

**NAMASTE GUATEMAYA FOUNDATION
AUDIT REPORT
TO DECEMBER 31, 2012**

Armas, Murillo & Amaya
Contadores Públicos y Auditores Independientes

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
NAMASTE Guatemala Foundation
Antigua Guatemala

We have reviewed the accompanying Statement of Financial position of **NAMASTE Guatemala Foundation** as of December 31, 2012, and Statement of operation, and cash flow for the year then ended. Management is responsible for the preparation and fair presentation of the financial statement with accounting principles generally accepted in the Guatemala. Our responsibility is expressing an opinion of the financial statement based on our review.

We conducted our audit to International Auditing Standards. These Standards require that we plan the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement relative.

In our opinion, the financial statements, fairly present in everything important regarding, the financial position of the **NAMASTE Guatemala Foundation**, to December 31, 2012, of the results of its operation and its cash Flow for the year ended on that date in accordance with General Accepted Accounting Principles.

Lic. José Amador Amaya
Independent Auditor

NAMASTE GUATEMAYA FOUNDATION
Statement of financial position
DECEMBER 31, 2012

ASSETS

Current Assets

Cash and Cash equivalents (Note 4)	697.742,70
Other Assets (Note 5)	107.877,50
TOTAL ASSETS	805.620,20

LIABILITIES

Currents Liabilities

Payables (Nota 6)	643.157,88
Total Currents Liabilities	643.157,88
Patrimony	50.000,04
Increase Restricted Assets 2012	112.462,28
TOTAL ASSETS	805.620,20

See Notes to Financial Statement

NAMASTE GUATEMAYA FOUNDATION
Statement of operation
FROM JANUARY 01, TO DECEMBER 31, 2012

INCOME

Grants (Nota 7)	1.441.304,20
Other Grants (Nota 7)	116.318,95
Bank Interest (Nota 8)	70,50
Total Income	<u>1.557.693,65</u>

EXPENSES

Programs (Nota 9)	1.149.710,05
Administration (Nota 10)	296.787,57
Total expenses	<u>1.446.497,62</u>

Increase Restricted Assets 2012	<u><u>111.196,03</u></u>
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See Notes to Financial Statement

NAMASTE GUATEMAYA FOUNDATION
CASH FLOW
FROM JANUARY 01 TO DECEMBER 31, 2012

	<u>Variation</u>
<u>CASH FLOW OF OPERATING ACTIVITIES</u>	
<u>Variation Accounts Assets and liabilities</u>	
Increase accounts receivable	1.250,00
Increase payables (indemnities Empleos)	3.174,75
Decreased payables	- 65.506,67
Increase taxes (ISR payables)	461,84
Increase payables (IGSS payables)	9.742,05
Decrease income pending application	- 4.260,41
Increase Restricted Assets 2012	115.056,44
Total Cash Flow Operation activities	59.918,00
<u>CASH FLOW OF INVESTMENT ACTIVITIES</u>	
Decrease other assets (SOFTWARE -QLIKVIEW-)	- 107.877,50
Total cash Flow of investment activities	- 107.877,50
<u>CASH FLOW FINANCING ACTIVITIES</u>	
Decrease in MICROCREDITO OPEN TO GROW	- 359.640,94
Increase in MICROCREDITO/PAYABLES	78.647,87
Decrease in warranty	- 36.655,55
Increase in warranty OPEN TO GROW	44.267,04
Increase payable OPEN TO GROW	268.225,82
Cash Flow Financing activities	- 5.155,76
Cash Flow of the period	- 53.115,26
(+) Opening balance	228.182,42
Cash at end of year	175.067,16
(+) Cash equivalent	522.675,54
Total cash and cash equivalent	<u>697.742,70</u>

NAMASTE GUATEMAYA FOUNDATION
Statement Patrimonial
DECEMBER 31, 2012

	Initial	2011	2012	Total
Starting Capital	50.000,04			50.000,04
Increase Restricted Assets 2011		1.266,25		1.266,25
Increase Restricted Assets 2012			111.196,03	111.196,03
capital at end of year	50.000,04	1.266,25	111.196,03	162.462,32

Note 1
CONSTITUTION

In June 07, 2008, is constituted the Namaste Guatemala Foundation, in accordance with the laws from Guatemala, the nature of the foundation is private, nonprofit, no political and non religious.

The foundation is based on human solidarity mobile, and therefore does not constitute an obstacle for the development of other, its primary purpose is the provision of benefits, aid or services: providing the necessary assistance to low-income people of Guatemala, offer training, cooperation with institutions of similar purpose, helping the development of the poor people among others, according to the articles of incorporation.

Note 2
CURRENCY

The financial statements are presented in quetzales, the monetary unit of the Republic of Guatemala. The purchase and sale of foreign exchange should be made in the national banking system, under the provisions issued by the Monetary Board in this regard.

The Bank of Guatemala, which is authorized by the Monetary Board to implement monetary policy, periodically publishes the reference exchange rate to be used in the banking system.

Note 3
MAIN ACCOUNTING POLICIES

Below is a summary of significant accounting policies adopted by the Foundation in the presentation of financial statements:

Presentation of financial statements

These financial statements are presented in accordance with Generally Accepted Accounting Principles in Guatemala. These financial statements are prepared on the basis of the Law on Income Tax, and have been prepared on the historical cost basis.

Income recognition

The foundation recognizes its revenues at the time of the donation of your donors.

Receivables

The receivables, presents the original loan amount minus depreciation taken by the persons benefited. The foundation does not usually maintain a reserve for doubtful accounts in accordance with the Law on Income Tax.

Property, Plant and Equipment

Currently the foundation has no tangible fixed assets recorded, recorded as an asset only donating a computer license.

Employees benefit

The provisions of the Labor Code in Guatemala, provide that in the event of unjustified dismissal of an employee, should pay compensation in relation to the time of service to the Foundation, equivalent to one month's salary for each year of service. In case of death, compensation shall pass to his successors. The Foundation has a policy to pay compensation in accordance with the provisions of the Labor Code and records compensation expense in the income statement when the payment is made the same.

Note 4

CASH AND CASH EQUIVALENT

Descripción	Sub total	Total
BANCOS		175.067,16
ACCOUNT OPERATION	36.785,90	
MICROCREDIT	23.057,89	
SAVING ACCOUNT	406,00	
OPEN TO GROW	77.839,03	
PAYROLL ACCOUNT	35.178,34	
CASH	1.800,00	
CASH EQUIVALENT		522.675,54
MICROCREDIT OPEN TO GROW	519.025,54	
RENT DEPOSIT	3.650,00	
TOTAL CASH AND CASH EQUIVALENTS		697.742,70

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Note 5

OTHER ASSETS

Description	Total
SOFTWARE - QLIKVIEW	107.877,50
TOTAL OTHER ASSETS	107.877,50

Note 6

PAYABLES

Description	Total
WARRANTY OPEN TO GROW	44.867,04
EMPLOYEES BENEFIT	34.498,87
PAYABLES	1.548,55
ISR PAYABLE (Taxes)	503,84
OPEN TO GROW	522.151,76
Obligations (LAB-PAT)	9.742,05
NAMASTE	29.845,77
TOTAL PAYABLES	643.157,88

Note 7

GRANTS

Descriptions	Total
GRANTS	1.441.304,20
GRANTS BY ADVISING	72.800,00
GANTS ORG. PARTNER	225.761,47
GRANTS NAMASTE DIRECT	<u>1.142.742,73</u>
Other Grants	
Other Grants	116.318,95
TOTAL GRANTS AND OTHER GRANTS	1.557.623,15

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Note 8

INTERESTS

Description	Total
BANK INTEREST	70,50
TOTAL INTERESTS	70,50

Note 9

PROGRAMS

Description	Total
PROGRAMS	
BUSINESS ADVISING	719.401,44
Administrative Assistant	37.357,48
Meeting and expenses training	9.781,58
Advising cost	393.201,90
Training	61.136,78
Coordinator cost	<u>217.923,70</u>
CONFERENCE PROGRAM	114.332,54
Accomodation and meals	84.625,23
Materials	14.533,59
Other	2.920,00
Workshop	3.000,00
Transport	<u>9.253,72</u>
MICROCREDIT PROGRAMS	315.976,07
Administrative cost	50.757,59
Promotion cost	2.100,26
Loan officer	263.118,22
TOTAL PROGRAMS	1.149.710,05

Note 10

ADMINISTRATIVE COST

ADMINISTRATIVE COST		296.787,57
Legal and financial advice	24.874,00	
Audit and accounting	15.500,00	
Financial	83.146,12	
General Manager	95.324,90	
Headquarters	33.468,95	
Regional Office	22.994,00	
Administrative cost	20.889,60	
Promotion	590,00	
TOTAL ADMINISTRATIVE COST		296.787,57