MARTIN CHAUTARI

Thapathali, Kathmandu Nepal

Auditor`s Report
on
Annual Financial Statements
2082/083

Submitted
By
Prabin Joshi & Co.
Chartered Accountants

Prabin Joshi & Co.
Chartered Accountants

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Independent Auditor's Report

To,
General Members of Martin Chautari;

Report on the Financial Statements:

Opinion

We have audited the accompanying financial statements of **Martin Chautari** which comprise the Statement of Financial Position as at 32nd Ashad 2083 (16th July 2026), Statement of Income & Expenditure, 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 2083 (16th July 2026), 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.

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Key Audit Matter	How are audit addressed the key audit matter
Project Activities and Expenditure: The project expenditure including staff cost amounts to Rs.15.45 million (being 86.60 % 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.

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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.

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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.

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

CA Prabin D Joshi
Place: Kathmandu, Nepal
Date: 5th Ashwin 2083 (21st September 2026)
UDIN: 260921CA00056Pf72V

Martin Chautari
Thapathali, Kathmandu, Nepal
STATEMENT OF FINANCIAL POSITION
As at 32 Ashad 2083

Amount in Rs.

Particulars	Notes	As at 32 Ashad 2083	As at 32 Ashad 2082
ASSETS:			
Non-Current Assets			
Property, Plant and Equipment	4.1	22,772,197.69	23,026,760.89
Intangible Assets	4.2	-	-
Deffered Tax Assets			
Investment Property	4.3	-	-
Long term investments	4.4	-	-
Other Non-current assets	4.5	-	-
Total Non-Current Assets		**22,772,197.69**	**23,026,760.89**
Current Assets			
Inventories	4.6	-	-
Accounts Receivable	4.7	399,991.39	327,284.59
Cash and Cash Equivalents	4.8	50,106,509.56	55,274,576.84
Term Deposit	4.9	-	7,894,000.00
Total Current Assets		**50,506,500.95**	**63,495,861.43**
Total Assets		**73,278,698.64**	**86,522,622.32**
LIABILITIES & RESERVES:			
Accumulated Reserves			
Unrestricted Funds	4.10	24,070,596.78	25,913,595.67
Designated Funds	4.11	3,670,553.61	3,670,553.61
Restricted Funds	4.12	15,669,972.73	28,131,045.68
Endowment Fund	4.13	9,991,348.81	8,594,517.25
Other Capital Reserve	4.14	19,717,022.21	20,062,936.61
Total Accumulated Reserves		**73,119,494.14**	**86,372,648.82**
Non-Current Liabilities			
Loans and Borrowings	4.15	-	-
Employee Benefit Liabilities	4.16	-	-
Deffered Revenue	4.17	-	-
Other non-current liabilities	4.18	-	-
Total Non-Current Liabilities		-	-
Current Liabilities			
Accounts Payable	4.19	159,204.50	149,973.50
Loans and Borrowings	4.15	-	-
Provisions	4.20	-	-
Bank Overdraft	4.21	-	-
Total Current Liabilities		**159,204.50**	**149,973.50**
Total Liabilities		**159,204.50**	**149,973.50**
Total Liability and Reserve		**73,278,698.64**	**86,522,622.32**

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

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

Kanchan KC
Finance Officer

MARTIN CHAUTARI KATHMANDU, NEPAL

Seira Tamang
Secretary

Executive Committee Members:

Martin Chautari
Thapathali, Kathmandu, Nepal
Statement of Income and Expenditure
For the Year Ended 32 Ashad 2083

Amount in Rs.

Particulars	Notes	FY 2082-83	FY 2081-82
INCOME:			
Incoming Resources	4.22	14,585,695.49	14,787,756.15
Financial Income	4.23	627,129.11	928,037.04
Other Income	4.24	788,995.00	1,195,480.34
Total Income		**16,001,819.60**	**16,911,273.53**
EXPENCITURE:			
Staff Cost/Expenses	4.25	11,915,640.60	11,714,148.04
Program Expenses	4.26	3,538,142.89	4,828,539.77
General Administrative Expenditure	4.27	2,391,035.00	356,232.15
Depreciation	4.1.1	-	-
Other Expenditure	4.28	-	-
Total Expenditure		**17,844,818.49**	**16,898,919.96**
Net Surplus/(Deficit) before Taxation		**(1,842,998.89)**	**12,353.57**
Income Tax Expenses	4.29	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**(1,842,998.89)**	**12,353.57**

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 Thapa
Treasurer

Kumar Pandey
Chairperson

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

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

Kanchan KC
Finance Officer

MARTIN CHAUTARI KATHMANDU, NEPAL

Seira Tamang
Secretary

Executive Committee Members:

Martin Chautari
Thapathali, Kathmandu, Nepal
STATEMENT OF CHANGES IN RESERVES
For the Year Ended 32 Ashad 2083

Amount in Rs.

Description	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endownment Funds	Capital Reserves	Total
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	5,656,001.97	-	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	(14,321,831.15)		288,369.66			(14,033,461.49)
Allocation of results to Endownment 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**
Result for the Year	(12,461,072.95)	-	(1,842,998.89)	1,396,831.56	(345,914.40)	**(13,253,154.68)**
Allocation of results to Restricted Reserves						
Allocation/utilization of results to/from Designated Fund						
Allocation of results to Unrestricted Fund						
Allocation of results to Endownment Fund						
Allocation of results to Capital Fund						
Balance as at 32 Ashadh 2083	**15,669,972.73**	**3,670,553.61**	**24,070,596.78**	**9,991,348.81**	**19,717,022.21**	**73,119,494.14**

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 Thapa
Treasurer

Kumar Pandey
Chairperson

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

Kanchan KC
Finance Officer

सेरा तामाङ
Seira Tamang
Secretary

Executive Committee Members:

Martin Chautari

STATEMENT OF CASH FLOWS

For the Year Ended 32 Ashad 2083

Amount in Rs.

Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year (Before Tax)	(1,842,998.89)	12,353.57
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	490,000.00	20,250.00
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	(72,706.80)	(186,963.49)
Prepayments		
Inventories		
Other Financial assets		(451,214.57)
Account payable	9,231.00	
Accrued expenses and deferred income		
Other financial liabilities		
Less:		
Income Tax paid		
Interest paid		
Net cash from/(used in) operating activities	**(1,416,474.69)**	**(605,574.49)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(235,436.80)	(771,561.20)
Sale of Property Plant and Equipment		
Purchase of intangible assets		
Purchase from sale of equipment		
Purchase/Sale of short term FD	7,894,000.00	57,346,000.00
Interest received		
Income from securities, net		
Net cash from/(used in) investing activities	**7,658,563.20**	**56,574,438.80**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in Unrestricted Fund	-	288,369.66
Increase/ (Decrease) in Designated Funds	-	(2,435,860.78)
Increase /(Decrease) in Donor restricted fund	(12,461,072.95)	(8,665,829.18)
Increase/ (Decrease) in Endowment Fund	1,396,831.56	1,060,361.87
Increase/ (Decrease) in Capital Reserve	(345,914.40)	476,831.80
Borrowing of government loans		
Repayments of government loans		
Net cash from/(used in) financing activities	**(11,410,155.79)**	**(9,276,126.63)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVAL	**(5,168,067.28)**	**46,692,737.68**
CASH AND CASH EQUIVALENTS AT 01 Shrawan 2082	**55,274,576.84**	**8,581,839.16**
CASH AND CASH EQUIVALENTS AT 32 Ashadh 2083	**50,106,509.56**	**55,274,576.84**

Statement of Accounting Policies and Notes to Financial Statements (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

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

Kanchan KC
Finance Officer

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Secretary

Executive Committee Members:

MARTIN CHAUTARI KATHMANDU, NEPAL

Martin Chautari
Thapathali, Kathmandu, Nepal
As at 32 Ashad 2083
Notes to Financial Statements

Property, Plant and Equipment

Note-4.1

Item	Opening balance 01.04.2082	Revaluation Surplus/(deficit)	Addition/ Adjustments	Disposal/ Adjustments	Balance at 32.03.2083
Leasehold Investment	2,265,991.36	-	-	-	2,265,991.36
Furniture& Fixture	2,563,903.81	-	-		2,563,903.81
Office Equipments	4,340,830.22	-	-	248,735.00	4,092,095.22
Computer and Accessories	3,213,564.94	-	-	241,265.00	2,972,299.94
Books	10,642,470.56	-	235,436.80		10,877,907.36
Vehicles	-	-	-	-	-
Total	**23,026,760.89**	**-**	**235,436.80**	**490,000.00**	**22,772,197.69**

Depreciation

Item	Balance as at 01.04.2082	Charge for the year	Disposal of the year	Balance at 32.03.2083
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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Martin Chautari
Thapathali, Kathmandu, Nepal
As at 32 Ashad 2083
Notes to Financial Statements

Deferred Tax Assets

Item	2083.03.32	2082.03.32
Opening Deferred Tax Assets	-	-
Charge for the Year		
Total	-	-

Other Non Current Assets **Note-4.5**

Item	2083.03.32	2082.03.32
Total	-	-

Inventories **Note-4.6**

Particulars	2083.03.32	2082.03.32
Total	-	-

Accounts Receivables **Note-4.7**

Particulars	2083.03.32	2082.03.32
Deposits and Advances	-	
Advance to Staff		-
Advance Tax	6,000.00	6,000.00
Advance to Others		
VAT Receivable	(0.11)	(0.11)
Books Sales Receivables	393,991.50	321,284.70
Total	**399,991.39**	**327,284.59**

Cash and Cash Equivalent **Note-4.8**

Particulars	2083.03.32	2082.03.32
Cash in hand		
Core	47,345.63	24,008.63
Project	24,897.60	18,471.60
Cash at bank		
Nabil Bank Limited Alc (Core)	24,941,295.57	27,749,381.45
Nabil Bank Ltd (MC Endowment Fund)	9,991,348.81	700,517.25
Nabil Bank Limited Alc (Projects)	15,101,621.95	26,782,197.91
Total	**50,106,509.56**	**55,274,576.84**

MARTIN CHAUTARI KATHMANDU, NEPAL

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Fixed Deposits **Note-4.9**

Particulars	2083.03.32	2082.03.32
Core		
Nabil Bank Ltd	-	7,894,000.00
Spencer		
Nabil Bank Ltd	-	-
Total	**-**	**7,894,000.00**

Unrestricted Funds/Accumulated Surplus **Note-4.10**

Particulars	2083.03.32	2082.03.32
Balance at beginning of the year	25,913,595.67	25,612,872.44
Unrestricted surplus/deficit in operating activities	(1,842,998.89)	12,353.57
Allocation of results to Endowment Fund		-
Prior period adjustment		(143,997.40)
Adjustment of payable account		432,367.06
Balance at end of the year	**24,070,596.78**	**25,913,595.67**

Designated Funds **Note-4.11**

Particulars	2083.03.32	2082.03.32
Balance as at beginning of year	3,670,553.61	6,106,414.39
Additional Funds received during the year		
Utilization during the year	-	(2,435,860.78)
Balance as at year end	**3,670,553.61**	**3,670,553.61**

Designated for

Particulars	2083.03.32	2082.03.32
Specific core activities	3,203,445.61	3,203,445.61
Land & Building Reserve fund	467,108.00	467,108.00
Total	**3,670,553.61**	**3,670,553.61**

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MARTIN CHAUTARI KATHMANDU, NEPAL

Restricted Funds **Note-4.12**

Particulars	2083.03.32	2082.03.32
Balance as at beginning of year	28,131,045.68	36,796,874.86
Additional funds received during the year	1,379,680.90	4,498,467.46
Less: Transferred to Statement of Income and Expenditure	(14,335,695.49)	(14,321,831.15)
Add: Interest income on restricted	487,941.64	1,006,871.13
Prior period adjustment		143,997.38
Add: Discount Received	7,000.00	6,666.00
Balance at end of the year	**15,669,972.73**	**28,131,045.68**

Project Wise Representation of Restricted Funds (part of Note 4.12) **Sub Note 4.12.1**

Project	2083.03.32	2082.03.32
FPOS-2	(0.01)	(0.01)
Spencer Foundation	15,075,892.95	26,768,173.91
Friends of Martin Chautari	616,169.63	243,560.65
Focus for Cause	(22,089.84)	1,119,311.13
Total (Ref Sub-note 4.12.2 for details)	**15,669,972.73**	**28,131,045.68**

Endowment Funds **Note-4.13**

Particulars	2083.03.32	2082.03.32
Balance at beginning of the year	8,594,517.25	7,534,155.38
Addition During the Year	1,396,831.56	1,060,361.87
Surplus/deficit for the year		
Balance at the end of the year	**9,991,348.81**	**8,594,517.25**

MARTIN CHAUTARI KATHMANDU, NEPAL

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

Other Capital Reserves **Note-4.14**

Particulars	2083.03.32	2082.03.32
Original Balance (Project Assets Fund)	8,579,949.48	8,250,309.48
Addition During the Year		349,890.00
Surplus/Deficit for the Year (Depn W/off)	(490,000.00)	(20,250.00)
Net Total of Project Assets Fund "a"	**8,089,949.48**	**8,579,949.48**
Original Balance (Basket Fund)	1,653,395.17	1,653,395.17
Addition During the Year	-	
Surplus/Deficit for the Year (Depn W/off)		
Net Total of Basket Fund "b"	**1,653,395.17**	**1,653,395.17**
Original Balance (Book)	9,829,591.96	9,682,400.16
Addition During the Year	144,085.60	147,191.80
Surplus/Deficit for the Year (Depn W/off)		
Net Total of Book Fund "c"	**9,973,677.56**	**9,829,591.96**
Total Capital Reserve (a+b+c)	**19,717,022.21**	**20,062,936.61**

Loans and Borrowings **Note-4.15**

Particulars	2083.03.32	2082.03.32
Term Loan		
Less: Current Portion of Term Loan		
Balance at the end of the year	-	-

Employees Benefit Liabilities **Note-4.16**

Particulars	2083.03.32	2082.03.32
Defined Employment Benefit Plan		
	-	-

Deferred Revenue **Note-4.17**

Particulars	2083.03.32	2082.03.32
Deferred Income		
Less: Transferred to Statement of Income and Expenditure		
Total	-	-

MARTIN CHAUTARI KATHMANDU, NEPAL

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

Other Non Current Liabilities Note-4.18

Particulars	2083.03.32	2082.03.32

Account Payable Note-4.19

Particulars	2083.03.32	2082.03.32
TDS Payable		
TDS Payable (Core)	2,679.00	4,885.00
TDS Payable (FPOS 2)	0.01	0.01
TDS Payable (Spencer)	43,525.00	53,919.00
Audit Fee Payable	113,000.00	113,000.00
TDS Payable (The Asia Foundation)	0.49	0.49
Other Payable (TAF)		-
Other Payable (Spencer)		(21,831.00)
Total	**159,204.50**	**149,973.50**

Provisions

4.20

Particulars	2083.03.32	2082.03.32
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	2083.03.32	2082.03.32
Total	-	-

MARTIN CHAUTARI KATHMANDU, NEPAL

Prabin Joshi & Co. Kathmandu Nepal Chartered Accountants

Martin Chautari
Thapathali, Kathmandu, Nepal
For the Year Ended 32 Ashad 2083
Notes to Financial Statements

Incoming Resources **4.22**

Particulars	2082/83	2081/82
Grants –Restricted Funding	14,335,695.49	14,321,831.15
Grants –Unrestricted Funding		
Income from endowments		
Donations	250,000.00	465,925.00
Donation - Machine		
Corporate Fundraising		
Gifts in kind		
Donations received in Kind		
Other fund raising activities		
Total	**14,585,695.49**	**14,787,756.15**

Financial Income **4.23**

Particulars	2082/83	2081/82
Bank Interest	627,129.11	928,037.04
Total	**627,129.11**	**928,037.04**

Other Income **4.24**

Particulars	2082/83	2081/82
Library Charges	3,794.00	839.00
Membership Fee	43,300.00	44,000.00
Membership Renew Fee		-
Contribution from book	560,471.00	765,572.00
Venue Charge	26,430.00	-
Seminar/Workshop/Conference etc.	148,000.00	151,200.00
Discount received	7,000.00	6,666.00
Project Income		55,291.66
Project Overhead Income		171,911.68
Total	**788,995.00**	**1,195,480.34**

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MARTIN CHAUTARI KATHMANDU, NEPAL

Staff Cost **4.25**

Particulars	2082/83	2081/82
Wages and salaries		
Salaries -Core	1,118,088.00	2,220,856.66
Salaries - TAF 2		752,248.16
Salaries-Focus for Cause	470,872.00	-
Salaries-Spencer	9,680,310.60	7,894,663.22
Salaries _ Friends of Martin Chautari	646,370.00	846,380.00
Total	**11,915,640.60**	**11,714,148.04**

Program Expenses **4.26**

Particulars	2082/83	2081/82
a. Focus for Cause		
General Support for Regular Activates of Martin Chautari	**670,528.97**	**0.00**
Books	194,277.60	
Office Rent	300,000.00	
Telephone & Fax Charge	68,061.00	
Office Expenses	101,276.37	
Travel Expenses	6,914.00	
b.Spencer Foundation	**2,506,912.00**	**2,518,904.00**
History of the Public School Education in Nepal ,1900-1990		
Other Collaborator	292,905.00	592,941.00
Internet Charge	199,383.00	158,509.00
Travel	333,702.00	354,173.00
Equipment and Software	52,000.00	269,990.00
Project Expenses	595,590.00	476,625.00
Indirect Cost	1,033,332.00	666,666.00
c. Friends of Martin Chautari	**360,701.92**	**1,016,103.80**
Institutional Support Grants to Martin Chautari		
Books and Other relevant resource for MC library	104,349.00	312,631.80
Office Rent		666,666.00
Office expenses	32,621.00	20,131.00
Activities		
Discussions based on these briefs & papers to be widely organized throughout the country	59,787.00	16,675.00
Annual Chautari Research Conference		
Research & discussion programs to incorporate more women & analyze gendered dimensions	163,944.92	

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d. 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	**3,538,142.89**	**4,828,539.77**

General Administrative Expenses **4.27**

Particulars	2082/83	2081/82
Office Expenses	**1,544,189.00**	**242,587.15**
Office Expenses	126,657.00	120,612.00
Travel Expenses	22,025.00	43,190.00
Refreshment Expenses	19,135.00	78,509.25
Bank Charges	135.00	275.90
Office Rent	1,366,666.00	
Miscellaneous	9,571.00	
Assets Write Off		
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	733,846.00	-
Total	**2,391,035.00**	**356,232.15**

Other Expenditure **4.28**

Particulars	2082/83	2081/82
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	2082/83	2081/82
Current tax expense		
Current tax on profits for the year		-
Total Tax Expense		-

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Martin Chautari
Kathmandu, Nepal
Statement of Account of Donor Related Activities
As of 32 Ashad 2083

Sub-note forming part of the financial statements **Sub-Note: 4.12.2**

Particulars	Spencer Foundation	The Asia Foundaiton	Focus for Cause	FPOS 2	Friends of Martin Chautari	Total
Opening Balance	26,768,173.91	-	1,119,311.13	(0.01)	243,560.65	**28,131,045.68**
Fund Received		-				-
Interest Income	487,941.64					487,941.64
Discount Received	7,000.00					7,000.00
Exchange Gain						-
Martin Chautari Contribution Reversal					1,379,680.90	1,379,680.90
Total	**27,263,115.55**	**-**	**1,119,311.13**	**(0.01)**	**1,623,241.55**	**30,005,668.22**
Expenditure (Note 4.25 & 4.26)	12,187,222.60	-	1,141,400.97		1,007,071.92	14,335,695.49
Balance of Transferred to Cost	-	-			-	-
Total Expenditure Incurred	**12,187,222.60**	**-**	**1,141,400.97**	**-**	**1,007,071.92**	**14,335,695.49**
Total Expenses	**12,187,222.60**	**-**	**1,141,400.97**	**-**	**1,007,071.92**	**14,335,695.49**
Transferred to Income (Exchange gain)	-	-				
Balance Refunded	-	-				
Balance of Fund Cr./(Dr.)	**15,075,892.95**	**-**	**(22,089.84)**	**(0.01)**	**616,169.63**	**15,669,972.73**
Represented by:						
Cash Balance	11,796.00		-		13,101.00	24,897.00
Bank Balances	15,101,621.95		(22,089.84)		603,068.63	15,682,600.74
Fixed Deposit						-
Advances	6,000.00					6,000.00
Rent Receivable						-
VAT Receivable				(0.01)		(0.01)
Liabilities (adjustment)						-
TDS Payables	(43,525.00)					(43,525.00)
Others Payable						-
Total	**15,075,892.95**	**-**	**(22,089.84)**	**(0.01)**	**616,169.63**	**15,669,972.73**

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Martin Chautari Kathmandu, Nepal

Martin Chautari

Thapathali,Kathmandu,Nepal

As at 32 Ashad 2083

Notes to Financial Statements

Property Plant and Equipment (PPE)

Note - 4.1

Particulars	Gross Block				Depreciation				Balance as at 32.03.2083	Balance as at 32.03.2082
	Opening	Disposal/ Adjustments	Addition/ Adjustments	Total	Opening	Disposal	for the year	Total		
Purchased/Grant										
a. General(Assets)	-			-				-	-	-
Leasehold Investment	549,635.36			549,635.36				-	549,635.36	549,635.36
Furniture& Fixture	225,062.10			225,062.10				-	225,062.10	225,062.10
Office Equipment	1,368,966.22			1,368,966.22				-	1,368,966.22	1,368,966.22
Computers	7,282.00			7,282.00				-	7,282.00	7,282.00
Books	812,878.60		91,351.20	904,229.80				-	904,229.80	812,878.60
Vehicles	-			-				-	-	-
Sub Total of a	***2,963,824.28***	-	***91,351.20***	***3,055,175.48***	-	-	-	-	***3,055,175.48***	***2,963,824.28***
b. Capital Reserve (Assets	-			-				-	-	-
Leasehold Investment	-			-				-	-	-
Furniture& Fixture	804,348.63		-	804,348.63				-	804,348.63	804,348.63
Office Equipment	1,299,571.00	248,735.00		1,050,836.00				-	1,050,836.00	1,299,571.00
Computers	1,076,486.00	241,265.00		835,221.00				-	835,221.00	1,076,486.00
Books	3,822,349.14		144,085.60	3,966,434.74				-	3,966,434.74	3,822,349.14
Vehicles	-			-				-	-	-
Sub Total of b	**7,002,754.77**	**490,000.00**	**144,085.60**	**6,656,840.37**	-	-	-	-	**6,656,840.37**	**7,002,754.77**
Total c=(a+b)	**9,966,579.05**	**490,000.00**	**235,436.80**	**9,712,015.85**	-	-	-	-	**9,712,015.85**	**9,966,579.05**
d. Received in Project			-					-		
Leasehold Investment	1,716,356.00			1,716,356.00				-	1,716,356.00	1,716,356.00
Furniture& Fixture	1,534,493.08			1,534,493.08				-	1,534,493.08	1,534,493.08
Office Equipment	1,672,293.00			1,672,293.00				-	1,672,293.00	1,672,293.00
Computers	2,129,796.94			2,129,796.94				-	2,129,796.94	2,129,796.94
Books	**6,007,242.82**			**6,007,242.82**				-	**6,007,242.82**	**6,007,242.82**
Vehicles	-			-				-	-	-
Total of d	**13,060,181.84**	-	-	**13,060,181.84**	-	-	-	-	**13,060,181.84**	**13,060,181.84**
Grand Total (c+d)	**23,026,760.89**	**490,000.00**	**235,436.80**	**22,772,197.69**	-	-	-	-	**22,772,197.69**	**23,026,760.89**

MARTIN CHAUTARI KATHMANDU, NEPAL

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Martin Chautari
Statement of Accounting Policies and Notes to Financial Statements
For the year ended on 32 Ashad 2083

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 2083 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.

Previous GAAP information was reclassified/ regrouped in accordance with NAS for NPOs, wherever necessary, based on the audited financial statements of the Martin Chautari related with first time adoption (FY 2081/082).

2.2 Date of Authorization

The Financial Statements are authorized for issue as per decision of Executive Committee meeting dated 1 Ashiwn 2083.

2.3 Basis of measurement

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

2.4 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.

2.5 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 at the FY of first time adoption.

2.6 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.

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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 2083. 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.

Pursuant to the decision of the Executive Committee Meeting dated 18 Asar 2083, Martin Chautari carried out a reconciliation of Property, Plant and Equipment (PPE) balances as per the books of accounts with the balances as per the Fixed Assets Register. As a result of the reconciliation, an adjustment amounting to Rs. 209,742.97 was made in the Project-Funded Property, Plant and Equipment.

d) Depreciation

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 2083, 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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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. There is no such change in designated fund this year.

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 used 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.

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3.13 Taxation

a) Current Taxes

Martin has obtained renewal of tax exemption certificate from Inland Revenue Office . 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.

b) Deferred Taxes

Deferred taxation is not applicable to Martin Chautari.

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 2082/083.

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.

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