

**Independent Auditor's Report of
Umbrella Organization Nepal
for the financial year 2013-14 (2070-71)**

The Members,

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

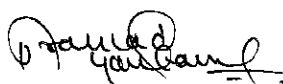
Management is responsible for the preparation and fair presentation of these financial statements in accordance with applicable generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation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

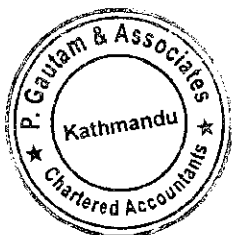
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 16th July 2014, 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: 13.10.2014




Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

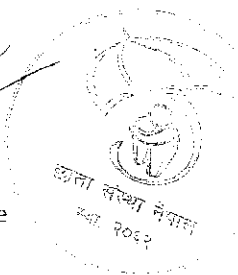
Statement of Financial Position
as at 32nd Ashadh 2071 (16 July 2014)


NRs.

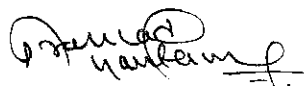
Particulars	Schedule	Current Year	Previous Year
Assets			
Non-current Assets:			
Property, Plant & Equipment	1	525,363	651,456
Total Non-current Assets		525,363	651,456
Current Assets:			
Prepayments & Receivables	2	545,058	741,710
Cash & Bank	3	4,085,065	2,959,338
Total Current Assets		4,630,123	3,701,047
Total Assets		5,155,486	4,352,503
Fund & Liabilities			
Capital & General Fund:			
Capital Fund		525,363	651,456
General Fund (Unrestricted Fund)	4	4,506,167	2,233,502
Total Capital & General Fund		5,031,530	2,884,958
Current Liabilities:			
Current Liabilities & Provisions	5	123,956	1,467,546
Total Current Liabilities		123,956	1,467,546
Total Funds & Liabilities		5,155,486	4,352,503

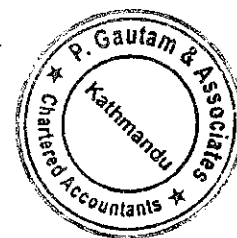
As per our report of even date

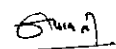

Megh Bahadur Ale
Chairperson




Vimal Kumar Thapa
Treasurer


CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 13.10.2014




Deepabati Shakya (Shrestha)
Finance & Admin Officer


Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu


Income & Expenditure Statement
For the year ended 32nd Ashad 2071 (16 July 2014)

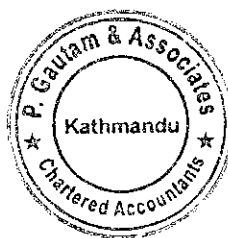
NRs.

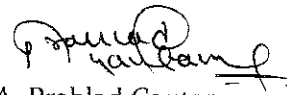
Particulars	Schedule	Current Year	Previous Year
<u>Income</u>			
Grants & Donation Income	6	30,760,740	29,726,077
Discount received		83,541	98
Interest received		119,098	132,213
Other Income		41,238	63,488
Total Income (A)		31,004,617	29,921,876
<u>Expenditure</u>			
Programme Costs	7	26,390,385	27,431,708
Administration Costs	8	2,246,688	2,686,067
Write Offs	9	-	100,527
Total Expenditure (B)		28,637,073	30,218,302
Surplus Unrestricted Fund (A-B)		2,367,544	(296,426)


As per our report of even date


Megh Bahadur Ale
Chairperson


Vimal Kumar Thapa
Treasurer




CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 13.10.2014


Deepabati Shakya (Shrestha)
Finance & Admin Officer

Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

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

NRs.

Particulars	Schedule	Current Year	Previous Year
Opening Fund Balance		2,233,504	2,663,682
Bank Balance	3	2,725,266	3,988,730
Cash in Hand	3	234,072	154,640
Prepayments & Receivables	2	741,710	832,378
Current Liabilities & Provisions	5	(1,467,546)	(2,312,066)
Prior period error		(45,853)	-
Restated Opening Balance		2,187,651	2,663,682
Fund received during the period	6	30,760,740	29,726,077
Discount received		83,541	98
Other Income		41,238	63,488
Disposal of PPE	1	7,630	57,000
Interest received		119,098	132,213
Sub Total (A)		33,199,899	32,642,558
Expenditure			
Programme Costs	7	26,390,385	27,431,708
Administration Costs	8	2,246,688	2,686,067
Write Offs	9	-	100,527
Depreciation	1	-	-
Capital Expenditure	1	56,658	190,754
Sub total (B)		28,693,731	30,409,056
Balance (A-B)		4,506,167	2,233,502
Balance Represented by		4,506,167	2,233,502
Bank Balance	3	3,854,461	2,725,266
Cash In Hand	3	230,604	234,072
Prepayments & Receivables	2	545,058	741,710
Payables	5	(123,956)	(1,467,546)

As per our report of even date

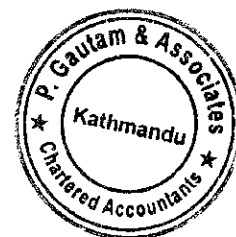
Megh Bahadur Ale
Chairperson

Vimal Kumar Thapa
Treasurer

CA. Prahlad Gautam
Proprietor
P.Gautam & Associates
Chartered Accountants

Date: 13.10.2014

Deepabati Shakya (Shrestha)
Finance & Admin Officer



Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Schedules forming an integral part of Financial Statements
Financial Year: 2070-71 (2013/2014)

Schedule 1

Property, Plant & Equipment

NRS.

Particulars	Rate	Gross Block			Depreciation Block			Net Block		
		Opening	Addition	Disposal/ adjustment	Closing	Opening	During the Year	Closing	As at 31 Ashad 2071	As at 31 Ashad 2070
Furniture and fixtures	25%	146,118	16,500		162,618	79,105	21,628	97,733	64,885	70,013
Computer and Office/ Childcare home Equipment	25%	1,215,377	40,158	7,640	1,247,995	669,511	145,598	811,109	436,716	549,866
Software	25%	74,850			74,850	4,273	7,894	51,067	23,683	41,577
Other Assets	15%									
Total		1,436,345	56,658	7,640	1,485,373	781,889	175,121	960,009	525,163	651,456

[Signature]

[Signature]

[Signature]



Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Schedules forming an integral part of Financial Statements
Financial Year: 2070-71 (2013/2014)

Schedule 2

NRs.

Prepayments & Receivables

Particulars	Current Year	Previous Year
Advance Tax	-	45,852
Interest Receivable	7,798	12,296
Prepaid Rent	62,141	56,081
School Deposit	5,500	5,500
Staff Advance	469,618	621,982
Total	545,058	741,710

Schedule 3

Cash & Bank

Particulars	Current Year	Previous Year
Cash in Hand	230,604	234,072
Fixed Deposit	1,500,000	1,500,000
Himalayan Bank - 01901107820017	85,058	1,215,228
Bank Of Kathmandu-050200011135524	1,957,854	-
Nabil Bank Limited - 3806017500016	311,548	10,038
Total	4,085,065	2,959,338

Schedule 4

General Fund (Unrestricted Fund)

Particulars	Current Year	Previous Year
Opening Balance	2,233,502	2,663,682
Prior period error	(45,851)	-
Restated balance	2,187,651	2,663,682
Add: Transferred from Capital Fund (Disposal)	7,630	57,000
Less: Transferred to Capital Fund	(56,658)	(190,754)
Add: Transferred from Income & Expenditure Account	2,367,544	(296,426)
Total	4,506,167	2,233,502

Schedule 5

Current Liabilities & Provisions

Particulars	Current Year	Previous Year
Audit Fee Payable	46,752	44,522
CIT Payable	-	57,613
Leave Encashment Payable	-	262,745
Salary Payable A/c.	6,449	390,964
Sundry Creditors	59,126	712,011
TDS Payable	11,629	(309)
Total	123,956	1,467,546

Schedule 6**Grants & Donation Income**

Particulars	Current Year	Previous Year
Local Donation	-	93,454
Sol-Himal France	2,264,694	3,112,623
The Umbrella Foundation Ltd. Ireland Nepal	25,795,000	26,520,000
ONGD-FNEL	2,701,046	
Total	30,760,740	29,726,077

Schedule 7**Programme Costs**

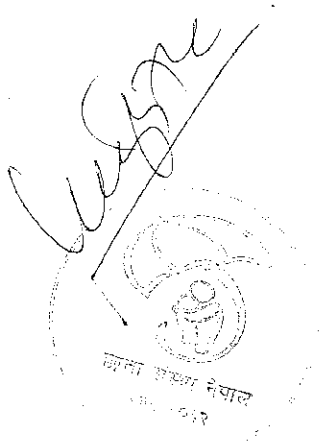
Particulars	Current Year	Previous Year
Umbrella Next Steps Youth & Education Programme	6,778,330	6,142,802
Umbrella Reintegration & Scholarship Programme	4,123,086	4,147,782
Umbrella Residential Childcare Programme	15,332,386	15,974,166
Umbrella Rural School Support Programme	156,583	1,166,958
Total	26,390,385	27,431,708

Schedule 8**Administration Costs**

Particulars	Current Year	Previous Year
Audit Fee	47,460	45,200
Audit Expenses	6,000	15,000
Bank Charge	1,350	2,902
Compliance and Legal Expenses	1,960	65,603
House Rent Expenses	305,778	270,553
Organisation Support Costs	324,346	489,458
Repair & Maintenance	38,122	22,940
Staff Salary & Allowance	1,428,137	1,774,411
Traveling Expenses	49,835	-
Municipal Tax	43,700	-
Total	2,246,688	2,686,067

Schedule 9**Write Offs**

Particulars	Current Year	Previous Year
Advances	-	16,569
TDS Receivable	-	83,958
Total	-	100,527



Handwritten signature and the word 'Signed'.

Handwritten signature.



Umbrella Organisation Nepal
Swoyambhu-15, Kathmandu

Notes to the Financial Statements

Financial Year: 2070-71 (2013/ 2014)

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.

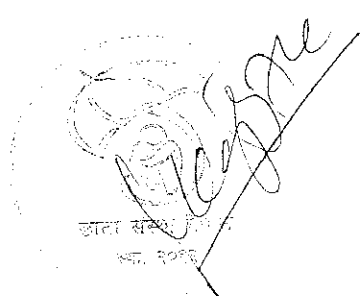
3. Depreciation

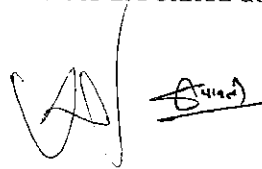
Depreciation is provided on Property, Plant and Equipment, on written down basis, by using the following rates:


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

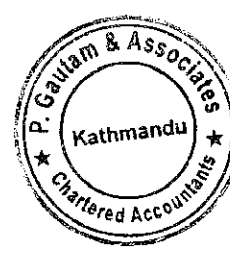
4. Receivables, Loans & Advances

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.

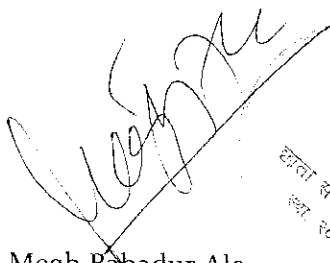
9. **Remaining fund balance of ONGD-FNEL**

Bank balance includes remaining balance of the Fund from ONGD-FNEL amounting to NRs 1,873,415.24 in Bank of Kathmandu.

10. **Prior Period Adjustment**

Payment of Municipal tax amounting to NRs 45,851 carried as asset under the account heading duties & taxes has been adjusted as prior period error.

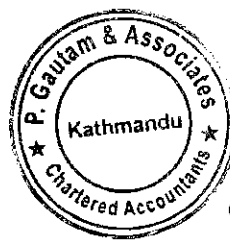
As per our report on even date

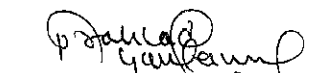


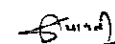
Megh Bahadur Ale
Chair Person



Vimal Kumar Thapa
Treasurer




CA. Prahlad Gautam
Proprietor
P. Gautam & Associates
Chartered Accountants
Date: 13.10.2014


Deepabati Shakya (Shrestha)
Finance & Admin Officer