

# B & B Associates

## Chartered Accountants

(Correspondent Firm of Russell Bedford International)

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### INDEPENDENT AUDITOR'S REPORT

**The Members,  
Umbrella Organization Nepal  
Swoyambhu-15, Kathmandu**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Umbrella Organization Nepal, which comprise the Statement of Financial Position as at 31<sup>st</sup> Ashad, 2074 (15<sup>th</sup> July 2017), and the Statement of Income and Expenditure and Statement of Cash Flows for the year then ended, and a summary of Significant Accounting Policies and other 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.

*B. M. Dhungana*

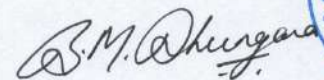


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements present fairly, in all material respects, the financial position of Umbrella Organization Nepal as at 31<sup>st</sup> Ashad 2074 (15<sup>th</sup> July 2017), and its financial performance and of its cash flows for the year then ended in accordance with the Accounting Policies described in Schedule 9 to the Financial Statements.

Date: 2074.05.02  
Place: Kathmandu, Nepal



BM Dhungana, FCA

Partner

For: B & B Associates  
Chartered Accountants



# Umbrella Organization Nepal

Swoyambhu-15, Kathmandu

## Statement of Financial Position

As at 31st Ashad 2074 (15th July 2017)

Particulars	Schedule No.	Amount (NPR.) 31st Ashad, 2074 (15th July, 2017)	Amount (NPR.) 31st Ashad, 2073 (15th July, 2016)
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Fund Balance</b>			
(a) Surplus Fund		9,397,244.07	11,119,522.22
<b>(2) Non-Current Liabilities</b>		-	-
<b>(3) Current Liabilities</b>			
(a) Fund received in Advance (Project Fund)	"1"	2,628,558.79	4,608,903.34
(b) Other Payables	"2"	130,496.17	157,718.80
<b>Total</b>		<b>12,156,296.85</b>	<b>15,886,145.36</b>
<b>(II) ASSETS</b>			
<b>(1) Non-current Assets</b>			
(i) Property, Plant & Equipment			
Gross Block		-	-
Depreciation		-	-
Net Block		-	-
<b>(2) Current Assets</b>			
(a) Cash & Bank Balances	"3"	9,204,123.13	14,071,610.18
(b) Advances & Receivables	"4"	997,510.87	1,512,496.42
(c) Fund Receivable	"5"	1,954,662.85	302,038.76
<b>Total</b>		<b>12,156,296.85</b>	<b>15,886,145.36</b>

Significant Accounting Policies and other explanatory information

"9"

Schedules 1 to 9 annexed form an integral part of the financial statements.

*B.M. Dhungana*

CA BM Dhungana  
Partner  
B & B ASSOCIATES  
Chartered Accountants



*Keshu Sharma*

Keshu Sharma  
Finance and Admin. Officer  
Umbrella Organization Nepal

*Megh Bahadur Ale*

Megh Bahadur Ale  
Chairperson  
Umbrella Organization Nepal



*Chitra Bahadur Pun*

Chitra Bahadur Pun  
Treasurer  
Umbrella Organization Nepal

Place : Kathmandu

Date : 2074.05.02



# Umbrella Organization Nepal

Swoyambhu-15, Kathmandu

## Statement of Income and Expenditure

For the year ended 31st Ashad 2074 (15th July 2017)

Particulars	Schedule No.	Amount (NPR.) 31st Ashad, 2074 (15th July, 2017)	Amount (NPR.) 31st Ashad, 2073 (15th July, 2016)
<b>Income</b>			
Grant & Donations	"6"	39,030,994.12	70,318,588.10
Other Income	"7"	151,890.06	307,303.55
<b>Total Income (A)</b>		<b>39,182,884.18</b>	<b>70,625,891.65</b>
<b>Expenses during the period</b>	"8"	40,905,162.33	70,138,160.43
<b>Total Expenses (B)</b>		<b>40,905,162.33</b>	<b>70,138,160.43</b>
<b>Surplus / (Deficit) for the year (A-B)</b>		<b>(1,722,278.15)</b>	<b>487,731.22</b>
<b>Surplus / (Deficit) carried forward from Previous Year</b>		<b>11,119,522.22</b>	<b>10,631,791.00</b>
<b>Balance of Surplus/(Deficit) Transferred to Statement of Financial Position</b>		<b>9,397,244.07</b>	<b>11,119,522.22</b>

Significant Accounting Policies and other explanatory information

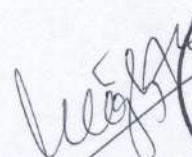
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Schedules 1 to 9 annexed form an integral part of the financial statements.


In terms of our report of even date

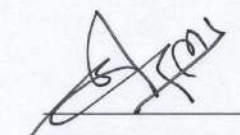
  
CA BM Dhungana  
Partner  
B & B ASSOCIATES  
Chartered Accountants



  
Megh Bahadur Ale  
Chairperson  
Umbrella Organization Nepal



  
Keshu Sharma  
Finance and Admin. Officer  
Umbrella Organization Nepal

  
Chitra Bahadur Pun  
Treasurer  
Umbrella Organization Nepal

Place : Kathmandu

Date : 2074.05.02



# Umbrella Organization Nepal

Swoyambhu-15, Kathmandu

## Statement of Cash flows for the year ended 31st Ashadh, 2074 (15th July, 2017)

Figures in NPR

Particulars	Amount (NPR.) 31st Ashad, 2074 (15th July, 2017)	Amount (NPR.) 31st Ashad, 2073 (15th July, 2016)
Surplus/(Deficit) for the year	(1,722,278.15)	487,731.22
Add: Depreciation for the year	-	-
Cash flow before working capital changes	(1,722,278.15)	487,731.22
<b>Adjustment for Working Capital Changes</b>		
(Increase) / Decrease in current Assets	(1,137,638.54)	3,606,542.69
Increase/ (Decrease) in Fund received in advance	(1,980,344.55)	958,273.34
Increase/ (Decrease) in current liabilities	(27,222.63)	(2,593,914.07)
<b>Net Cash generated from operating activities (A)</b>	<b>(4,867,483.87)</b>	<b>2,458,633.18</b>
Purchase of Property, Plant and Equipment	-	-
Sale of Property, Plant and Equipment	-	-
<b>Net Cash generated from Investing Activities (B)</b>	<b>-</b>	<b>-</b>
Cash flow from Financing Activities	-	-
<b>Net Cash generated from Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents during the year (A+B+C)</b>	<b>(4,867,487.05)</b>	<b>2,458,633.18</b>
Cash and cash equivalents at the beginning of the year	14,071,610.18	11,612,976.00
<b>Cash and cash equivalents at the end of the year</b>	<b>9,204,123.13</b>	<b>14,071,610.18</b>

### Significant Accounting Policies and other explanatory information

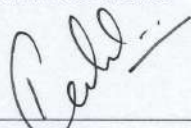
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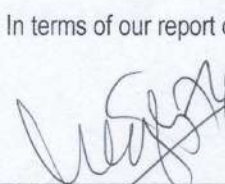


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Treasurer  
Umbrella Organization Nepal

Place : Kathmandu

Date : 2074.05.02



# Umbrella Organization Nepal

Swoyambhu-15, Kathmandu

## Schedules forming part of Financial Statements

### Schedule-1

Fund received in Advance	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
TUF-UNICEF-II	491,200.00	1,080,867.00
ONGD	2,137,358.79	3,528,036.34
<b>Total</b>	<b>2,628,558.79</b>	<b>4,608,903.34</b>

### Schedule-2

Other Payable	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
Audit Fee Payable	111,500.00	111,500.00
Rajesh Dangol	-	10,000.00
Sangita Lamichanne	2,209.00	2,209.00
Other Payable	4,443.00	4,443.00
Yogesh Chaudhary	-	5,000.00
Salary	11,021.00	11,021.00
TDS Payable	553.17	2,249.80
Gyanodaya Secondary School	770.00	770.00
Kantipur Stationery Suppliers	-	8,006.00
Mrs. Mithai Manandhar	-	2,520.00
<b>Total</b>	<b>130,496.17</b>	<b>157,718.80</b>

### Schedule-3

Cash and Bank Balances	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
Cash - NPR	42,493.00	76,501.00
Fixed Deposit with Himalayan Bank Ltd	1,500,000.00	1,500,000.00
Himalayan Bank Ltd	140,240.75	111,915.32
Janata Bank Nepal Ltd.	-	5,000.00
Nepal investment Bank Ltd.	-	2,500.00
Nabil Bank Ltd. (Account No. 3201017500435)	861,848.71	822,508.00
Nabil Bank Ltd. (Account No. 3806017500016)	4,135,809.88	8,592,828.84
Prime Commercial Bank Ltd.	5,000.00	5,000.00
Bank of Kathmandu Ltd	2,051,521.79	2,955,357.02
Nabil Bank Ltd (Account No. 3201017500507)	467,209.00	-
<b>Total</b>	<b>9,204,123.13</b>	<b>14,071,610.18</b>



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## Schedule-4

Advances & Receivables	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
Bachhu Ram Tamang	24,821.00	28,547.00
Dilip Kumar Shrestha	1,114.00	1,114.00
Dinesh Chaudhary	54,500.00	-
Funfuny House Services	232,500.00	-
Rajesh Dangol	5,000.00	-
Roshani Dangol	82,156.35	42,504.35
Santosh Sapkota	56,170.00	-
Sushma Nepali	-	5,000.00
Tsewang Norbu Lama	27,481.50	27,481.50
Chyamra Devi Secondary School	-	309,680.00
Shree Mukrapdevi H. S. S	-	328,400.00
Arjun Kafle	93,743.00	233,450.00
Advance House Rent	-	27,419.00
Interest Receivable	42,904.11	1,331.97
Other Receivable	36,616.00	36,616.00
Prepaid Rent	62,141.00	62,141.00
School Depsoit	5,500.00	5,500.00
Remuneration Tax	345.67	135.67
TDS Receivble	-	19,669.60
Classic Tech Pvt. Ltd	36.00	36.00
Jobsnepal. Com Pvt. Ltd	2,293.00	2,293.00
Merojob.Com	390.00	390.00
Mona Ranjit	94,500.00	94,500.00
Mrs. Kyamuna Tamang	136,998.24	103,912.33
Ms. Pratima Lama	-	124,500.00
Transcultural Psychological Organization Nepal	-	30,000.00
World Link Communication Pvt. Ltd	-	27,875.00
Yogesh Chaudhary	8,339.00	-
Mithai Manandhar	29,962.00	-
<b>Total</b>	<b>997,510.87</b>	<b>1,512,496.42</b>

## Schedule-5

Fund Receivable	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
GOAL	-	302,038.76
TUF-UNICEF-III	1,954,662.85	-
<b>Total</b>	<b>1,954,662.85</b>	<b>302,038.76</b>



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### Schedule-6

Grants and Donations	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
GOAL	-	16,851,445.76
ONGD FNEL	8,357,729.77	9,457,337.64
The Umbrella Foundation Limited	27,952,610.07	38,165,568.25
<b>Core Fund</b>		
Local Donation	122,170.00	-
Saraswati Organization	2,598,484.28	2,671,623.00
GOAL	-	2,167,580.09
ONGD FNEL	-	1,005,033.36
<b>Total</b>	<b>39,030,994.12</b>	<b>70,318,588.10</b>

### Schedule-7

Other Income	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
Interest Income	151,140.06	138,014.72
Miscellaneous Income	750.00	169,289.83
<b>Total</b>	<b>151,890.06</b>	<b>307,303.55</b>

### Schedule-8

Expenses during the period	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074 (15th July, 2017)	31st Ashad, 2073 (15th July, 2016)
<b>GOAL</b>		
Administration cost	-	846,930.76
Personnel Cost	-	561,395.00
Programme Cost	-	15,443,120.00
<b>ONGD FNEL</b>		
Programme Cost	8,393,763.67	9,494,904.28
Administrative Expense	-	480.00
<b>TUFL-UNICEF II</b>		
Programme Cost	8,930,526.22	997,539.00
Administrative Expense	-	-
<b>TUFL-UNICEF III</b>		
Programme Cost	1,954,662.85	-
Administrative Expense	-	-
<b>TUFL-Core</b>		
Programme Cost	17,282,387.59	40,559,553.56
Administrative Expense	4,343,822.00	2,234,237.83
<b>Total</b>	<b>40,905,162.33</b>	<b>70,138,160.43</b>



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**Umbrella Organization Nepal**  
Swoyambhu-15, Kathmandu

**Schedule 9 to Financial Statements (Financial Year 2073-74)**

**Significant Accounting policies and Explanatory Information**

**A. General Information**

Umbrella Organization Nepal (UON), registered with District Administration office in Kathmandu was established as a non-profit making non-governmental organization as per Society Registration Act 2034 on 18<sup>th</sup> Jestha 2062. It is also affiliated with Social Welfare Council since 23<sup>rd</sup> Jestha 2062 with affiliation number 17912. UON also holds tax registration certificate with Permanent Account Number 302056426 and is also a tax exempt entity under the provisions of Income Tax Act, 2058 of Nepal. The registered office is located at Swoyambhu-15, Kathmandu, Nepal

UON is a knowledge driven innovative organization working in areas disrupted by poverty. It is engaged in alleviating the impact of poverty and war on children and their families in Nepal. Together with the local people, communities, and health institutions, it works on mental development of vulnerable children. UON is implementing projects in 5 thematic areas namely re-integration, rural support, building resilience and preventing trafficking through family member, next step youth and education and support the earthquake affected people.

**B. Significant Accounting Policies**

**1. Basis of Accounting and Presentation**

The Financial Statements are prepared under historical cost convention following accrual basis of accounting unless otherwise stated.

Figures in the Financial Statements expressed in Nepalese Rupees (NPR).

**2. Fund Accounting**

Funds received from donors which are restricted in nature are recognized as income to the extent of actual expenditure incurred on the respective projects. Unspent balances of restricted fund are treated as current liabilities.

Unrestricted funds received from donors are treated as income in the year in which such funds are received.

Other Donations / Contributions received in cash are recognized as income on Cash Basis.



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### 3. Property Plant & Equipment

Property Plant & Equipment procured from donor funded projects are charged to expenditure of the concerned project in the year of purchase. A separate record has been maintained for control over assets procured from donor's fund.

### 4. Depreciation

No depreciation is charged on Property, Plant & Equipment procured from Donor's Fund.

### C. Explanatory Information

#### 1. Balance receivable form The Umbrella Foundation Ltd

Balance of NPR 1,463,462.85 is receivable from The Umbrella Foundation Ltd on account of following:

i. Fund receivable towards UNICEF III project	NPR 1,954,662.85
ii. Fund payable towards UNICEF II project	NPR (491,200.00)
	<b>NPR 1,463,462.85</b>

#### 2. Cash & Cash Equivalents

Cash and cash equivalents comprises of cash in hand and balances with bank and financial institutions. Details of cash and cash equivalents are as under:

Cash and Cash Equivalents	Amount (NPR.)	Amount (NPR.)
	31st Ashad, 2074	31st Ashad, 2073
	(15th July, 2017)	(15th July, 2016)
Cash - NPR	42,493.00	76,501.00
Fixed Deposit with Himalayan Bank Ltd	1,500,000.00	1,500,000.00
Himalayan Bank Ltd	140,240.75	111,915.32
Janata Bank Nepal Ltd.	-	5,000.00
Nepal investment Bank Ltd.	-	2,500.00
Nabil Bank Ltd. (Account No. 3201017500435)	861,848.71	822,508.00
Nabil Bank Ltd. (Account No. 3806017500016)	4,135,809.88	8,592,828.84
Prime Commercial Bank Ltd.	5,000.00	5,000.00
Bank of Kathmandu Ltd	2,051,521.79	2,955,357.02
Nabil Bank Ltd (Account No. 3201017500507)	467,209.00	-
<b>Total</b>	<b>9,204,123.13</b>	<b>14,071,610.18</b>



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### 3. Exchange rate

UON does not operate any account in foreign currency and there are no adjustments relating foreign exchange difference.

### 4. Rearrangement and grouping

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

### 5. Previous years' figures

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



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