

INDEPENDENT AUDITOR'S REPORT

The Country Director
The Umbrella Foundation Limited, Ireland Nepal
Swoyambhu-15, Kathmandu

Report on the Financial Statements

We have audited the accompanying financial statements of The Umbrella Foundation Limited, Ireland Nepal which comprise Fund Accountability Statement for the period 1st Shrawan 2073 to 31st Ashad, 2074 (16th July 2016 to 15th July, 2017) and a summary of significant accounting policies and explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with relevant practices, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 about whether the financial statements are free of 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the 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.



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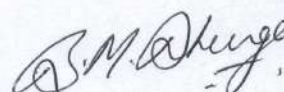
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Opinion

In our opinion the Financial Statements comprising of Fund Accountability Statement give true and fair view of the fund receipts, expenses incurred and balance of funds of The Umbrella Foundation Limited, Ireland Nepal for the period 1st Shrawan 2073 to 31st Ashad, 2074 (16th July 2016 to 15th July, 2017) in accordance with the Accounting Policies described in Schedule 6B to the Financial Statements.

Date: 15th September 2017
Place: Kathmandu



CA BM Dhungana
Partner
For: B&B Associates
Chartered Accountants



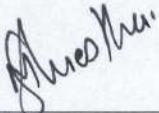
The Umbrella Foundation Limited, Ireland Nepal
Swoyambhu-15, Kathmandu

Fund Accountability Statement for the period 16 July 2016 to 15 July 2017

1. Sources of Fund	Sch.	Current Year	Previous Year
		NPR	NPR
(A) Opening balances	1	19,183,932.50	15,489,206.00
(B) Funds received during the period	2	13,727,278.51	46,930,671.61
(C) Other Income	3	115,000.76	62,670.14
(D) Total Sources of Fund (A+B+C)		33,026,211.77	62,482,547.75
2. Uses of Fund			
(E) Expenses during the period	4	29,398,736.00	43,298,615.25
(F) Total Uses of Fund		29,398,736.00	43,298,615.25
3. Closing Balance of Fund (D-F)			
Represented By:		3,627,475.77	19,183,932.50
Cash & Bank Balance	5	3,243,361.77	17,216,028.50
Advances & Receivables	5	497,114.00	2,083,404.00
Current Liabilities	5	(113,000.00)	(115,500.00)
Total		3,627,475.77	19,183,932.50

Significant Accounting Policies and Explanatory Notes

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 Manjeet Shrestha
 Finance and Admin. Officer
 The Umbrella Foundation Limited, Ireland Nepal


 Kyle Mohamed
 Country Director
 The Umbrella Foundation Limited,
 Ireland Nepal


 CA. BM Dhungana
 Partner
 B & B Associates
 Chartered Accountants
 Date: 15th Sep, 2017



The Umbrella Foundation Limited, Ireland Nepal
Swoyambhu-15, Kathmandu

Schedule 1 to Fund Accountability Statement - Opening Balances

Particulars	Current Year	Previous Year
	NPR	NPR
Cash - NPR	15,579.00	92,937.00
Himalayan Bank Ltd. - Building Project (Account no. 01901112790021)	1,305,201.24	23,008.00
Himalayan Bank Ltd.- TUF/N (Account no.00101112790013)	15,895,248.26	11,379,490.00
Advances and Receivables	2,083,404.00	4,062,761.00
Current Liabilities	(115,500.00)	(68,990.00)
Total Opening Balance	19,183,932.50	15,489,206.00

Schedule 2 to Fund Accountability Statement - Fund Received during the period

Particulars	Current Year	Previous Year
	NPR	NPR
Dulwich College Seoul Ltd		132,804.75
Stichting Nepal Geeft		463,127.25
Stichting Paraplu	1,194,021.48	7,072,640.87
The Umbrella Foundation Australia	272,464.30	1,183,976.50
The Umbrella Foundation Ireland	167,314.00	9,752,768.50
Umbrella Canada		3,551,780.36
Umbrella Singapore		71,554.75
Umbrella Trust Hong Kong		2,751,063.17
UNICEF including overhead	9,944,628.00	18,607,109.00
Wings of The World Inc	1,547,319.75	2,516,835.00
Yeti Trust, New Zealand	601,530.98	653,011.06
Other donations		174,000.40
Total Funds received during the period	13,727,278.51	46,930,671.61

Schedule 3 to Fund Accountability Statement - Other Income

Particulars	Current Year	Previous Year
	NPR	NPR
Interest Income	112,500.26	60,817.14
Miscellaneous Income	2,500.50	1,853.00
Total	115,000.76	62,670.14

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The Umbrella Foundation Limited, Ireland Nepal
Swoyambhu-15, Kathmandu

Schedule 4 to Fund Accountability Statement - Expenses during the period

Particulars	Current Year	Previous Year
	NPR	NPR
Administration cost		
Audit Fee	113,000.00	113,000.00
Entertainment	23,565.00	60,865.00
Evaluation	101,141.00	335,420.00
Expat Housing Cost	516,000.00	474,555.00
Field Visits	10,900.00	21,985.00
General Administration Expenses	367,790.00	83,605.00
Miscellaneous Expenses	148,783.00	40,948.00
Personnel Cost	764,678.00	505,913.00
Repair & Maintenance	1,000.00	500.00
Stationery	10,993.00	18,725.00
Compliance and Legal Expenses		-
Organization Support Cost		327,990.00
Training		-
Intern Expenses	230,011.00	
Promotional	86,987.00	
Capital Expenditure		
Equipment	28,400.00	147,080.00
Programme Cost		
Child Protection & Development	582,455.00	895,439.00
Child Protection in Emergency Response Project-TUF	3,486,518.00	1,437,905.00
Emergency Response & Child Protection	-	24,170,905.00
Next Steps Youth Education Program	3,038,646.00	3,490,433.00
Support for NGO Overheads	3,428,147.00	2,357,543.00
Residential Child Care Program	5,917,876.00	7,555,761.25
School Support Programme	304,275.00	1,260,043.00
Building Resilience & Preventing Trafficking through Family	9,928,067.00	-
Earthquake Response	205,467.00	
Reintegration	104,037.00	
Total	29,398,736.00	43,298,615.25

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The Umbrella Foundation Limited, Ireland Nepal
Swoyambhu-15, Kathmandu

Schedule 5 to Fund Accountability Statement - Closing Balances of Fund

Cash and Bank Balance	Current Year	Previous Year
	NPR	NPR
Cash - NPR	96.00	15,579.00
Himalayan Bank Ltd.- Building Project (Account no.01901112790021)	30,340.83	1,305,201.24
Himalayan Bank Ltd. - TUF/N (Account no.00101112790013)	3,212,924.94	15,895,248.26
Total (A)	3,243,361.77	17,216,028.50

Advances and Receivables	Current Year	Previous Year
	NPR	NPR
Umbrella Organization Nepal	491,198.00	2,078,406.00
Anil & Associates	-	29.00
TDS receivable		4,566.00
Remuneration tax		403.00
Kyle Mohamed	3,816.00	
World Link Communications Pvt. Ltd	2,100.00	
Total (B)	497,114.00	2,083,404.00

Current Liabilities	Current Year	Previous Year
	NPR	NPR
Caroline Sheffer		-
P. Gautam & Associates		-
Balaju Water supply		-
Graphite Plus Printer		-
Sapana Lama		-
National Graphics		-
Sublime Tours & Travel		2,500.00
Audit Fee Payable	111,500.00	111,500.00
TDS payable	1,500.00	1,500.00
Total (C)	113,000.00	115,500.00

Total Closing Balances (A+B-C)	3,627,475.77	19,183,932.50
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The Umbrella Foundation Limited, Ireland Nepal

Swoyambhu-15, Kathmandu

Schedule 6 to Financial Statements (Financial Year 2073.74)

Significant Accounting policies and Explanatory Notes

A. General Information

The Umbrella Foundation (TUF) is a non-profit International Non-governmental Organization and registered charity in Ireland, Holland, Hong Kong, UK, USA and Australia working to alleviate the impact of trafficking, poverty and war on children and their families in Nepal. Established in 2005 in response to the growing number of illegal 'orphanages' neglecting children's most basic rights – food, education, safe shelter, healthcare and love – TUF is a family-first, children's charity which rescues vulnerable children and reintegrates them with their families and rural communities. When this is not possible, TUF support them in their homes until such a time as they can stand on their own two feet. As a responsible and ethical organization, TUF work alongside the Child Welfare Board to prevent further trafficking and corrupt children's homes from operating.

TUF entered into its first general agreement with Social Welfare Council (SWC) on 20th December, 2005. The agreement is being renewed on every five years. The current agreement with SWC cover a period of five years starting from 4th August 2016. TUF also holds tax registration certificate with Permanent Account Number 302819205 and is also a tax exempt entity under the provisions of Income Tax Act, 2058 of Nepal.

B. Significant Accounting Policies

1. Basis of Accounting and Presentation

The Financial Statements expressed in the Nepalese Rupees (NPR) have been prepared under the historical cost convention using accrual basis of accounting.

2. Funding Arrangements

Funds are received by TUF from different donors including its Head Office based in Ireland.

Funds received are accounted for on cash basis. Funds transferred by Head office and other donors in foreign currency is received by The Umbrella Foundation Limited, Ireland Nepal in local currency. Such funds are translated in local currency at the spot rates applied by bank on the date of receipt of funds.



3. Fixed Assets

Fixed Assets procured under the projects are charged as expenses in the year of purchase or acquisition. A separate record of fixed assets is maintained for control over fixed assets procured for the projects.

4. Depreciation

No depreciation is charged on fixed assets.

5. Funds transferred to Implementing partner

Funds transferred to implementing partners are treated as expenditure except for the transfer of fund received from UNICEF which is treated as advance. Advances relating to projects funded by UNICEF are transferred to expenditure on the basis of approved FACE form report submitted to UNICEF.

6. Foreign Currency

The Umbrella Foundation Ltd, Ireland Nepal does not operate any foreign currency bank accounts. Funds received from The Umbrella Foundation, Head Office and other donors are recognized as income on the basis of amount received in the NPR bank account on the date of receipt at the prevailing exchange rate applied by bank.

C. Explanatory Notes

1. Closing Balance of Fund

Closing balance of fund amounting to **NPR 3,627,475.77** (Previous Year **NPR 19,183,932.50**) is represented by following:

Particulars	Current Year	Previous Year
Cash & Bank Balances	3,243,361.77	17,216,028.50
Advances & Receivables	497,114.00	2,083,404.00
Less: Current Liabilities	(113,000.00)	(115,500.00)
Closing Fund Balance	3,627,475.77	19,183,932.50

2. Effects of Foreign Currency Translation

There are no assets or liabilities which are required to be translated into reporting currency (NPR). Hence the effect of foreign exchange does not arise.



3. Liquidation of Advances to Implementing Partner

TUF has transferred funds of NPR. 17,067,421.00 (excluding funds received from UNICEF) to its Implementing Partner (IP) - Umbrella Organization Nepal during the year 2073/74. Funds so transferred are apportioned to different projects as expenses in the ratio of expenses incurred and reported by the partner in such projects.

4. Cash and Cash Equivalent

Cash and cash equivalent comprises of balance of cash in hand and balances with Himalayan Bank Limited.

5. Rearrangement and grouping

Figures in the Financial Statement are rearranged or re-grouped, wherever necessary to conform to financial statement presentation.

6. Previous years' figures

Previous years' figures have been regrouped and /or rearranged wherever considered necessary in order to facilitate comparison.



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