annual **Audit of Financial Statements of The Umbrella Foundation Ltd. Ireland Nepal for the F/Y 2071-72 (2014-15)**, for the purpose of expressing your opinion that no material modifications that should be made to the said financial statements based on your audit, we confirm, to the best of our knowledge and belief, the following representation made to you during your audit.

1. We are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the generally accepted accounting principles.
2. We have made available to you all financial records and related data.
3. There have been no:
 - a. Irregularities involving management or employees who have significant roles in the internal control structure.
 - b. Irregularities involving other employees that could have a material effect on the financial statements.
4. There are no any related party transactions and we are not aware of any other such matters required to be disclosed in the financial statements, whether under Nepal GAAP or other requirements.
5. There are no:
 - a. Actual or potential non-compliance with laws and regulations that would have had a material effect on the ability of the organization to conduct its transactions.
 - b. Material misstatements, including omissions those are required to be accrued or disclosed.
 - c. Other contingent liabilities. In particular:
 - there is no significant pending or threatened litigation.
 - there are no material commitments or contractual issues.
6. We have complied with all aspects of contractual agreements with the respective donor that would have a material effect on the financial statements in the event of non-compliance.

Finally, no additional significant post reporting date events have occurred that would require additional adjustment or disclosure in the financial statements, over and above those events already disclosed.


Caroline Scheffer
Country Director




The Umbrella Foundation Ltd. Ireland Nepal
Swoyambhu-15, Kathmandu

Statement of Financial Position
as at 31st Ashad 2072 (16 July 2015)

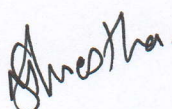
NRs.

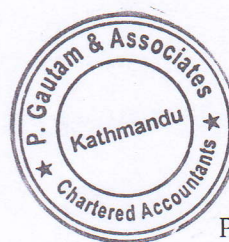
Particulars	Schedule	Current Year	Previous Year
<u>Assets</u>			
<u>Non Current Assets</u>			
Property, Plant & Equipment	1	37,677	36,235
Total Non-current Assets		37,677	36,235
<u>Current Assets</u>			
Cash & Bank	2	11,495,435	2,191,117
Advance to Umbrella Orgnization		4,000,000	-
Total Current Assets		15,495,435	2,191,117
Total Assets		15,533,111	2,227,353
<u>Fund & Liabilities</u>			
<u>Capital & General Fund</u>			
Capital Assets Fund		37,677	36,235
General Fund (Unrestricted Fund)	3	5,115,838	2,130,576
Total Capital & General Fund		5,153,515	2,166,811
<u>Current Liabilities</u>			
Payables	4	6,228	60,541
Advance from Unicef		10,373,368	-
Total Current Liabilities		10,379,597	60,541
Total Fund & Liabilities		15,533,111	2,227,353

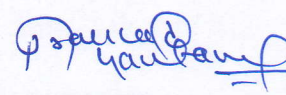
As per our report of even date


Caroline Scheffer
Country Director




Manjeet Shrestha
Finance & Admin Officer




CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 06.10.2015


The Umbrella Foundation Ltd. Ireland Nepal
Swoyambhu-15, Kathmandu

Income & Expenditure Account
for the year ended on 31st Ashad 2072 (16 July 2015)

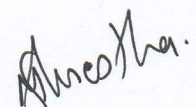
NRs.

Particulars	Schedule	Current Year	Previous Year
<u>Income</u>			
Grants & Donation Income	5	27,142,395	29,864,956
Other Income		3,300	19,202
Profit on sale of asset		-	280
Total Income (A)		27,145,695	29,884,438
<u>Expenditure</u>			
Programme Costs	6	22,900,000	25,795,000
Administration Costs	7	1,246,433	2,237,948
Total Expenditure (B)		24,146,433	28,032,948
Surplus Unrestricted Fund (A-B)		2,999,262	1,851,490

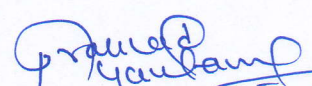
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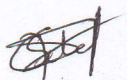
The Umbrella Foundation Ltd. Ireland Nepal
Swoyambhu-15, Kathmandu

Fund Accountability Statement
for the year ended 31st Ashad 2072 (16 July 2015)

NRs.

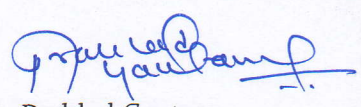
Particulars	Schedule	Current Year	Previous Year (Restated)
Opening Fund Balance		2,130,576	182,708
Bank Balance		2,186,827	138,916
Cash in Hand		4,290	10,773
Receivable/ (Payables)		(60,541)	33,019
Receipt During the year			
Other Receipts		3,300	19,202
Assets Disposed		-	131,000
Fund received during the period	5	37,515,763	29,864,956
Sub Total (A)		39,649,639	30,197,867
Expenditure			
Programme Costs	6	22,900,000	25,795,000
Administration Costs	7	1,246,433	2,237,949
Capital Expenditure (PPE)		14,000	34,342
Sub Total (B)		24,160,433	28,067,291
Balance (A-B)		15,489,206	2,130,576
Balance Represented by		15,489,206	2,130,576
Bank Balance	2	11,402,498	2,186,827
Cash In Hand	2	92,937	4,290
Advance to Umbrella Organization		4,000,000	-
Prepayments & Receivables		-	-
Payables	4	(6,228)	(60,541)

As per our report of even date


Caroline Scheffer
Country Director


Manjeet Shrestha
Finance & Admin Officer




CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants

Date: 06.10.2015

The Umbrella Foundation Ltd. Ireland Nepal
Swoyambhu-15, Kathmandu

Schedules Forming an Integral Part of Financial Statements

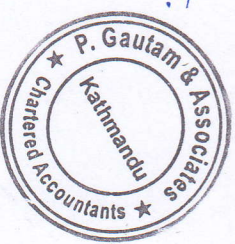
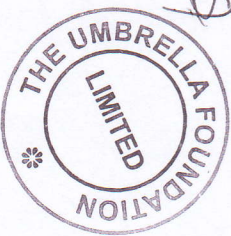
Financial Year 2071/72 (2014/2015)

Schedule 1

Property, Plant & Equipment

NRS.

Particulars	Rate	Opening	Gross Block			Depreciation			Net Block		
			Addition	Disposal	Closing	Opening	Disposal	Addition	Closing	As at 31 Ashad 2072	As at 32 Ashad 2071
Furniture & Fixture	25%	7,875	-	-	7,875	5,660	-	554	6,214	1,661	2,215
Computer and Office equipment	25%	76,055	14,000	-	90,055	42,034	-	12,005	54,039	36,015	34,021
Vehicle	20%	-	-	-	-	-	-	-	-	-	-
Other Assets	15%	-	-	-	-	-	-	-	-	-	-
Total		83,930	14,000	-	97,930	47,694	-	12,559	60,253	37,677	36,235



The Umbrella Foundation Ltd. Ireland Nepal
Swoyambhu-15, Kathmandu

Schedules Forming an Integral Parts of Financial Statements
Financial Year 2071/72 (2014/15)

Schedule 2

NRs.

Cash & Bank

Particulars	Current Year	Previous Year
Cash in Hand	92,937	4,290
Himalayan Bank - 019 01112790013	11,379,490	2,163,819
Himalayan Bank - 019 01112790021	23,008	23,008
Total	11,495,435	2,191,117

Schedule 3

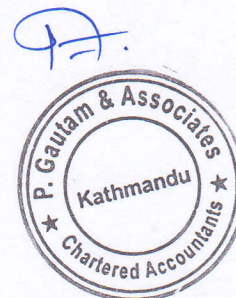
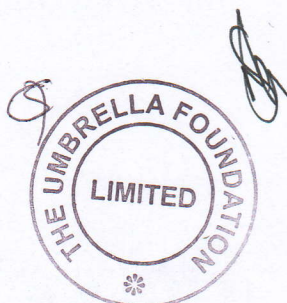
General Fund (Unrestricted Fund)

Particulars	Current Year	Previous Year
Opening Balance	2,130,576	182,708
Less: Transferred to Capital Assets Fund	(14,000)	(34,342)
Add: Transferred from Capital Assets Fund	-	130,720
Add: Transferred from Income & Expenditure Account	2,999,262	1,851,490
Total	5,115,838	2,130,576

Schedule 4

Payables

Particulars	Current Year	Previous Year
Audit Fee Payable	16,725	16,725
TDS Payable (Audit Fee)	225	-
Staff	(59,036)	(13,402)
Sundry Creditors	48,880	60,995
TDS Payable	(536)	(3,747)
Anil & Associates	(29)	(29)
Total	6,228	60,541



Schedule 5

Grants & Donation Income

Particulars	Current Year	Previous Year
The Umbrella Foundation Australia	525,738	1,813,678
Friends of Umbrella, Italy	155,581	805,914
YETI Trust, New Zealand	1,003,805	823,744
Umbrella Singapore	152,220	135,000
Internationally sourced contributions, donated in Nepal	381,726	634,747
Stichting Paraplu Nepal, Holland	3,878,054	1,902,728
The Umbrella Foundation, Ireland	8,975,236	15,483,601
Friends of Nepal, UK	2,431,275	980,220
Wings of the World (Umbrella), USA	2,422,302	2,555,566
Umbrella Trust, Hong Kong	4,073,031	420,912
Umbrella Canada	1,126,160	1,735,781
Franks Family Foundation	285,496	801,848
Kite William Blair	201,712	570,689
Jakarta International School and Bill Kite	117,732	301,762
Umbrella Spain	549,390	-
Umbrella New Zealand	39,581	-
Umbrella Ireland	823,356	-
Onaway Trust, UK	-	898,767
Total Grant & Donation Income	27,142,395	29,864,956
Fund Received from Unicef	10,373,368	-
Total	10,373,368	-
Total Fund Received	37,515,763	29,864,956

Schedule 6

Programme Costs

Particulars	Current Year	Previous Year
Donation paid to Umbrella Organisation Nepal	22,900,000	25,795,000
Total	22,900,000	25,795,000

Schedule 7

Administration Costs

Particulars	Current Year	Previous Year
Audit Fee	16,950	16,950
Other Expenses	11,505	6,283
Compliance and Legal Expenses	33,000	33,000
House Rent	277,077	484,251
Organisation Support Costs	380,554	609,125
Repair & Maintenance	1,590	121,795
Training Expenses	5,400	25,875
Field Visit (Monitoring) Expenses	270,035	347,214
Staff Salary & Allowance	72,214	359,395
Visa Expenses	178,107	234,060
Total	1,246,435	2,237,948

The Umbrella Foundation Ltd. Ireland Nepal
Swoyambhu-15, Kathmandu

Notes to the Financial Statements

Financial Year: 2071-72 (2014/ 2015)

A. Background of the Organisation

The Umbrella Foundation Ltd. Ireland Nepal (TUF) is an international non-profit making organization and registered charity that has rescued over 391 orphaned, trafficked and vulnerable children in Nepal since 2005.

Through various projects including Residential Childcare Homes, Family Reintegration and Scholarship Support, Next Steps Youth Programme and Rural Community and School Support Programmes TUF continue to help these vulnerable children and families help themselves.

TUF are a family-first organisation, working against the negative effects of child trafficking.

B. Significant Accounting Policies & Explanatory Notes

1. Basis of preparation of Financial Statements

The financial statements are prepared under the historical cost convention as per the Company's Accounting Policies. These policies are in line with the Nepal Accounting Standards (NAS). Generally, accepted accounting principles as practiced in Nepal are followed where specifically not provided in the NAS. The Company's accounting policies require the management to exercise judgment in the use of accounting estimates.

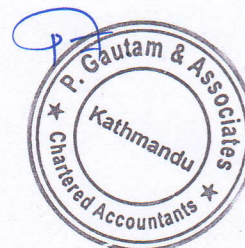
2. Property, Plant and Equipment

Property, Plant & Equipment are stated at cost or as re-valued, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

3. Depreciation

Depreciation is provided on Plant and Equipment, on written down basis by using the following rates:

Particulars	Rate
Furniture and Fixtures	25%
Computer and Office Equipment	25%
Other Assets	15%



4. Receivables, Loans & Advances

Receivables loans & advances are stated at cost. NRs. 4,000,000.00 provide to Umbrella Organization for implementation of UNICEF funded program has been reported to as advance. The amount will be recognised as expenses upon settlement by the organization.

5. Cash and Cash equivalents

Cash and cash equivalents include deposits with banks in the various forms of deposit accounts, which may or may not bear interest. Current deposits held in banks are classified as bank deposits.

6. Fund Accounting

The project's Unrestricted Fund Balance consists of funds, which the project may use for its purpose at its discretion.

The project's Restricted Fund Balance consists of funds, which the donor has imposed restricted on the use of funds.

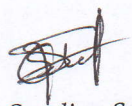
7. Current liabilities

Liabilities and provisions are stated at cost. NRs. 10,373,368 received from UNICEF has been reported as liability under the heading advance received from UNICEF. To the extent of amount expensed by Umbrella Organization (implementing partner) & approved by UNICEF will be recognised as income during the respective period.

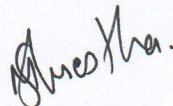
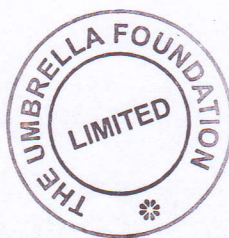
8. Revenue Recognition

Revenue from the donors has been recognised to the extent of the receipt during the year except for restricted fund like that of UNICEF.

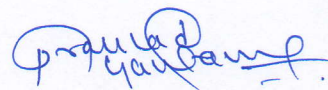
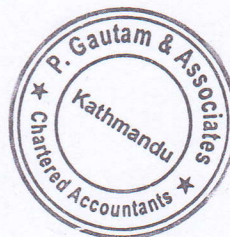
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