

THE NEPALESE CHILDREN'S FOUNDATION
(TRADING AS FOUNDATION NEPAL)
(A COMPANY LIMITED BY GUARANTEE, NOT HAVING A SHARE CAPITAL)

DIRECTORS REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

<i>Contents</i>	<i>Page</i>
Directors and other information	3
Directors' report	4
Statement of directors' responsibilities	6
Independent auditor's report	7
Consolidated statement of financial activities	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated cash flow statement	12
Statement of accounting policies	13
Notes forming part of the financial statements	14

The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)

Directors and Other Information

Directors Nicola Deasy
Brid Whelan
Enda Nevin

Secretary Nicola Deasy

Registered office 3 New Road
Galway

Company Number 431242

Auditor Neylon & Company
Chartered Accountants & Registered Auditors
2nd floor, Technology House
Galway Technology Park
Parkmore
Galway

Bankers National Irish Bank
Eyre Square
Galway

Solicitors MacSweeney & Co
1st Floor Merchants Gate
Merchants Road
Galway

Subsidiary companies The Nepalese Children's Health Care Foundation PVT Limited
Registered in Nepal

**Registered Charity
Tax Number** CHY 17737

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

**Directors' Report
For the year ended 31 December 2008**

The directors present their directors' report and the audited financial statements for the year ended 31 December 2008

Principal activities, business review and future developments

The principal activity of the company is the alleviation of poverty in the district of Humla, Nepal, through improving health care, education and income generation opportunities.

In the period under review the company successfully pursued its charitable activities. The charity's CHEWI (Community Healthcare, Education, Women's Empowerment and Income Generation) programme commenced, following receipt of programme approval from the Nepali government in early 2008. 140 people participated in pilot micro-business vegetable and permaculture initiatives. By year end, the charity supported three primary healthposts in Humla district, which treated 13,263 patients, along with providing family planning assistance and maternity services, and extensive education and awareness building of key health issues such as HIV / AIDS prevention. 1,087 ultra poor children were supplied with educational supplies, to allow them to attend primary school, while work began on a significant extension to the primary school in Thehe village. The charity, through its subsidiary in Nepal, purchased a plot of land in Humla for the construction of an education and volunteer centre in December 2008.

The company intends to continue to work closely with key government offices and officials, along with other NGO's and Nepal local community groups, to implement its plans over a five year timescale.

Results for the year

The surplus for the year after providing for depreciation and taxation amounted to €27,154 (2007 - €70,748)

Directors

The directors who served during the year and their interests in the company are as stated below:

	<i>Interests in the company</i>
Nicola Deasy	-
Brid Whelan	-
Enda Nevin	-

None of the directors had any material interest in any contract with the company that was significant in relation to its business in the year ended 31 December 2008.

Registered Charity

The company was granted charitable status by the Revenue Commissioners in April 2008 (Reg. No. -CHY - 17737)

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

**Directors' Report (continued)
For the year ended 31 December 2008**

Subsidiary

The Nepalese Children's Health Care Foundation PVT Limited, a company registered in Nepal, is a subsidiary of this company by virtue of the fact that its entire issued share capital is held in trust, on behalf of The Nepalese Children's Foundation, by Nicola Deasy, a director.

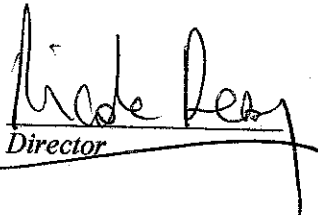
Books and Records

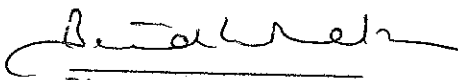
The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. The Directors have appointed appropriate accounting personnel, in order to ensure that those requirements are complied with. The books and accounting records of the company are maintained at the company's office at 3 New Road, Galway.

Auditors

The auditors, Neylon and Company, Chartered Accountants have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board


Director


Director

22/4/2010
Date

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

Directors' Responsibilities Statement

On the financial statements

For the year ended 31 December 2008

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that year.

In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and fully explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

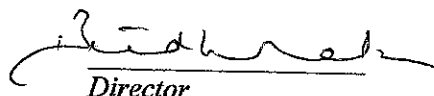
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2009.

Where financial statements are to be published on the web, the directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

On behalf of the board


Director


Director

22/4/2010
Date

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

Independent auditor's report to the members of The Nepalese Children's Foundation Limited

We have audited the group and parent company financial statements (the "financial statements") of The Nepalese Children's Foundation and Subsidiaries for the year ended 31 December 2008 which comprise the Group Profit and Loss Account, The Group and Parent Company Balance Sheets, the Group Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you, in our opinion whether proper books of account have been kept by the company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

**Independent auditor's report to the members of The Nepalese Children's Foundation Limited
(continued)**

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken our audit in accordance with the requirements of the Auditing Practices Board (APB) Ethical Standards including Ethical Standard – Provisions Available for Small Entities (PASE), in the circumstances set out in Note 2 to the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the group and parent company's affairs at 31 December 2008 and of the group's surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The company balance sheet is in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.


Neylon & Company

**Chartered Accountants and
Registered Auditors
Technology House
Galway Technology Park
Parkmore
Galway**

Date 22/4/2010

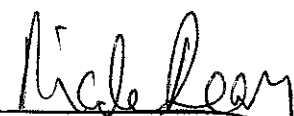
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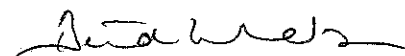
Consolidated statement of financial activities

For the year ended 31 December 2008

		Restricted Funds €	Unrestricted Funds €	Total 2008 €	Total 2007 €
	<i>Notes</i>				
Total Income	3	42,913	107,066	149,979	115,280
Fundraising Costs			(19,055)	(19,055)	(19,112)
Gross Income		42,913	88,011	130,924	96,168
Direct Costs (Nepal)		(5,438)	(54,268)	(59,706)	(15,045)
Administration expenses		-	(35,601)	(35,601)	(10,889)
Operating surplus	4	37,475	(1,858)	35,617	70,234
Interest payable and similar charges		-	(218)	(218)	(24)
(Loss) / profit on foreign exchange		-	(8,245)	(8,245)	538
Surplus on ordinary activities before taxation		37,475	(10,321)	27,154	70,748
Tax on ordinary activities	6			-	-
Surplus for the financial year		37,475	(10,321)	27,154	70,748
Accumulated surplus brought forward		-	70,748	70,748	-
Accumulated surplus carried forward		37,475	60,427	97,902	70,748

On behalf of the board


 Director


 Director

22/4/2009
 Date

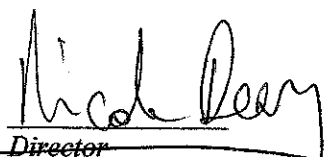
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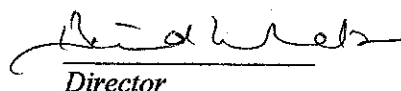
Consolidated balance sheet

As at 31 December 2008

	Notes	2008 €	2007
Fixed assets			
Tangible assets	7	15,123	2,855
		<hr/>	<hr/>
		15,123	2,855
Current assets			
Debtors	10	7,526	714
Cash at bank and in hand		80,359	70,694
		<hr/>	<hr/>
Net current assets		87,885	71,408
Creditors: amounts falling due within one year	11	5,106	3,515
		<hr/>	<hr/>
Net current assets		82,779	67,893
		<hr/>	<hr/>
Total assets less current liabilities		97,902	70,748
		<hr/>	<hr/>
Net assets		97,902	70,748
Capital and reserves			
Restricted funds		37,475	-
Unrestricted funds		60,427	70,748
		<hr/>	<hr/>
Members' funds	12	97,902	70,748
		<hr/>	<hr/>

On behalf of the board


Director


Director

22/4/2012
Date

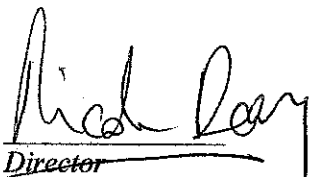
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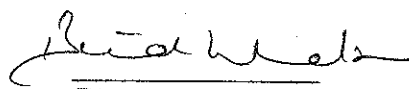
Company balance sheet

As at 31 December 2008

	<i>Notes</i>	2008 €	2007 €
Fixed assets			
Tangible assets	7	3,558	373
Financial assets	8,9	31,500	21,500
		<hr/> 35,058	<hr/> 21,873
Current assets			
Debtors	10	7,526	714
Cash at bank and in hand		79,592	56,641
		<hr/> 87,118	<hr/> 57,355
Creditors: amounts falling due within one year	11	13,827	3,515
		<hr/> 73,291	<hr/> 53,840
Net current assets		<hr/> 73,291	<hr/> 53,840
Total assets less current liabilities		<hr/> 108,349	<hr/> 75,713
Net assets		<hr/> 108,349	<hr/> 75,713
Capital and reserves			
Restricted funds		37,475	-
Unrestricted funds		70,874	75,713
		<hr/> 108,349	<hr/> 75,713
Shareholders' funds		<hr/> 108,349	<hr/> 75,713

On behalf of the board


 Director


 Director

22/4/2010
 Date

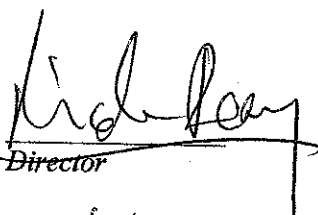
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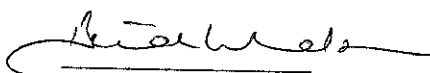
Consolidated cashflow statement

For the year ended 31 December 2008

	<i>Notes</i>	2008 €	2007 €
Net cash inflow from operating activities	<i>13</i>	24,608	74,476
Capital expenditure and financial investment		(14,943)	(3,782)
Increase in cash during the period		9,665	70,694
Reconciliation of net cash flow to movement in net funds			
Increase in cash during the period	<i>14</i>	9,665	70,694
Net funds at beginning of period	<i>14</i>	70,694	-
Net funds at end of period	<i>14</i>	80,359	70,694

On behalf of the board


 Director


 Director

22/4/2009
 Date

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
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1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standard Board, as promulgated by The Institute of Chartered Accountants in Ireland.

Basis of consolidation

The group's financial statements consolidate the financial statements of the company and all of its subsidiary undertakings made up to 31 December 2008.

Total Income

Total income represents donations receivable and fundraising income during the year.

Restricted funds

Restricted funds represent donations received which can only be used for particular purposes. Such purposes are within the overall aims of the organisation.

Unrestricted funds

Unrestricted funds are general funds which represent amounts which are expendable at the discretion of the directors.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The charge for depreciation is calculated to write down tangible fixed assets over their expected useful lives to their estimated residual values by equal instalments as follows:

Equipment, Furniture and Computers 33% Straight Line

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Foreign currencies

Functional and presentation currency

Items included in the financial statements are presented in Euro, the currency of the primary economic environment in which the company operates.

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
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1 Principal accounting policies continued

Transactions and Balances

Transactions in foreign currencies are recorded in Euro at the rate ruling at the date of the transactions or at a contracted rate.

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rate of exchange ruling at the balance sheet date or the contracted rate. All differences are dealt with in the income and expenditure account.

2 APB Ethical Standards – Provisions Available for Small Entities (PASE)

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and the prepare the company's annual financial statements

3 Turnover

The total income of the company for the year has been derived from its fundraising activity wholly undertaken in the Republic of Ireland.

4 Statutory and other information

	2008	2007
	€	€
<i>Operating surplus is stated after charging:</i>		
Depreciation of tangible fixed assets	2,675	927
Auditor's remuneration	3,645	3,025

5 Employees

The average number of persons employed by the group (including directors), during the year, were:

	Number of employees	
	2008	2007
Management and administration	3	1
	<hr/>	<hr/>
	3	1
	<hr/> <hr/>	<hr/> <hr/>

All staff are employed in Nepal. The employment costs were as follows:

	2008	2007
	€	€
Wages and salaries	21,989	528
	<hr/> <hr/>	<hr/> <hr/>

The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)

6 Taxation

The company is registered with the Revenue Commissioners as a charity within the meaning of Sections 76 and 78 of the Taxes Consolidation Act, 1997. This registration exempts the company from any liability to Corporation Tax on surpluses arising from ordinary activities.

7 Tangible fixed assets - Consolidated

Group	Land - Nepal €	Equipment - Nepal €	Furniture & Equipment €	Computer Equipment €	Total €
Cost					
At beginning of year	-	3,223	-	559	3,782
Additions	9,825	3,199	771	1,148	14,943
At end of year	9,825	6,422	771	1,707	18,725
Depreciation					
At beginning of year	-	741	-	186	927
Charge for the year	-	1,850	257	568	2,675
At end of year	-	2,591	257	754	3,602
Net book value:					
At 31 December 2008	9,825	3,831	514	953	15,123
At 31 December 2007	-	2,482	-	373	2,855

During the year the company purchased land in Nepal for the purpose of building a volunteer centre. The purchase of the land was funded through restricted funds which were specifically donated for the purpose of building the volunteer centre

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
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7 Tangible fixed assets - Company

	Equipment - Nepal €	Furniture & Equipment €	Computer Equipment €	Total €
Cost				
At beginning of year	-	-	559	559
Additions	3,199	771	1,148	5,118
At end of year	3,199	771	1,707	5,677
Depreciation				
At beginning of year	-	-	186	186
Charge for the year	1,108	257	568	1,933
At end of year	1,108	257	754	2,119
Net book value:				
At 31 December 2008	2,091	514	953	3,558
At 31 December 2007	-	-	373	373

8 Financial fixed assets

Company	Investment in subsidiary undertakings €
Cost	
At 1 January 2007	21,500
Additions	10,000
Net Book values	
At 31 December 2008	31,500
At 31 December 2007	21,500

In the opinion of the directors the shares in the company's subsidiary are worth at least the amounts at which they are stated in the balance sheet.

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
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9 Subsidiary undertaking

The Nepalese Children's Health Care Foundation PVT Limited, registered in Nepal, is a 100% subsidiary of the Nepalese Children's Foundation Limited by virtue of the fact that its entire issued share capital is held in trust for The Nepalese Children's Foundation Limited by Nicola Deasy, Director, who has executed a Trust Deed in this regard.

10 Debtors

	2008		2007	
	Group €	Company €	Group €	Company €
<i>Amounts falling due within one year</i>				
Debtors and prepayments	7,526	7,526	714	714
	<hr/>	<hr/>	<hr/>	<hr/>
	7,526	7,526	714	714
	<hr/>	<hr/>	<hr/>	<hr/>

There are no amounts included above falling due after more than one year.

11 Creditors: amounts falling due within one year

	2008		2007	
	Group €	Company €	Group €	Company €
Creditors and accruals	5,106	4,813	3,515	3,515
Amounts due to subsidiary	-	9,014	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	5,106	13,827	3,515	3,515
	<hr/>	<hr/>	<hr/>	<hr/>

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
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12 Reconciliation of movements in members' funds

	Restricted Funds €	Unrestricted Funds €	2008 Group €	2007 Group €
Fixed Assets – Volunteer centre	30,000	-	-	-
Thehe School	4,428	-	-	-
Income generation	965	-	-	-
Education	72	-	-	-
Hot lunches	1,200	-	-	-
Womens literacy	810	-	-	-
Surplus for the year	<u>37,475</u>	<u>(10,321)</u>	<u>27,154</u>	<u>-</u>
Opening members' funds	-	70,748	70,748	70,748
Closing members' funds	<u>37,475</u>	<u>60,427</u>	<u>97,902</u>	<u>70,748</u>

13 Gross cash flows

	2008 €	2007 €
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	27,154	70,748
Depreciation	2,675	927
(Increase) in debtors	(6,812)	(714)
Increase in creditors	1,591	3,515
Net cash inflow from operating activities	<u>24,608</u>	<u>74,476</u>

14 Analysis of changes in net cash

	At beginning of year €	Cash flows €	At end of year €
Cash at bank and in hand	70,694	9,665	80,359
	<u>70,694</u>	<u>9,665</u>	<u>80,359</u>

**The Nepalese Children's Foundation Limited (trading as Foundation Nepal)
(A Company Limited by Guarantee, not having a Share Capital)**

15 Related party transactions

The company rents office space at 3 New Road, Galway from Nicola Deasy, director. The charge in the accounts for the year under review is €7,700.

16 Limited Liability

The company is limited by guarantee and does not have a Share Capital. In the event of a winding up each member's liability will be limited to €1.

17 Controlling parties

The company is controlled by the members.

18 Approval of shareholders' financial statements

The financial statements were approved by the Board on 22/4/2010.