

**Independent Auditor's Report of
Umbrella Organization Nepal
for the financial year 2014-15 (2071-72)**

The Members,

We have audited the accompanying Statement of Financial Position of **Umbrella Organization 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.

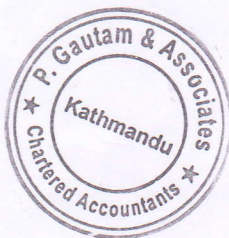
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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, and of the results of its operations of **Umbrella Organization Nepal** for the period then ended in accordance with generally accepted accounting principles.

CA. Prahlad Gautam
Kathmandu

Date: 05.11.2015



Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Statement of Financial Position
as at 31st Ashadh 2071 (16 July 2015)

NRs.

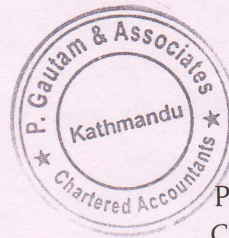
Particulars	Schedule	Current Year	Previous Year
Assets			
Non-current Assets:			
Property, Plant & Equipment	1	515,899	525,363
Total Non-current Assets		515,899	525,363
Current Assets:			
Prepayments & Receivables	2	2,025,210	545,058
Cash & Bank	3	11,612,976	4,085,065
Total Current Assets		13,638,186	4,630,123
Total Assets		14,154,085	5,155,486
Fund & Liabilities			
Capital & General Fund:			
Capital Fund		515,899	525,363
General Fund (Unrestricted Fund)	4	14,282,421	4,506,167
Total Capital & General Fund		14,798,320	5,031,530
Current Liabilities:			
Current Liabilities & Provisions	5	(644,234)	123,956
Total Current Liabilities		(644,234)	123,956
Total Funds & Liabilities		14,154,085	5,155,486

As per our report of even date

Megh Bahadur Ale
Chairperson

Vimal Kumar Thapa
Treasurer

Prem Sing Tharu
Program Director



CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 05/11/2015

Keshu Sharma
Finance & Admin Officer

Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Income & Expenditure Statement
For the year ended 31st Ashad 2072 (16 July 2015)

NRs.

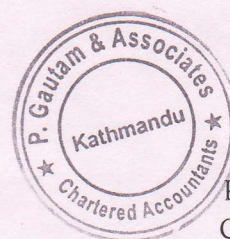
Particulars	Schedule	Current Year	Previous Year
<u>Income</u>			
Grants & Donation Income	6	36,632,061	30,760,740
Write Back of Payables		-	-
Discount received		29,003	83,541
Interest received		117,280	119,098
Other Income		3,963	41,238
Total Income (A)		36,782,307	31,004,617
<u>Expenditure</u>			
Programme Costs	7	24,117,431	26,390,385
Administration Costs	8	2,726,122	2,246,688
Write Offs	9	-	-
Total Expenditure (B)		26,843,553	28,637,073
Surplus (A-B)		9,938,754	2,367,544
Unrestricted		6,887,315	2,367,544
Restricted		3,051,439	-

As per our report of even date

Megh Bahadur Ale
Chairperson

Vimal Kumar Thapa
Treasurer

Prem Sing Thapa
Program Director



CA. Prahlad Gautam
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P. Gautam & Associates
Chartered Accountants
Date: 05/11/2015

Keshu Sharma
Finance & Admin Officer

Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

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

NRs.			
Particulars	Schedule	Current Year	Previous Year
Opening Fund Balance		4,506,167	2,233,504
Bank Balance	3	3,854,461	2,725,266
Cash in Hand	3	230,604	234,072
Prepayments & Receivables	2	545,058	741,710
Current Liabilities & Provisions	5	(123,956)	(1,467,546)
Prior period error		-	(45,853)
Opening Balance		4,506,167	2,187,651
Fund received during the period	6	36,632,061	30,760,740
Discount received		29,003	83,541
Other Income		3,963	41,238
Disposal of PPE	1	-	7,630
Interest received		117,280	119,098
Sub Total (A)		41,288,474	33,199,899
Expenditure			
Programme Costs	7	24,117,431	26,390,385
Administration Costs	8	2,726,122	2,246,688
Write Offs	9	-	-
Depreciation	1	-	-
Capital Expenditure	1	162,500	56,658
Sub total (B)		27,006,053	28,693,731
Balance (A-B)		14,282,421	4,506,167
Balance Represented by		14,282,420	4,506,167
Bank Balance	3	11,488,508	3,854,461
Cash In Hand	3	124,468	230,604
Prepayments & Receivables	2	2,025,210	545,058
Payables	5	644,234	(123,956)

As per our report of even date

Megh Bahadur Ale
Chairperson

Vimal Kumar Thapa
Treasurer

Prem Sing Tharu
Program Director



Keshu Sharma
Finance & Admin Officer



CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 05/11/2015

Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Schedules forming an integral part of Financial Statements
Financial Year: 2071-72 (2014/2015)

hedule 1

Property, Plant & Equipment

Particulars	Rate	Gross Block				Depreciation Block			Net Block		NRs.
		Opening	Addition	Disposal/ adjustment	Closing	Opening	During the Year	Closing	As at 31 Ashad 2072	As at 32 Ashad 2071	
Furniture and Fixtures	25%	162,618	-	-	162,618	97,733	16,221	113,954	48,664	64,885	
Computer and Office/ oldcare home Equipment	25%	1,247,905	162,500	-	1,410,405	811,109	149,824	960,933	449,473	436,796	
Software	25%	74,850	-	-	74,850	51,167	5,921	57,088	17,762	23,683	
Other Assets	15%	-	-	-	-	-	-	-	-	-	
Total		1,485,373	162,500	-	1,647,873	960,009	171,966	1,131,975	515,899	525,363	

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Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Schedules forming an integral part of Financial Statements

Financial Year: 2071-72 (2014/2015)

NRs.

Prepayments & Receivables

Schedule 2

Particulars	Current Year	Previous Year
Interest Receivable	7,798	7,798
CIT Payable	2,251	-
Duties and Taxes	-	-
Prepaid Rent	62,141	62,141
School Deposit	5,500	5,500
Other Receivable	36,616	-
Staff Advance	1,910,904	469,618
Total	2,025,210	545,058

Cash & Bank

Schedule 3

Particulars	Current Year	Previous Year
Cash in Hand	124,468	230,604
Fixed Deposit	1,500,000	1,500,000
Himalayan Bank - 01901107820017	53,136	85,058
Bank Of Kathmandu-050200011135524	6,281,787	1,957,854
Prime Commercial Bank Ltd.	505,000	-
Nabil Bank Limited - 3806017500016	3,148,585	311,548
Total	11,612,976	4,085,065

General Fund (Restricted & Unrestricted Fund)

Schedule 4

Particulars	Current Year	Previous Year
Opening Balance	4,506,167	2,233,502
Prior period error	-	(45,851)
Restated balance	4,506,167	2,187,651
Add: Transferred from Capital Fund (Disposal)	-	7,630
Less: Transferred to Capital Fund	(162,500)	(56,658)
Add: Transferred from Income & Expenditure Account	9,938,754	2,367,544
Total	14,282,421	4,506,167

Current Liabilities & Provisions

Schedule 5

Particulars	Current Year	Previous Year
Audit Fee Payable	111,500	46,752
Salary Payable A/c.	11,021	6,449
Sundry Creditors	(828,858)	59,126
Other Payable	4,443	-
TDS Payable	57,660	11,629
Total	(644,234)	123,956



Grants & Donation Income**Schedule 6**

Particulars	Current Year	Previous Year
Local Donation	320,015	-
Sol-Himal France	2,989,808	2,264,694
The Umbrella Foundation Ltd. Ireland Nepal	26,900,000	25,795,000
ONGD-FNEL	104,630	-
ONGD-FNEL - 2015	6,317,608	2,701,046
Total	36,632,061	30,760,740

Programme Costs**Schedule 7**

Particulars	Current Year	Previous Year
Umbrella Next Steps Youth & Education Programme	6,196,359	6,778,330
Umbrella Reintegration & Scholarship Programme	5,001,210	4,123,086
Umbrella Residential Childcare Programme	10,803,779	15,332,386
Umbrella Rural School Support Programme	341,496	156,583
Child Protection Emergency Response Project	1,275,258	-
Emergency Response Project	499,329	-
Total	24,117,431	26,390,385

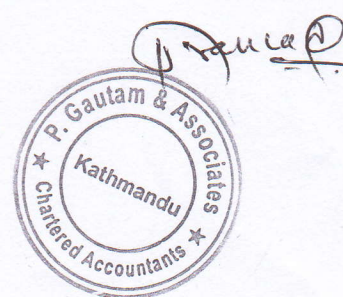
Administration Costs**Schedule 8**

Particulars	Current Year	Previous Year
Audit Fee	157,141	47,460
Audit Expenses	-	6,000
Bank Charge	8,064	1,350
Compliance and Legal Expenses	-	1,960
House Rent Expenses	247,685	305,778
Organisation Support Costs	474,283	324,346
Repair & Maintenance	37,445	38,122
Staff Salary & Allowance	1,788,483	1,428,137
Traveling Expenses	13,021	49,835
Municipal Tax	-	43,700
Total	2,726,122	2,246,688

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Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Notes to the Financial Statements

Financial Year: 2071-72 (2014/ 2015)

A. Background of the Organisation

Umbrella Organisation Nepal (UON) is a national non-profit making organization and registered charity that has rescued over 380 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 UON continue to help these vulnerable children and families help themselves.

UON 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 Property, Plant and Equipment, on written down basis, by using the following rates:

Particulars	Rate
Furniture and Fixtures	25%
Computer and Office Equipment	25%
Software	25%

4. Receivables, Loans & Advances

Receivables loans & advances are stated at cost



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. Term 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.

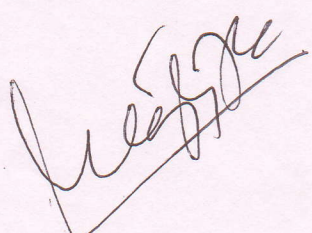
The project's Restricted Fund Balance consists of funds, which the donor has imposed restricted on the use of funds.


7. **Current liabilities**


Liabilities and provisions are stated at cost

8. **Revenue Recognition**

Revenue from the donors has been recognised to the extent of the receipt during the year.


Megh Bahadur Ale
Chair Person

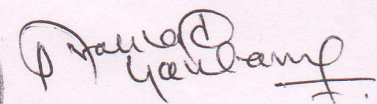

Vimal Kumar Thapa
Treasurer

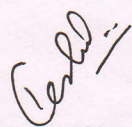

Prem Sing Tharu
Program Director



As per our report on even date




CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 05.11.2015


Keshu Sharma
Finance & Admin Officer