

**Independent Auditor's Report of  
The Umbrella Foundation Ltd. Ireland Nepal  
for the financial year 2013-14 (2070-71)**

The Members,

We have audited the accompanying Statement of Financial Position of **The Umbrella Foundation Ltd. Ireland Nepal** as of 16 July 2014 (Ashad 32, 2071) and Income & Expenditure Statement, Fund Accountability Statement and Summary of Significant Accounting Policies & Other Explanatory Notes for the period then ended.

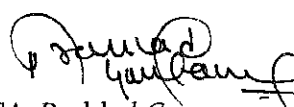
Management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation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

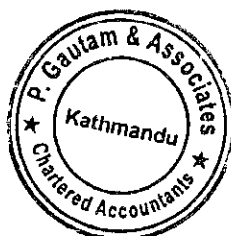
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 16<sup>th</sup> July 2014 (Ashad 32, 2071), 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  
Kathmandu  
Date: 15.10.2014



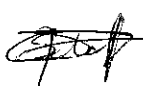
**The Umbrella Foundation Ltd. Ireland Nepal**  
Swoyambhu-15, Kathmandu

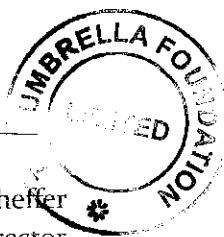
**Statement of Financial Position**  
as at 32nd Ashad 2071 (16 July 2014)

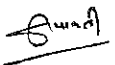
NRs.

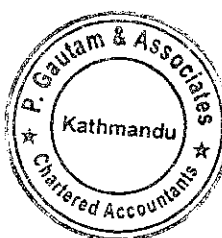
Particulars	Schedule	Current Year	Previous Year (Restated)
<b><u>Assets</u></b>			
<b><u>Non Current Assets</u></b>			
Property, Plant & Equipment	1	36,235	144,692
<b>Total Non-current Assets</b>		<b>36,235</b>	<b>144,692</b>
<b><u>Current Assets</u></b>			
Cash & Bank	2	2,191,117	149,689
<b>Total Current Assets</b>		<b>2,191,117</b>	<b>149,689</b>
<b>Total Assets</b>		<b>2,227,353</b>	<b>294,381</b>
<b><u>Fund &amp; Liabilities</u></b>			
<b><u>Capital &amp; General Fund</u></b>			
Capital Assets Fund		36,235	144,692
General Fund (Unrestricted Fund)	3	2,130,576	182,708
<b>Total Capital &amp; General Fund</b>		<b>2,166,811</b>	<b>327,400</b>
<b><u>Current Liabilities</u></b>			
Payables	4	60,541	(33,019)
<b>Total Current Liabilities</b>		<b>60,541</b>	<b>(33,019)</b>
<b>Total Fund &amp; Liabilities</b>		<b>2,227,353</b>	<b>294,381</b>

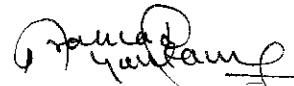
As per our report of even date

  
Caroline Scheffer  
Country Director



  
Deepabati Shakya (Shrestha)  
Finance & Admin Officer



  
CA. Prahlad Gautam  
Proprietor  
P. Gautam & Associates  
Chartered Accountants  
Date: 15.10.2014

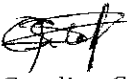
**The Umbrella Foundation Ltd. Ireland Nepal**  
Swoyambhu-15, Kathmandu

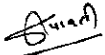
**Income & Expenditure Account**  
for the year ended on 32nd Ashad 2071 (16 July 2014)

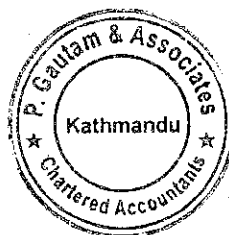
NRs.

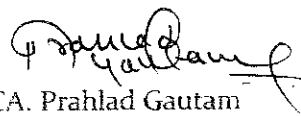
Particulars	Schedule	Current Year	Previous Year
<b><u>Income</u></b>			
Grants & Donation Income	5	29,864,956	26,800,956
Other Income		19,202	34,147
Profit on sale of asset		280	-
<b>Total Income (A)</b>		<b>29,884,438</b>	<b>26,835,103</b>
<b><u>Expenditure</u></b>			
Programme Costs	6	25,795,000	26,520,000
Administration Costs	7	2,237,948	1,714,280
<b>Total Expenditure (B)</b>		<b>28,032,948</b>	<b>28,234,280</b>
<b>Surplus Unrestricted Fund (A-B)</b>		<b>1,851,490</b>	<b>(1,399,177)</b>

As per our report of even date

  
Caroline Scherer  
Country Director

  
Deepabati Shakya (Shrestha)  
Finance & Admin Officer



  
CA. Prahlad Gautam  
Proprietor  
P. Gautam & Associates  
Chartered Accountants  
Date: 15.10.2014

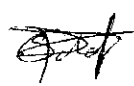
**The Umbrella Foundation Ltd. Ireland Nepal**  
Swoyambhu-15, Kathmandu


**Fund Accountability Statement**  
for the year ended 32nd Ashad 2071 (16 July 2014)

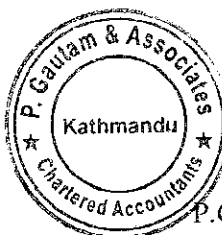
NRs.

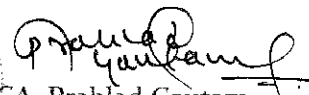
Particulars	Schedule	Current Year	Previous Year (Restated)
<b>Opening Fund Balance</b>		<b>182,708</b>	<b>1,620,860</b>
Bank Balance	2	138,916	1,543,597
Cash in Hand	2	10,773	35,003
Receivable/ (Payables)	4	33,019	42,260
Other Receipts		19,202	34,147
Assets Disposed		131,000	
<b>Fund received during the period</b>	<b>5</b>	<b>29,864,956</b>	<b>26,800,956</b>
<b>Sub Total (A)</b>		<b>30,197,867</b>	<b>28,455,963</b>
<b>Expenditure</b>			
Programme Costs	6	25,795,000	26,520,000
Administration Costs	7	2,237,949	1,714,280
Capital Expenditure (PPE)		34,342	38,975
<b>Sub Total (B)</b>		<b>28,067,291</b>	<b>28,273,255</b>
<b>Balance (A-B)</b>		<b>2,130,576</b>	<b>182,708</b>
<b>Balance Represented by</b>		<b>2,130,576</b>	<b>182,708</b>
Bank Balance	2	2,186,827	138,916
Cash In Hand	2	4,290	10,773
Prepayments & Receivables		-	-
Payables	4	(60,541)	33,019

As per our report of even date

  
Caroline Scheffer  
Country Director

  
Deepabati Shakya (Shrestha)  
Finance & Admin Officer



  
CA. Prahlad Gautam  
Proprietor  
P. Gautam & Associates  
Chartered Accountants  
Date: 15.10.2014

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

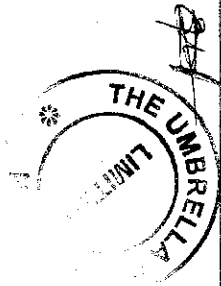
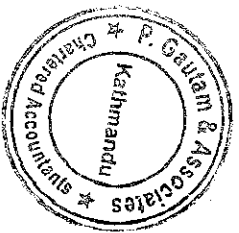
Schedules Forming an Integral Part of Financial Statements  
Financial Year 2070/71 (2013/2014)

Schedule 1  
Property, Plant & Equipment

Particulars	Rate	Opening	Gross Block			Depreciation				Net Block	
			Addition	Disposal	Closing	Opening (Restated)	Disposal	During the Year	Closing	As at 31 Ashad 2071	As at 31 Ashad 2070
Furniture & Fixture	25%	7,875	-	-	7,875	4,922	-	738	5,660	2,215	2,953
Computer and Office equipment	25%	47,713	34,342	6,000	76,055	30,604	-	11,340	42,034	34,021	17,019
Vehicle	20%	155,900	-	155,900	-	30,880	30,880	-	-	-	124,720
Other Assets	15%	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>211,488</b>	<b>34,342</b>	<b>161,900</b>	<b>83,930</b>	<b>66,796</b>	<b>31,180</b>	<b>12,078</b>	<b>47,694</b>	<b>36,235</b>	<b>144,692</b>

*P. Gurung*

*Singh*



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

**Schedules Forming an Integral Parts of Financial Statements**  
Financial Year 2070/71 (2013/14)

**Schedule 2**

**Cash & Bank**

NRs.

Particulars	Current Year	Previous Year
Cash in Hand	4,290	10,773
Himalayan Bank - 019 01112790013	2,163,819	115,908
Himalayan Bank - 019 01112790021	23,008	23,008
<b>Total</b>	<b>2,191,117</b>	<b>149,689</b>

**Schedule 3**

**General Fund (Unrestricted Fund)**

Particulars	Current Year	Previous Year (Restated)
Opening Balance	182,708	1,620,860
Less: Transferred to Capital Assets Fund	(34,342)	(38,975)
Add: Transferred from Capital Assets Fund	130,720	
Add: Transferred from Income & Expenditure Account	1,851,490	(1,399,177)
<b>Total</b>	<b>2,130,576</b>	<b>182,708</b>

**Schedule 4**

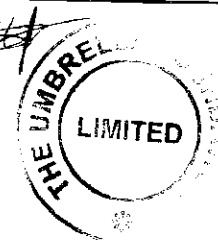
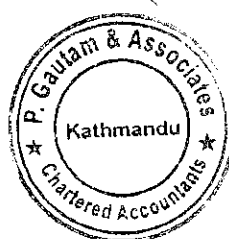
**Payables**

Particulars	Current Year	Previous Year
Audit Fee Payable	16,725	16,696
Staff	(13,402)	34,877
Sundry Creditors	60,995	(85,046)
TDS Payable	(3,747)	454
Anil & Associates	(29)	
<b>Total</b>	<b>60,541</b>	<b>(33,019)</b>

*[Signature]*

*[Signature]*

*[Signature]*



**Schedule 5****Grants & Donation Income**

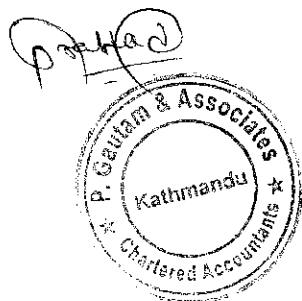
Particulars	Current Year	Previous Year
The Umbrella Foundation Australia	1,813,678	178,850
Friends of Umbrella, Italy	805,914	256,901
YETI Trust, New Zealand	823,744	350,739
Friends of Umbrella, Singapore	135,000	100,000
Internationally sourced contributions, donated in Nepal	634,747	1,470,883
Stichting Paraplu Nepal, Holland	1,902,728	686,628
The Umbrella Foundation, Ireland	15,483,601	21,315,943
Friends of Nepal, UK	980,220	1,134,137
Wings of the World (Umbrella), USA	2,555,566	-
Umbrella Trust, Hong Kong	420,912	1,306,875
Friends of Umbrella, Canada	1,735,781	-
Franks Family Foundation	801,848	-
Kite William Blair	570,689	-
Jakarta International School and Bill Kite	301,762	-
Onaway Trust, UK	898,767	-
<b>Total</b>	<b>29,864,956</b>	<b>26,800,956</b>

**Schedule 6****Programme Costs**

Particulars	Current Year	Previous Year
Donation paid to Umbrella Organisation Nepal	25,795,000	26,520,000
<b>Total</b>	<b>25,795,000</b>	<b>26,520,000</b>

**Schedule 7****Administration Costs**

Particulars	Current Year	Previous Year
Audit Fee	16,950	16,950
Other Expenses	6,283	-
Compliance and Legal Expenses	33,000	66,951
House Rent	484,251	609,480
Organisation Support Costs	609,125	406,989
Repair & Maintenance	121,795	85,900
Training Expenses	25,875	9,900
Field Visit (Monitoring) Expenses	347,214	130,561
Staff Salary & Allowance	359,395	239,695
Visa Expenses	234,060	147,854
<b>Total</b>	<b>2,237,948</b>	<b>1,714,280</b>



*Handwritten signature*



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

**Notes to the Financial Statements**

**Financial Year: 2070-71 (2013/ 2014)**

**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 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 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.

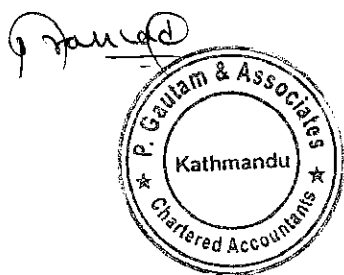
**2. Property, Plant and Equipment**

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.

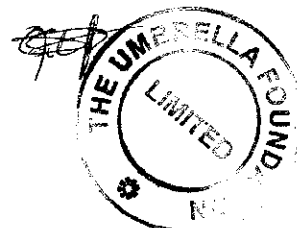
The opening balance of property, plant & equipment for the previous year (2069.70) has been restated to account for accounting error occurred in the previous year:

NRs.

S.N.	Particulars	Previous Balance	Restated Balance
1	Property, Plant & Equipment	136,897.00	144,692.00
2	Capital Assets Fund	136,897.00	144,692.00 -



*Handwritten signature*





### 3. Depreciation

Depreciation is provided on 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%
Other Assets	15%

### 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.

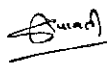
### 7. Current liabilities

Liabilities and provisions are stated at cost

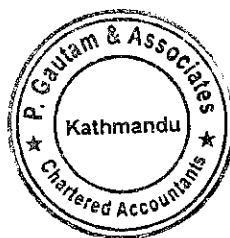
### 8. Revenue Recognition

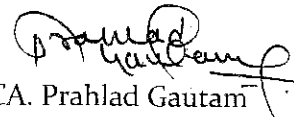
Revenue from the donors has been recognised to the extent of the receipt during the year.

  
Caroline Scheffer  
Country Director

  
Deepabati Shakya (Shrestha)  
Finance & Admin Officer

As per our report on even date



  
CA. Prahlad Gautam  
Proprietor  
P. Gautam & Associates  
Chartered Accountants  
Date: 15.10.2014