

SolHimal-Umbrella Organisation Nepal

Swoyambhu-15, Kathmandu

Notes to the Financial Statements

Financial Year: 2068-69 (2011/2012)

A. Background of the Organisation

SolHimal-Umbrella Organisation Nepal (SHOUN) 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 SHOUN continue to help these vulnerable children and families help themselves.

SHOUN 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, as per rates prescribed by Income Tax Act, 2058. The rates of depreciation on property, plant and equipment as per Income Tax Act, 2058 are as follows:

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

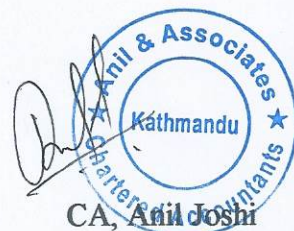
Liabilities and provisions are stated at cost

8. Revenue Recognition

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

As per our report on even date

Megh Bahadur Ale
Chair Person
SolHimal-Umbrella Organisation Nepal



CA, Anil Joshi
Proprietor
Anil & Associates
Chartered Accountants
Date: 06.08.2012

Vimal Kumar Thapa
Treasurer
SolHimal-Umbrella Organisation Nepal

Deepabati Shakya (Shrestha)
Finance & Admin Officer

**Independent Auditor's Report of
SolHimal-Umbrella Organisation Nepal
For the financial year 2011-12 (2068-69)**

To: Members of SolHimal-Umbrella Organization

We have audited the accompanying Balance Sheet of SolHimal-Umbrella Organisation Nepal as of 15th July 2012 (Ashad 31, 2069), and the Income and Expenditure Account and Fund Accountability Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibilities

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.

Auditor Responsibilities

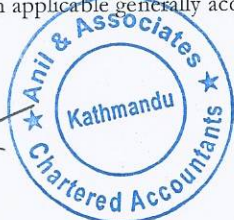
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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, the financial statements give true and fair view of the financial position as of 15th July 2012 (Ashad 31, 2069) and of the results of its operations and fund utilisation of **SolHimal-Umbrella Organisation Nepal** for the year then ended in accordance with applicable generally accepted accounting principles.

C.A. Anil Joshi
Proprietor



Date: 06.08.2012
Kathmandu

SolHimal-Umbrella Organisation Nepal


Swoyambhu-15, Kathmandu


Income & Expenditure Statement


For the year ended 31st Ashad 2069 (15 July 2012)


Particulars	Schedule	(Figures in NRs.)	
		Current Year	Previous Year
<u>Income</u>			
Grants & Donation Income	6	105,873,338	80,921,709
Write Back of Payables		-	523,641
Discount received		13,544	-
Interest received		148,495	-
Other Receipts		51,515	39,080
Total Income (A)		106,086,892	81,484,430
<u>Expenditure</u>			
Programme Costs	7	103,009,664	79,111,797
Administration Costs	8	2,224,868	1,753,867
Write Offs	9	-	1,776,360
Depreciation	1	257,377	310,360
Total Expenditure (B)		105,491,909	82,952,384
Surplus Unrestricted Fund (A-B)		594,983	(1,467,954)

As per our report of even date


Megh Bahadur Ale
Chair Person
SolHimal-Umbrella Organisation Nepal


Vimal Kumar Thapa
Treasurer
SolHimal-Umbrella Organisation Nepal


CA, Anil Joshi
Proprietor
Anil & Associates
Chartered Accountants
Date: 06.08.2012

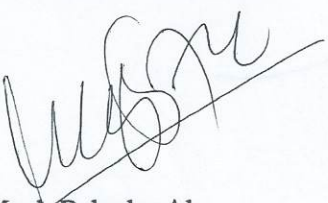

Deepabati Shakya (Shrestha)
Finance & Admin Officer


SolHimal-Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Statement of Financial Position
as at 31st Ashadh 2069 (15 July 2012)


(Figures in NRs.)

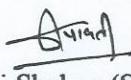
Particulars	Schedule	Current Year	Previous Year
Assets			
Non-current Assets:			
Property, Plant & Equipment	1	734,854	931,078
Total Non-current Assets		734,854	931,078
Current Assets:			
Prepayments & Receivables	2	832,378	542,999
Cash & Bank	3	4,143,370	3,155,623
Total Current Assets		4,975,748	3,698,622
Total Assets		5,710,602	4,629,700
Fund & Liabilities			
Capital & General Fund:			
Capital Fund		734,854	931,078
General Fund (Unrestricted Fund)	4	2,663,682	1,866,005
Total Capital & General Fund		3,398,536	2,797,083
Current Liabilities:			
Current Liabilities & Provisions	5	2,312,066	1,832,617
Total Current Liabilities		2,312,066	1,832,617
Total Funds & Liabilities		5,710,602	4,629,700


Megh Bahadur Ale
Chair Person
SolHimal-Umbrella Organisation Nepal


Vimal Kumar Thapa
Treasurer
SolHimal-Umbrella Organisation Nepal

As per our report of even date


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Date: 06.08.2012

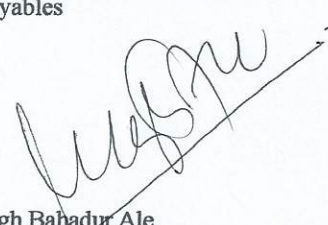

Deepabati Shakya (Shrestha)
Finance & Admin Officer


SolHimal-Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Fund Accountability Statement
For the year ended 31st Ashad 2069 (15 July 2012)

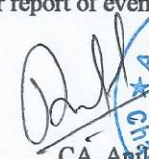
(Figures in NRs.)


Particulars	Sch	Current Year	Previous Year
Opening Fund Balance		1,866,005	3,481,056
Bank Balance	3	2,056,206	2,513,418
Cash in Hand	3	1,099,417	1,778,313
Prepayments & Receivables	2	542,999	380,795
Current Liabilities & Provisions	5	(1,832,617)	(1,191,470)
Prior period error		301,127	-
Restated Opening Balance		2,167,132	3,481,056
 Fund received during the period		 106,073,348	 80,960,789
Discount received		13,544	-
Miscellaneous Income (Write Back of Payables)		-	523,641
Sub Total (A)		108,254,024	84,965,486
 Expenditure			
Programme Costs	7	103,009,664	79,111,797
Administration Costs	8	2,224,868	1,753,867
Write Offs	9	-	1,776,360
Depreciation	1	257,377	
Capital Expenditure	1	98,433	457,457
Sub total (B)		105,590,342	83,099,481
Balance (A-B)		2,663,682	1,866,005
 Balance Represented by		 2,663,682	 1,866,005
Bank Balance	3	3,988,730	2,056,206
Cash In Hand	3	154,640	1,099,417
Prepayments & Receivables	2	832,378	542,999
Payables	5	(2,312,066)	(1,832,617)


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As per our report of even date


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Date: 06.08.2012


Deepabati Shakya (Shrestha)
Finance & Admin Officer

SolHimal-Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Schedules forming an integral part of Financial Statements
Financial Year: 2068-69 (2011/2012)

Schedule 1

Property, Plant & Equipment

(Figures in NRs.)

Particulars	Rate	Gross Block		Depreciation Block		Net Block	
		Opening	Addition During the Year	Deletion/ adjustment	Closing	Opening	During the Year
Furniture and Fixtures	25%	97,000	41,318	-	138,318	24,250	28,517
Computer and Office Equipment	25%	1,045,308	57,115	13,000	1,089,423	267,397	214,826
Software	25%	74,850	-	-	74,850	18,713	14,034
Total		1,217,158	98,433	13,000	1,302,591	310,360	257,377
						As at 31 Ashad 2069	As at 31 Ashad 2068
						85,551	72,750
						607,200	802,190
						42,103	56,138
						734,854	931,078







SolHimal-Umbrella Organisation Nepal

Swoyambhu-15, Kathmandu

Schedules forming an integral part of Financial Statements

Financial Year: 2068-69 (2011/ 2012)

(Figures in NRs.)

Schedule 2

Prepayments & Receivables

Particulars	Current Year	Previous Year
Communication Receivable A/c	7,717	-
Mr. Surya Bahadur Adhikari	50,000	-
Raju Lama	-	43,500
Rikchen Tamang-House Owner	7,611	3,250
Sanu Maya Lama-House Owner	-	317,333
Staff	665,492	94,958
Sundry Debtors	17,600	-
TDS	83,958	83,958
Total	832,378	542,999

Schedule 3

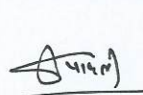
Cash & Bank

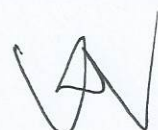
Particulars	Current Year	Previous Year
Cash in Hand	154,640	1,099,417
Fixed Deposit	1,500,000	1,500,000
Himalayan Bank 01901107820017 A/c	5,093	519,744
Himalayan Bank - SPS 01901107820028 A/c	1,900,511	36,462
Nabil Bank Limited A/c - 3806017500016	583,126	-
Total	4,143,370	3,155,623

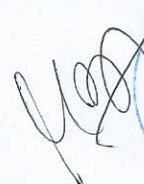
Schedule 4

General Fund (Unrestricted Fund)

Particulars	Current Year	Previous Year
Opening Balance	1,866,005	3,481,055
Prior period error	301,127	-
Restated balance	2,167,132	3,481,055
Less: Transferred to Capital Fund	(98,433)	(147,097)
Add: Transferred from Income & Expenditure Account	594,983	(1,467,953)
Total	2,663,682	1,866,005











Current Liabilities & Provisions

Particulars

	Current Year	Previous Year
Audit Fee Payable	29,799	29,799
Communication Expenses Payable A/c	-	9,402
Dhurba Sharma	1,354	-
Dilip/Babita Basnet	3	-
Electricity Bills Payable A/c.	-	9,552
Gyanodaya Secondary School	770	-
Indu K. Shrestha	275	-
Prabin Shrestha	-	2,000
Rojina Maharjan	3,346	-
Salary Payable A/c.	2,049	466,429
Sarita Lama	500	-
SolHimal France Payable	1,912,462	-
Somlal Tamang	262	-
Sundry Creditors	310,329	1,315,034
TDS Payable	18,773	401
Tsewang Norbu Lama	32,144	-
Total	2,312,066	1,832,617

Schedule 6

Grants & Donation Income

Particulars

	Current Year	Previous Year
Local Donation	-	6,000
Sol-Himal France	79,838,339	55,973,610
The Umbrella Foundation Ltd. Ireland Nepal	26,034,999	24,942,099
Total	105,873,338	80,921,709

Schedule 7

Programme Costs

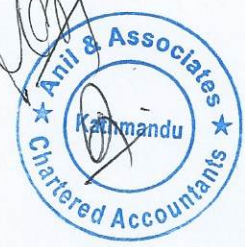
Particulars

	Current Year	Previous Year
Umbrella Gurje Village Support Programme	667,892	2,624,753
Umbrella Next Step Youth Programme	2,725,317	1,130,700
Umbrella Rasuwa Reintegration Project	2,451,304	753,960
Umbrella Reintegration & Scholarship Programme	2,159,606	274,002
Umbrella Residential Childcare Programme	17,591,096	23,868,864
Umbrella Rural School Support Programme	437,068	130,911
SolHimal Sponsorship Expenses	76,977,381	50,328,607
Total	103,009,664	79,111,797

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Schedule 8

Administration Costs

Particulars

	Current Year	Previous Year
Audit Fee	30,200	30,200
Bank Charge	5,024	-
Compliance and Legal Expenses	7,910	11,175
Office Rent Expenses	77,777	-
Organisation Support Costs	359,711	403,254
Repair & Maintenance	178,028	50,258
Staff Salary & Allowance	1,498,224	1,213,897
Traveling Expenses	67,994	45,083
Total	2,224,868	1,753,867

Schedule 9

Write Offs

Particulars

	Current Year	Previous Year
Shortage of Cash	-	1,395,565
Prepayments	-	380,795
Total	-	1,776,360

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