

MARTIN CHAUTARI

Kathmandu, Nepal

**Auditor`s Report
on
Annual Financial Statements
of
Financial Year 2081/082**

**Submitted
By
Prabin Joshi & Co.
Chartered Accountants**

**Independent Auditor's Report
To
General Members of Martin Chautari**

Opinion

We have audited the accompanying financial statements of **Martin Chautari** which comprise the Statement of Financial Position as at 32nd Ashad 2082 (16th July 2025), Statement of Operations, Statement of Cash Flow, Statement of Changes in Reserves for the year then ended and a summary of significant accounting policies and notes related to financial statements.

In our opinion the financial statements give, in all material respects, a true and fair view of the financial position of Martin Chautari as at 32nd Ashad 2082 (16th July 2025), and of the operational result, its cash flows & status of reserves for the financial year then ended in accordance with Generally Accepted Accounting Principles to the extent applicable and the Nepal Accounting Standards for the NPOs (NAS for NPOs).

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our audit report. We are independent of Martin Chautari in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How are audit addressed the key audit matter
a. Project Activities and Expenditure The project expenditure including staff cost amounts to Rs. 16.54 million (being 97.89% of total expenditure). Project activities and related expenditure forms the backbone of Martin Chautari in relation to its operation, hence is considered as key audit matter.	For project expenditure, our key audit procedures included the following: -We verified the supporting documents of expenditure to ensure sufficiency and appropriateness of supporting documents, -We conducted totaling check and casting check on the invoices, -We checked whether the expenses are allowed to be incurred as per project agreement, -We checked the presentation of expenses in financial statements, -We verified whether applicable taxes have been withheld, -We checked the appropriateness of the amounts including the correct booking under specified budget heads as provided in funding agreement , and -Other procedures as required to obtain assurance over the amounts accounted and reported.

Emphasis of Matter

We draw attention to Note 3.1 (d) of financial statements which states that depreciation on fixed assets has not been charged since earlier years. Our opinion is not modifying in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Generally Accepted Accounting Principles to the extent applicable and the Nepal Accounting Standards for the NPOs (NAS for NPOs) and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing **Martin Chautari's** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate **Martin Chautari** or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing **Martin Chautari's** financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with NSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Financial Statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal control.
- ii. Obtain an understanding of internal control relevant to the audit 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 **Martin Chautari's** internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Martin Chautari's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause **Martin Chautari's** to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

To the best of our knowledge & belief and according to the explanation given and based on our audit, we are of view that the activities carried out are found to be within the objectives of **Martin Chautari** and has complied generally with the provisions of Income-tax Act relating to withholding tax and other applicable legal and regulatory requirements.



CA. Prabin D Joshi
Place: Kathmandu, Nepal
Date: 15th Bhadra 2082
UDIN: 250923CA00056PXxMf

Martin Chautari
Thapathali, Kathmandu, Nepal
STATEMENT OF FINANCIAL POSITION
As at 32 Ashad 2082

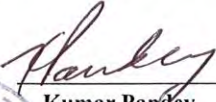
		Amount in Rs.	
Particulars	Notes	As at 32 Ashad 2082	As at 31 Ashad 2081
ASSETS:			
Non-Current Assets			
Property, Plant and Equipment	4.1	23,026,760.89	22,275,449.69
Intangible Assets	4.2		
Deferred Tax Assets			
Investment Property	4.3		
Long term investments	4.4		
Other Non-current assets	4.5		
Total Non-Current Assets		23,026,760.89	22,275,449.69
Current Assets			
Inventories	4.6	-	-
Accounts Receivable	4.7	327,284.59	140,321.10
Cash and Cash Equivalents	4.8	55,274,576.84	8,581,839.16
Term Deposit	4.9	7,894,000.00	65,240,000.00
Total Current Assets		63,495,861.43	73,962,160.26
Total Assets		86,522,622.32	96,237,609.95
LIABILITIES & RESERVES:			
Accumulated Reserves			
Unrestricted Funds	4.10	25,913,595.67	25,612,872.44
Designated Funds	4.11	3,670,553.61	6,106,414.39
Restricted Funds	4.12	28,131,045.68	36,796,874.86
Endowment Fund	4.13	8,594,517.25	7,534,155.38
Other Capital Reserve	4.14	20,062,936.61	19,586,104.81
Total Accumulated Reserves		86,372,648.82	95,636,421.88
Non-Current Liabilities			
Loans and Borrowings	4.15		
Employee Benefit Liabilities	4.16		
Deferred Revenue	4.17		
Other non-current liabilities	4.18		
Total Non-Current Liabilities		-	-
Current Liabilities			
Accounts Payable	4.19	149,973.50	601,188.07
Loans and Borrowings	4.15	-	
Provisions	4.20	-	
Bank Overdraft	4.21	-	
Total Current Liabilities		149,973.50	601,188.07
Total Liabilities		149,973.50	601,188.07
Total Liability and Reserve		86,522,622.32	96,237,609.95

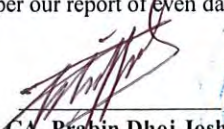
Statement of Accounting Policies & Notes to Account (1-3)

The Notes on accounts form an integral part of the financial statements.

As per our report of even date.

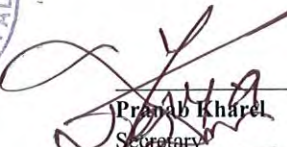

Man Kumari Thada
Treasurer

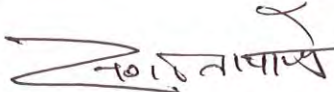

Kumar Pandey
Chairperson


CA. Prabin Dhoj Joshi
Prabin Joshi & Co.
Chartered Accountants




Kanchan KC
Admin and Finance Officer

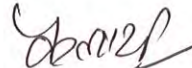

Prabin Kharel
Secretary



Executive Committee Members:







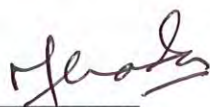
Martin Chautari
Thapathali, Kathmandu, Nepal
Statement of Income and Expenditure
For the Year Ended 32 Ashad 2082

Particulars	Notes	Amount in Rs.	
		FY 2081-82	FY 2080-81
INCOME:			
Incoming Resources	4.22	14,787,756.15	17,229,425.05
Financial Income	4.23	928,037.04	1,835,254.36
Other Income	4.24	1,195,480.34	1,045,126.74
Total Income		16,911,273.53	20,109,806.15
EXPENCITURE:			
Staff Cost/Expenses	4.25	11,714,148.04	11,393,910.60
Program Expenses	4.26	4,828,539.77	6,144,781.66
General Administrative Expenditure	4.27	356,232.15	1,120,216.91
Depreciation	4.1.1	-	-
Other Expenditure	4.28	-	-
Total Expenditure		16,898,919.96	18,658,909.17
Net Surplus/(Deficit) before Taxation		12,353.57	1,450,896.98
Income Tax Expenses	4.29		
SURPLUS/(DEFICIT) FOR THE YEAR			

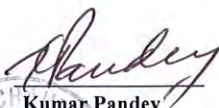
Statement of Accounting Policies & Notes to Account (1-3)

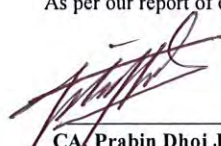
The Notes on accounts form an integral part of the financial statements.

As per our report of even Date

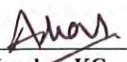

Man Kumari Thada
Treasurer

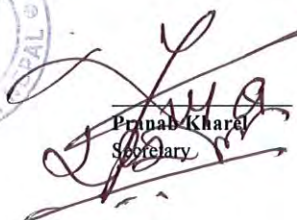


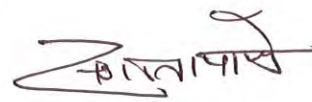

Kumar Pandey
Chairperson


CA Prabin Dhoj Joshi
Prabin Joshi & Company
Chartered Accountants

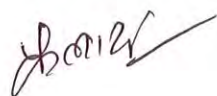


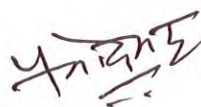

Kanchan KC
Admin and Finance Officer


Pranab Kharel
Secretary




Executive Committee Members:



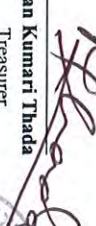


Martin Chautari
Thapathali, Kathmandu, Nepal
STATEMENT OF CHANGES IN RESERVES
For the Year Ended 32 Ashad 2082

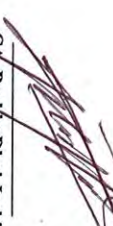
Description	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endowment Funds	Capital Reserves	Total
Balance as at 01 Shrawan 2081	48,550,561.90	5,639,306.39	26,419,107.05	5,733,727.30	19,067,840.42	105,410,543.06
Result for the Year	(11,753,687.04)	467,108.00	1,450,896.98	1,800,428.08	518,264.39	(7,516,989.59)
Allocation of results to Restricted Reserves						-
Allocation of results to Designated Fund			(456,703.51)			(456,703.51)
Allocation of results to Unrestricted Fund			(1,800,428.08)			(1,800,428.08)
Allocation of results to Endowment Fund						-
Allocation of results to Capital Fund						-
Balance as at 31 Ashadh 2081	36,796,874.86	6,106,414.39	25,612,872.44	7,534,155.38	19,586,104.81	95,636,421.88
Result for the Year	5,655,001.97	-	12,353.57	1,060,361.87	476,831.80	7,205,549.21
Allocation of results to Restricted Reserves						-
Allocation/utilization of results to/from Designated Fund		(2,435,860.78)				(2,435,860.78)
Allocation of results to Unrestricted Fund			288,369.66			(14,033,461.49)
Allocation of results to Endowment Fund						-
Allocation of results to Capital Fund						-
Balance as at 32 Ashadh 2082	28,131,045.68	3,670,553.61	25,913,595.67	8,594,517.25	20,062,936.61	86,372,648.82

Significant Accounting Policies & Notes to Account (Note 1-3)
The Notes on accounts form an integral part of the financial statements.

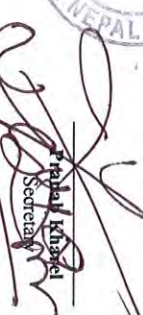
As per our report of even date


Man Kumari Thada
Treasurer


Kumar Pandey
Chairperson


C.A. Prabin Dhoj Joshi
Prabin Joshi & Co.
Chartered Accountants

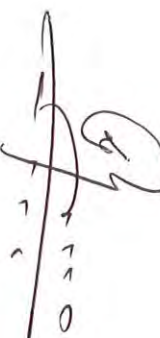

Kanchan KC
Admin and Finance Officer


Prabin Kharel
Secretary

Executive Committee Members:


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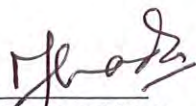
Martin Chautari
STATEMENT OF CASH FLOWS
For the Year Ended 32 Ashad 2082

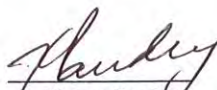
Amount in Rs.

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year (Before Tax)	12,353.57	1,450,896.98
Adjustments to reconcile surplus/(deficit) to net cash flows:		
Non-cash items:		
Depreciation and impairment of property, plant and equipment		
Amortization and impairment of intangible assets	20,250.00	117,905.00
Provision and losses on inventories		-
Movement in provisions, receivables and specific risks		-
Losses/ (gains) on securities		-
Sale of Fixed assets		-
Working capital adjustments:		
Account receivable	(186,963.49)	33,278.21
Prepayments		-
Inventories		
Other Financial assets	(451,214.57)	
Account payable		8,787.01
Accrued expenses and deferred income		
Other financial liabilities		
Less:		
Income Tax paid		
Interest paid		
Net cash from/(used in) operating activities	(605,574.49)	1,610,867.20
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(771,561.20)	(995,444.00)
Sale of Property Plant and Equipment		
Purchase of intangible assets		
Purchase from sale of equipment		
Purchase/Sale of short term FD	57,346,000.00	(11,240,000.00)
Interest received		
Income from securities, net		
Net cash from/(used in) investing activities	56,574,438.80	(12,235,444.00)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Unrestricted Fund	288,369.66	(2,257,132.00)
Increase/ (Decrease) in Designated Funds	(2,435,860.78)	(1,712,091.40)
Increase / (Decrease) in Donor restricted fund	(8,665,829.18)	(11,753,687.00)
Increase/ (Decrease) in Endowment Fund	1,060,361.87	7,534,155.00
Increase/ (Decrease) in Capital Reserve	476,831.80	518,264.00
Borrowing of government loans		
Repayments of government loans		
Net cash from/(used in) financing activities	(9,276,126.63)	(7,670,491.40)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL	46,692,737.68	(18,295,068.20)
CASH AND CASH EQUIVALENTS AT 01 Shrawan 2081	8,581,839.16	26,876,908.00
CASH AND CASH EQUIVALENTS AT 32 Ashadh 2082	55,274,576.84	8,581,839.16

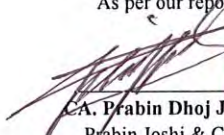
Statement of Accounting Policies and Notes to Financial Statements (1-3)

The Notes on accounts form an integral part of the financial statements.


Man Kumari Thada
Treasurer


Kumar Pandey
Chairperson

As per our report of even date

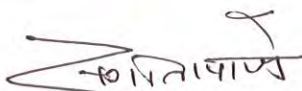

A. Prabin Dhoj Joshi
Prabin Joshi & Co.
Chartered Accountants

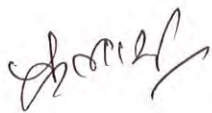



Kanchan KC
Admin and Finance Officer
Executive Committee Members:




Prabin Kharel
Secretary









Martin Chautari
Thapathali, Kathmandu, Nepal
As at 32 Ashad 2082
Notes to Financial Statements

Property, Plant and Equipment

Note-4.1

Item	Opening balance 01.04.2081	Revaluation Surplus/(deficit)	Addition During the Year	Disposal of the year	Balance at 32.03.2082
Leasehold Investment	2,265,991.36	-	-	-	2,265,991.36
Furniture & Fixture	2,563,903.81	-	-	-	2,563,903.81
Office Equipments	4,166,080.22	-	195,000.00	20,250.00	4,340,830.22
Computer and Accessories	3,058,674.94	-	154,890.00	-	3,213,564.94
Books	10,220,799.36	-	421,671.20	-	10,642,470.56
Vehicles	-	-	-	-	-
Total	22,275,449.69	-	771,561.20	20,250.00	23,026,760.89

Depreciation

Item	Balance as at 01.04.2081	Charge for the year	Disposal of the year	Balance at 32.03.2082
Leasehold Investment				-
Furniture & Fixture				-
Office Equipments				-
Computer and Accessories				-
Books				-
Vehicles				-
Total	-	-	-	-

Intangible Assets

Note-4.2

Item	Opening Balance	Additional During the year	Closing Balance
Software			
Total	-	-	

Amortization

Item	Opening Balance	Additional During the year	Closing Balance
Software			
Total	-	-	

Investment Property

Note-4.3

Item	Opening Balance	Additional During the year	Closing Balance
Building held for rental income			
Total	-	-	

Depreciation

Item	Opening Balance	Additional During the year	Closing Balance
Building			
Total	-	-	

Long Term Investment

Note-4.4

Item	Opening Balance	Additional During the year	Closing Balance
Fixed Deposits for more than a year			
Total	-	-	



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 - Top center: "Kotier"
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 - Right side: "Khandy", "Haidy", and a large signature "GJ".

Martin Chautari
Thapathali, Kathmandu, Nepal
As at 32 Ashad 2082
Notes to Financial Statements

Other Non Current Assets

Note-4.5

Item	2082.03.32	2082.03.32
Total	-	-

Inventories

Note-4.6

Particulars	2082.03.32	2082.03.32
Total	-	-

Accounts Receivables

Note-4.7

Particulars	2082.03.32	2082.03.32
Deposits and Advances		-
Advance to Staff	-	-
Advance Tax	6,000.00	
Advance to Others		-
VAT Receivable	(0.11)	
Contribution from Books	321,284.70	140,321.10
Total	327,284.59	140,321.10

Cash and Cash Equivalent

Note-4.8

Particulars	2082.03.32	2081.03.31
Cash in hand		
Core	24,008.63	15,383.00
Project	18,471.60	15,244.63
Cash at bank		
Nabil Bank Limited Alc (Core)	27,749,381.45	5,039,148.15
Nabil Bank Ltd (MC Endowment Fund)	700,517.25	1,294,155.38
Nabil Bank Limited Alc (Spencer Foundation)	26,782,197.91	2,217,908.00
Total	55,274,576.84	8,581,839.16



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Fixed Deposits

Note-4.9

Particulars	2082.03.32	2081.03.31
Core		
Nabil Bank Ltd	7,894,000.00	31,240,000.00
Spencer		
Nabil Bank Ltd	-	34,000,000.00
Total	7,894,000.00	65,240,000.00

Unrestricted Funds/Accumulated Surplus

Note-4.10

Particulars	2082.03.32	2081.03.31
Balance at beginning of the year	25,612,872.44	26,419,107.05
Unrestricted surplus/deficit in operating activities	12,353.57	1,450,896.98
Allocation of results to Endowment Fund	-	(1,800,428.08)
Prior period adjustment	(143,997.40)	(456,703.51)
Adjustment of payable account	432,367.06	
Balance at end of the year	25,913,595.67	25,612,872.44

Designated Funds

Note-4.11

Particulars	2082.03.32	2081.03.31
Balance as at beginning of year	6,106,414.39	467,108.00
Additional Funds received during the year		5,639,306.39
Utilization during the year	(2,435,860.78)	
Balance as at year end	3,670,553.61	6,106,414.39

Designated for

Particulars	2082.03.32	2081.03.31
Specific core activities	3,203,445.59	5,639,306.39
Land & Building Reserve fund	467,108.00	467,108.00
Total	3,670,553.59	6,106,414.39



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Restricted Funds

Note-4.12

Particulars	2082.03.32	2081.03.31
Balance as at beginning of year	36,796,874.86	48,550,561.90
Additional funds received during the year	4,498,467.46	(11,753,687.04)
Less: Transferred to Statement of Income and Expenditure	(14,321,831.15)	-
Add: Interest income on restricted	1,006,871.13	-
Prior period adjustment	143,997.38	
Add: Discount Received	6,666.00	
Balance at end of the year	28,131,045.68	36,796,874.86

Project Wise Representation of Restricted Funds (part of Note 4.12)

Sub Note 4.12.1

Project	2082.03.32	2081.03.31
FPOS-2	(0.01)	(143,997.39)
Spencer Foundation	26,768,173.91	36,174,870.00
Friends of Martin Chautari	243,560.65	766,002.25
Focus for Cause	1,119,311.13	
Total (Ref Sub-note 4.12.2 for details)	28,131,045.68	36,796,874.86

Endowment Funds

Note-4.13

Particulars	2082.03.32	2081.03.31
Balance at beginning of the year	7,534,155.38	5,733,727.30
Addition During the Year	1,060,361.87	1,800,428.08
Surplus/deficit for the year		
Balance at the end of the year	8,594,517.25	7,534,155.38

Handwritten signatures and stamps are present below the tables. The stamps include:

- A circular stamp for "FRIENDS OF MARTIN CHAUTARI" with a central emblem.
- A blue circular stamp for "Prabin Joshi & Co. Chartered Accountants" with "Kathmandu Nepal" in the center.

Several handwritten signatures are also visible, including one that appears to read "Shukla" and another that reads "Prabin Joshi".

Other Capital Reserves

Note-4.14

Particulars	2082.03.32	2081.03.31
Original Balance (Project Assets Fund)	8,250,309.48	7,991,309.48
Addition During the Year	349,890.00	259,000.00
Surplus/Deficit for the Year (Depn W/off)	(20,250.00)	
Net Total of Project Assets Fund "a"	8,579,949.48	8,250,309.48
Original Balance (Basket Fund)	1,653,395.17	1,761,695.17
Addition During the Year		-
Surplus/Deficit for the Year (Depn W/off)		(108,300.00)
Net Total of Basket Fund "b"	1,653,395.17	1,653,395.17
Original Balance (Book)	9,682,400.16	9,314,835.77
Addition During the Year	147,191.80	367,564.39
Surplus/Deficit for the Year (Depn W/off)		
Net Total of Book Fund "c"	9,829,591.96	9,682,400.16
Total Capital Reserve (a+b+c)	20,062,936.61	19,586,104.81

Loans and Borrowings

Note-4.15

Particulars	2082.03.32	2081.03.31
Term Loan		
Less: Current Portion of Term Loan		
Balance at the end of the year	-	-

Employees Benefit Liabilities

Note-4.16

Particulars	2082.03.32	2081.03.31
Defined Employment Benefit Plan		
	-	-




M. Prasad
2081/2082
Alon
Prabin Joshi
Prabin Joshi & Co.
Kathmandu
Chartered Accountants

Deferred Revenue

Note-4.17

Particulars	2082.03.32	2081.03.31
Deferred Income		
Less: Transferred to Statement of Income and Expenditure		
Total	-	-

Other Non Current Liabilities

Note-4.18

Particulars	2082.03.32	2081.03.31

Account Payable

Note-4.19

Particulars	2082.03.32	2081.03.31
TDS Payable		
TDS Payable (Core)	4,885.00	5,163.00
TDS Payable (FPOS 2)	0.01	0.01
TDS Payable (Spencer)	53,919.00	50,658.00
Audit Fee Payable	113,000.00	113,000.00
TDS Payable (The Asia Foundation)	0.49	-
Other Payable (TAF)	-	432,367.06
Other Payable (Spencer)	(21,831.00)	
Total	149,973.50	601,188.07

Provisions

4.20

Particulars	2082.03.32	2081.03.31
Balance as at the beginning of the year		
Allocation during the year		
Use of provision during the year		-
Release of provision during the year	-	-
Total	-	-

Bank Overdraft

4.21

Particulars	2082.03.32	2081.03.31
Total	-	-



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Martin Chautari
Thapathali, Kathmandu, Nepal
For the Year Ended 32 Ashad 2082
Notes to Financial Statements

Incoming Resources

4.22

Particulars	2081/82	2080/81
Grants –Restricted Funding	14,321,831.15	16,493,131.30
Grants –Unrestricted Funding		-
Income from endowments		-
Donations	465,925.00	736,293.75
Donation - Machine		-
Corporate Fundraising		-
Gifts in kind		-
Donations received in Kind		-
Other fund raising activities		-
Total	14,787,756.15	17,229,425.05

Financial Income

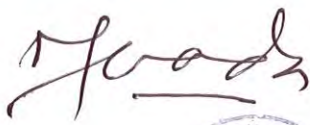
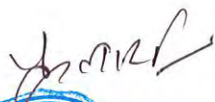
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Particulars	2081/82	2080/81
Bank Interest	928,037.04	1,835,254.36
Total	928,037.04	1,835,254.36

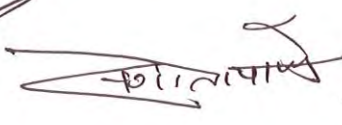
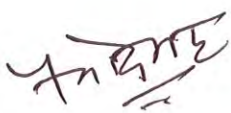
Other Income

4.24

Particulars	2081/82	2080/81
Library Charges	839.00	3,185.00
Membership Fee	44,000.00	43,000.00
Membership Renew Fee	-	2,600.00
Contribution from book	765,572.00	466,881.00
Venue Charge	-	14,500.00
Seminar/Workshop/Conference etc.	151,200.00	284,900.00
Discount received	6,666.00	-
Project Income	55,291.66	230,060.74
Project Overhead Income	171,911.68	-
Total	1,195,480.34	1,045,126.74




Staff Cost

4.25

Particulars	2081/82	2080/81
Wages and salaries		
Salaries -Core	2,220,856.66	1,045,560.96
Salaries - FPOS	-	283,140.00
Salaries - NED 2	-	675,536.80
Salaries - TAF 2	752,248.16	-
Salaries-FPOS-2	-	3,969,040.22
Salaries-Spencer	7,894,663.22	4,950,352.62
Salaries _ Friends of Martin Chautari	846,380.00	470,280.00
Total	11,714,148.04	11,393,910.60

Program Expenses

4.26

Particulars	2081/82	2080/81
a. FPOS		
Promoting the Environment for Further Deepening of	-	1,211,845.14
A research brief documenting the legislative process		49,733.00
Edited books on political developments and the federal transition		465,000.00
Buy relevant books and other resources in the MC Library		266,795.00
Semi- annual workshops for young researchers and Journalists		151,361.00
Encourage MC researchers to participate in conference		9,786.62
Coordinating with Similar academic NGOs		138,039.00
Understanding data collection by private organizations		18,602.52
A research brief on recent efforts to regulate		46,000.00
A biography will be prepared on some issues of digital rights		6,250.00
Undertake a small survey of the experiences of CSO		60,278.00
b.NED 2		
Enhancing the Capacity of Rights- based Advocates	0.00	917,924.75
Space and Utilities		465,110.00
Supplies and Equipment		62,880.00
Communication and Postage		47,274.00
Travel and Per Diem		342,160.75
Contractual Services		-
Other Direct Costs		500.00



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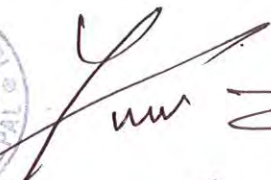
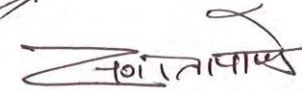
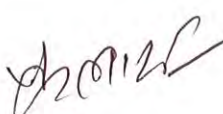
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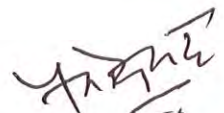
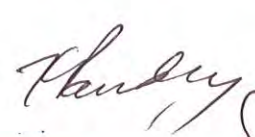
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c. FPOS2		
General Support for Regular Activates of Martin Chautari	0.00	2,132,489.97
Continuation of the discussion series and other special event		176,783.02
Continued operation of the reference library for public use		312,660.39
Support for Chautari's research program		37,423.31
Office Cost		1,605,623.25
Monitoring and Evaluation Cost		
d.Spencer Foundation	2,518,904.00	1,800,548.80
History of the Public School Education in Nepal ,1900-1990		
Other Collaborator	592,941.00	288,236.00
Internet Charge	158,509.00	
Travel	354,173.00	203,848.80
Equipment and Software	269,990.00	357,740.00
Project Expenses	476,625.00	284,058.00
Indirect Cost	666,666.00	666,666.00
e. Friends of Martin Chautari	1,016,103.80	81,973.00
Institutional Support Grants to Martin Chautari		
Books and Other relevant resource for MC library	312,631.80	61,529.00
Office Rent	666,666.00	
Office expenses	20,131.00	20,444.00
Activities		
Discussions based on these briefs & papers to be widely organized throughout the country	16,675.00	
Annual Chautari Research Conference		
f. The Asia Foundation	1,293,531.97	
Travel	2,000.00	
Equipment	70,787.61	
Telephone & Fax Charge	3,550.00	
Activities		
Identification & Selection of Barefoot Rese	472,851.28	
Training on Research Methods	240,045.20	
Applied Study on the issues of WYM com	323,064.00	
Overhead cost	181,233.88	
Total	4,828,539.77	6,144,781.66





General Administrative Expenses

4.27

Particulars	2081/82	2080/81
Office Expenses	242,587.15	432,623.91
Repair and Maintenance	-	34,740.00
Office Expenses	120,612.00	183,882.90
Travel Expenses	43,190.00	60,484.00
Refreshment Expenses	78,509.25	90,788.00
Bank Charges	275.90	1,626.01
Electricity & Fuel Charge	-	25,282.00
Software	-	26,216.00
Assets Write Off		9,605.00
Capacity Building Expenses	645.00	-
Workshops/Conferences/Events	645.00	
Monitoring, Evaluation, Audit & Legal Cost	113,000.00	113,000.00
External Audit	113,000.00	113,000.00
Consultants	-	574,593.00
Total	356,232.15	1,120,216.91

Other Expenditure

4.28

Particulars	2081/82	2080/81
Interest Expenses		-
Amortisation of Intangible Assets		-
Impairment Loss of Machine		-
Loss on Disposal of Machine		-
Allowance for Doubtful Accounts for Accounts Receivable		-
Fair Value of Long Term Investment		-
Revaluation Deficit on Building		-
Total	-	-

Income Tax Expense

4.29

Particulars	2081/82	2080/81
Current tax expense		
Current tax on profits for the year		-
Total Tax Expense		-



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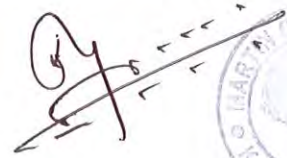
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Martin Chautari
Kathmandu, Nepal
Statement of Account of Donor Related Activities
As of 32 Ashad 2082

Sub-note forming part of the financial statements

Sub-Note: 4.12.2

Particulars	Spencer Foundation	The Asia Foundation	Focus for Cause	FPOS 2	Friends of Martin Chautari	Total
Opening Balance						
Fund Received	36,174,870.00	-	1,119,311.13	(143,997.40)	766,002.25	36,796,874.85
Interest Income	1,006,871.13	2,045,780.13			1,333,376.20	4,498,467.46
Discount Received		-				1,006,871.13
Exchange Gain					6,666.00	6,666.00
Martin Chautari Contribution						-
Reversal				143,997.40		-
Total	37,181,741.13	2,045,780.13	1,119,311.13	-	2,106,044.45	42,452,876.84
Expenditure (Note 4.25 & 4.26)	10,413,567.22	2,045,780.13	-		1,862,483.80	14,321,831.15
Balance of Transferred to Cost	-	-	-	-	-	-
Total Expenditure Incurred	10,413,567.22	2,045,780.13	-	-	1,862,483.80	14,321,831.15
Total Expenses	10,413,567.22	2,045,780.13	-	-	1,862,483.80	14,321,831.15
Transferred to Income (Exchange gain)	-	-	-	-	-	-
Balance Refunded	-	-	-	-	-	-
Balance of Fund Cr./(Dr.)	26,768,173.91	-	1,119,311.13	-	243,560.65	28,131,045.69
Represented by:						
Cash Balance	12,064.00	0.60			6,407.00	18,471.60
Bank Balances	26,782,197.91		1,119,311.13		237,153.65	28,138,662.69
Fixed Deposit						-
Advances	6,000.00					6,000.00
Rent Receivable						-
VAT Receivable		(0.11)				(0.11)
Liabilities (adjustment)						-
TDS Payables	(53,919.00)					(53,919.00)
Others Payable	21,831.00	(0.49)		(0.01)		21,830.50
Total	26,768,173.91	-	1,119,311.13	(0.01)	243,560.65	28,131,045.68



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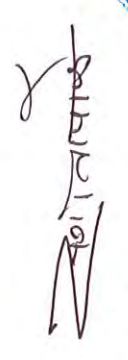
Martin Chautari
Thapathali, Kathmandu, Nepal
As at 31 Ashad 2082
Notes to Financial Statements

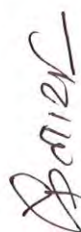
Property Plant and Equipment (PPE)

Particulars	Gross Block			Depreciation			Balance as at 31.03.2081
	Opening	Disposal	Addition	Disposal	for the year	Total	
Purchased/Grant							
a. General/Assets							
Leasehold Investment	549,635.36					-	-
Furniture & Fixture	225,062.10					-	549,635.36
Office Equipment	1,368,966.22					-	225,062.10
Computers	7,282.00					-	1,368,966.22
Books	538,399.20					-	7,282.00
Vehicles	-		274,479.40			-	812,878.60
Sub Total of a	2,689,344.88	-	274,479.40	-	-	-	2,963,824.28
b. Capital Reserve (Assets)							
Leasehold Investment	-						-
Furniture & Fixture	804,348.63						-
Office Equipment	1,124,821.00						804,348.63
Computers	921,596.00	20,250.00	195,000.00				1,299,571.00
Books	3,675,157.34		154,890.00				1,076,486.00
Vehicles	-		147,191.80				3,822,349.14
Sub Total of b	6,525,922.97	20,250.00	497,081.80	-	-	-	7,002,754.77
Total c=(a+b)	9,215,267.85	20,250.00	771,561.20	-	-	-	9,966,579.05
d. Received in Project							
Leasehold Investment	1,716,356.00						1,716,356.00
Furniture & Fixture	1,534,493.08						1,534,493.08
Office Equipment	1,672,293.00						1,672,293.00
Computers	2,129,796.94						2,129,796.94
Books	6,007,242.82						6,007,242.82
Vehicles	-						-
Total of d	13,060,181.84	-	-	-	-	-	13,060,181.84
Grand Total (c+d)	22,275,449.69	20,250.00	771,561.20	-	-	-	23,026,760.89
							22,275,449.69

Note - 4.1








Martin Chautari
Statement of Accounting Policies and Notes to Financial Statements
For the year ended on 32 Ashad 2082

1 General Information

Martin Chautari (MC) was established on 04 Mangsir 2059 being registered with District Administration Office Kathmandu with registration number 289/059-060. Its registered office is in Kathmandu. The main objective of the entity is to: i) enhance the quality of public dialogue in Nepal, ii) particularly in matters pertaining to democracy, iii) civil liberties and iv) social and environmental justice.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on going concern basis.

2 Basis of Preparation

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 32 Ashad 2082 and for the year then ended comply with Generally Accepted Accounting Principles to the extent applicable and the Nepal Accounting standards for the NPOs (NAS for NPOs) issued by Accounting Standard Board of Nepal except otherwise disclosed herein after.

2.2 Transitional Provision

The financial statements have been prepared in accordance with applicable Nepal Accounting Standards for Not for Profit Organizations (NAS for NPOs) as issued by the Institute of Chartered Accountants of Nepal (ICAN) with effect from 1st Shrawan, 2080. This standard was applied from 2080.04.01 onwards as it was impracticable to undertake the retrospective application of the full requirements of this standard.

Previous GAAP information was reclassified/ regrouped in accordance with NAS for NPOs, wherever necessary, based on the audited financial statements of the Martin Chautari of earlier years.

2.3 Date of Authorization

The Financial Statements are authorized for issue as per decision of Executive Committee meeting dated **2082.05.11**

2.4 Basis of measurement

The financial statements have been prepared using the historical cost convention and at Fair Value wherever specifically disclosed.

2.5 Functional and presentation currency

The financial statements are presented in Nepali Rupees (Rs.), which is the organization's functional and presentation currency. All financial information presented in Rupees has been rounded off to the nearest two decimal digits.

2.6 Changes in Accounting Policies and Disclosures

Due to change in applicable accounting standard from existing NAS (Local GAAP) to NAS for NPOs certain accounting policies was changed and applied prospectively as it was not practicable to apply retrospectively from 2080/081.



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2.7 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the accounting policies. The management makes certain estimates and assumptions regarding the future events. Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions.

3 Summary of Significant Accounting Policies

3.1 Property, Plant and Equipment (PPE)

a) Land

Martin Chautari has not any Land acquired through purchase, Land acquired free of cost and Vested Government Land as at 32 Asadh 2082. Accounting policies on this will be developed as per NAS for NPOs whenever compliance is required.

b) Other Property, Plant and Equipment

i. Property, plant and equipment that is received directly as donations or endowments is recognized as property, plant and equipment at fair value and a corresponding amount should be recognized as deferred income account. Such items should thereafter be depreciated while a corresponding amount could be transferred from the deferred income to the Statement of Income & Expenditure.

ii. Property plant and equipment is purchased as a part of a project through restricted funds which initially written off as project cost with corresponding income, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project with the approval from funding agencies and brought into the financial statements under property plant and equipment with corresponding credit to a Capital Reserve. Depreciation provided on such assets will be charged against such capital Reserve. For purpose of depreciation the date of valuation for inclusion in the financial statements will be considered the date of purchase.

c) Cost and Valuation

An item of property, plant or equipment purchased should initially be measured at its cost. The cost of an item of property, plant or equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted when arriving at the purchase price.

Impairment of Property, Plant and Equipment shall be considered on annual basis.

In the case of disposal or disposition of assets, such assets are removed from the balance sheet (Statement of Financial Position) and recognize the difference between the disposal amount and the carrying amount of tangible assets as the gain or loss on disposal.

Cost Model has been followed at the reporting date.

d) Depreciation

The depreciation policy has not been formalized. Accordingly, depreciation has not been charged on fixed assets (including project assets transferred) as a continued practice since earlier years which is not consistent with NAS to NPOs.



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3.2 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost minus any accumulated amortization, except for assets with indefinite useful lives. Internally generated intangible assets are not capitalized; expenditure is therefore reflected in the Statement of Income & Expenditure in the year in which the expenditure is incurred.

3.3 Investment Property

Investment in property are properties that are held to earn rentals or for capital appreciations.

Investment in property is measured initially at cost. For subsequent measurement an entity adopt the cost model as its accounting policy for all investment properties.

Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Fair value is disclosed.

Gains and losses on disposal are recognized in Income and Expenditure.

3.4 Long Term Investment

Investments in financial assets such as shares, government bonds, debenture etc. is recorded initially at cost. Such assets is re measured at lower of cost or net realizable value at the reporting date.

3.5 Inventories

Recurring inventory of consumable stores like office supplies, stationeries, books, etc. and cost of publications are charged to revenue/project expenditures as and when purchased/paid. Martin Chautari has no any salable inventories. As at 32 Ashad 2082, there is no inventory items of significant value requiring disclosure .

3.6 Foreign Currency Transactions

Transactions in currencies other than Nepal Rupees (Rs.) are converted into Nepal Rupees at rates which approximate the actual rates at the transaction date. There is not any foreign currency transactions during the current year.

3.7 Cash and Cash Equivalent

We consider and classify cash in hand, amounts due from banks and short-term deposits with an original maturity of three months or less under the category of Cash and cash equivalents. Bank borrowings that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

General bank account is used for fund received from different donors' agencies where there is no specific requirement for operating separate bank account as per the respective agreements. Separate bank account is operated for restricted funding activities as per the specific requirement of respective agreements.

3.8 Accounting for the Receipt and Utilization of Funds/Reserves Reserves

Reserves are classified as either restricted or unrestricted reserves.

a) Unrestricted Reserves/Funds/Accumulated Surplus

Unrestricted funds are those that are available for use the entity at the discretion of the Board, in furtherance of the general objectives of the entity and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor Agreements or with the subsequent approval of the Donor.



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Prabin Joshi

b) Designated Reserves/Funds

Unrestricted funds designated by the Board to a specific purpose are identified as designated funds. The activities for which these funds may be used are identified in the financial statements. The balance of designated fund has been transferred to accumulated surplus. During the current financial year 2081/082, Rs. 2,435,860.78 has been utilized from the designated fund as per Board decision.

c) Restricted Fund

The activities for which restricted funds may and are being used are identified in the notes to the financial statements restricted Reserves/Funds. The expenditures incurred for identified project activities would be considered as project expenditures with corresponding amount as income by debiting restricted fund account. The balance of fund if any in such fund, would be refundable upon completion or premature termination of project activities.

d) Endowment Reserves/Funds

Where assets are received as an endowment, which are not exhausted, only the income earned from such assets may be recognized and used as income.

e) Investment Income and other gains realized from funds available under each of the above categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise. Where such income can be used for general purpose, same shall be treated as income in the statement of Income and Expenditure.

3.9 Employee Benefit Liabilities

Martin Chutari has not provided for liabilities relating to employees which may arise on account of accumulated leave. Martin Chautari and its employees have been registered in the SSF and employees' contribution as per the rules has been deposited in SSF for the financial year.

3.10 Provision

A provision is recognized in the statement of financial position when the entity has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation, and the obligation can be measured reliably.

3.11 Income Recognition**Contributions/ Incoming resources**

Income realized from restricted funds is recognized in the Statement of Income & Expenditure only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Income & Expenditure. Unutilized funds are carried forward as such in the Statement of Financial Position.

Revenue that arises from general unrestricted resources including membership fee has characteristics similar to revenue in business entities and has been treated accordingly. It is only recognized when the amount of revenue can be measured reliably, or when it is probable that the economic benefits associated with the transaction will flow to the Martin Chautari.

3.12 Expenditure Recognition

Expenses in carrying out the projects and other activities of the entity are recognized in the Statement of Income and Expenditure during the period in which they are incurred. Other expenses incurred in administering and running the entity and in restoring and maintaining the property plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Income and Expenditure.

The bottom of the page features several handwritten signatures in black ink. There are two circular blue stamps: one on the left for 'Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants' and one in the center for 'MARTIN CHAUTARI KATHMANDU, NEPAL'. The signatures are written over and around these stamps.

3.13 Taxation

a) Current Taxes

Martin Chautari is tax exempted NGO and have carried out its activities within the scope of its operation. Accordingly provisioning for income tax is not applicable.

b) Deferred Taxes

Martin has obtained renewal of tax exemption certificate from Inland Revenue Office. Therefore, income tax liabilities have not booked. Further, interest income has been booked after withholding advance tax on interest. MC has considered all its income within the scope of its operation mentioned in its constitution.

3.14 Related Party Transactions

Martin Chautari has not undertaken any related parties transactions be it with relative, friend etc. of employees or Executive Members. However, Martin Chautari has a policy to engage member of Executive Committee or General Member as service providers under competitive process of procurement of services (at arm's length dealing) on case to case basis.

3.15 SWC approval has been obtained for all projects implemented during the Financial Year 2081/082.

3.16 Contingent Liabilities

Martin Chautari has no legal cases against it nor does it have any claims made against it. There is no any capital commitment or contingent liabilities.

[Handwritten signatures and stamps]

[Circular stamp: Prabin Joshi & Co., Kathmandu, Nepal, Chartered Accountants]

[Circular stamp: MARTIN CHAUTARI, KATHMANDU, NEPAL]