

Martin Chautari
Kathmandu , Nepal

Auditor`s Report & Annual Accounts
2074-075

Submitted By
Prabin Joshi & Co.
Chartered Accountants
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September 2018

Prabin Joshi & Co.

Chartered Accountants

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10 September, 2018

Mr. Yogesh Ram Mishra, PhD,
Chairperson,
Martin Chautari,
Kathmandu, Nepal.

Subject: Auditor's Report Financial Year: 2074-75

Dear Dr. Mishra

We are pleased to inform you that we have completed audit of Martin Chautari. We have the pleasure in submitting hard copies of Independent Auditor's Report.

This report presents results of our financial audit of annual accounts of Martin Chautari for the year ended on 32 Ashad, 2074-75. Audit was conducted during August 2018.

We would like to thank you and all personnel of Martin Chautari for the cooperation extended during the course of audit.

Thanking you,

Yours sincerely



CA. Prabin D. Joshi
Place : Kathmandu, Nepal

Martin Chautari
Auditor's Report: 2074/075
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Martin Chautari
Kathmandu, Nepal

1. Background

Martin Chautari (MC) is a research and policy institute based in Kathmandu, Nepal. Begun as an informal discussion group in Kathmandu in 1991, MC now focuses on research and policy on political pathways, knowledge production and material transformation. Along with continuing discussion series, publications, open library and a rigorous mentoring program of young researchers are in-built into MC's work. These all form an intrinsic part of MC's primary objective: strengthening the social contract between state and citizens by expanding and making inclusive the public sphere with informed dialogue, analytically rigorous research and viable policy choices.

As a part of its statutory requirement, Martin Chautari has appointed Prabin Joshi & Co.; Chartered Accountants, an independent audit firm, to audit the annual accounts of Martin Chautari for the financial year 2074-075.

2. Audit Objectives and Scope

Our audit was principally conducted in accordance with Nepal Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2.1 Objectives

Objective of our audit has been to come up with auditor's opinions on the annual accounts particularly in areas whether it presents a true and fair picture of revenue and expenditures including project activities and its financial position at the given date in accordance with generally accepted accounting principles (GAAPs).

2.2 Audit Scope

The scope of audit has been the followings:

- a. Audit of annual accounts included an examination of information supporting the accounts and explanatory notes to annual accounts. These included:
 - i. Establishing whether proper accounting records have been maintained by the organization.
 - ii. Reviewing the principles for financial accounting, which were followed when compiling the financial statements.
 - iii. Evaluating overall presentation of information in the financial statements.
 - iv. Verifying the balance sheet items and statement of income and expenditure, project expenditures fund received and utilization thereof for project activities under specific agreement.
 - v. Testing the transactions and the existence, ownership and valuation of assets and liabilities.
 - vi. Obtaining an understanding of the accounting and internal financial control systems to the extent necessary in order to consider their suitability as a basis for the preparation of financial statements.



- b. Testing that Martin Chautari has complied with conditions of contracts and local laws and regulations.
- c. Scope also includes holding meetings with officials of Martin Chautari for necessary information, explanations, clarification and responses on our findings.

We conducted our audit of annual accounts in accordance with Nepal Standards on Auditing and accordingly included such tests on Martin Chautari's financial data, records, examination of evidence supporting legitimacy of expenditures, disclosure in financial statement, assessing accounting principles used, significant estimates/calculation made as well as evaluating overall presentation of the financial statement in accordance with generally accepted accounting standards (GAAPs), and other general auditing procedures which we consider appropriate in order to satisfy our objectives.

Annual accounts were drawn up under the responsibility of Martin Chautari's management.

2.3 Audit Results

Opinion on the financial statements:

Our audit opinion is given in page 3.

Administrative organisation and system of internal control

We have also carried out the assessment of system of internal control and administrative organization. During the course of the annual audit, we have not come across any significant issues relating to administrative organization and internal controls which have the effect on preparation and presentation of financial statement. However, we noted few reportable conditions which have been reported in our Management Letter. Management letter with our findings of reportable conditions along with management responses has been issued separately to the management of Martin Chautari on even date of this report which may be referred.

Management has principally agreed to our findings and recommendations set out in the management letter.

Compliance

Our test for compliance with agreement terms, laws and regulation of sampled transactions and records of Martin Chautari indicated that for the term tested, Martin Chautari has principally complied with those provisions of agreement terms as well as applicable laws and regulations for the financial year.

2.4 Acknowledgement

We take this opportunity to thank all personnel of Martin Chautari for the cooperation extended during the course of our audit.



Prabin Joshi & Co.

Chartered Accountants

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Independent Auditor's Report to the General Members of Martin Chautari

Introduction

We have audited the accompanying financial statements of Martin Chautari which comprise the Balance Sheet at 32nd Ashad 2075 (16th July 2018), Income and Expenditure Statement, Cash Flow Statement, Statement of Changes in Fund for the year then ended and a summary of significant accounting policies and notes to account.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion and to the best of our knowledge and according to the explanations given to us, the financial statements give, in all material respects, a true and fair view of the state of affairs of Martin Chautari as at 32nd Ashad 2075 (16th July 2018) and of the operational result for the financial year ended on that date in accordance with generally accepted accounting principles & prevailing laws except for disclosure made in Notes related to Financial Statement Para; 3.1 (Depreciation policy has not been formalized and depreciation has not been charged on the fixed assets including project assets transferred/ purchased during the current financial year and earlier financial years). Further compliance of Labour Act 2074 is in process.

To the best of our knowledge & belief and accordingly to the explanation given and based on our audit, we are of view that the activities carried out are found to be within the objective of Martin Chautari. To the best of our information, belief and explanation given to us, we further report that Martin Chautari has complied generally with the provisions of Income-tax Act relating to withholding tax.

CA. Prabin D Joshi

Date: 25th Bhadra 2075 (10th September 2018)

Place: Maharajgunj, Kathmandu, Nepal



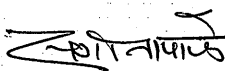
Martin Chautari
Kathmandu, Nepal
Balance Sheet
As at 32 Ashad 2075 (16 July 2018)

Amount in Rs.

S.No.	Assets	Sch	Current Year	Previous Year
1	Fixed Assets	1	16,915,180.34	16,003,854.89
1.1	Fixed Assets (General)		1,938,965.38	1,854,754.03
1.2	Project Funded Assets		11,230,596.14	10,108,817.04
1.3	Basket Fund Assets		3,745,618.82	4,040,283.82
2	Current Assets		56,549,366.35	45,240,404.75
2.1	Advances & Receivables	2	2,922,836.44	893,127.80
2.2	Cash and Bank Balances	3	53,626,529.91	44,347,276.95
	Total Assets		73,464,546.69	61,244,259.64
	Liabilities	Sch	Current Year	Previous Year
1	Surplus & Reserves		34,182,099.53	28,584,113.55
1.1	Surplus		14,435,012.69	12,539,239.25
1.2	Addition during the year		4,770,871.88	1,895,773.44
	Total Surplus		19,205,884.57	14,435,012.69
1.3	Capital Reserves (Project assets fund)	4.1	5,688,405.02	4,885,189.02
1.4	Capital Reserves (Basket assets fund)	4.2	1,956,705.17	2,251,370.17
1.5	Capital Reserves (Project book)	4.3	7,331,104.77	7,012,541.67
	Total Reserves		14,976,214.96	14,149,100.86
2	Funds:		36,887,440.38	30,676,164.57
2.1	Restricted Fund	4.4	36,420,332.38	30,209,056.57
2.2	Land and Building Reserve Fund		467,108.00	467,108.00
3	Current Liabilities & Provisions		2,395,006.78	1,983,981.52
	Current Liabilities and Provisions	5	2,395,006.78	1,983,981.52
	Total Liabilities		73,464,546.69	61,244,259.64

Notes related to Financial Statement 8
Schedules referred above form integral part of this Financial Statement

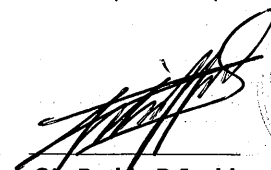
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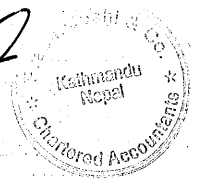


Sangita Pandey
Treasurer



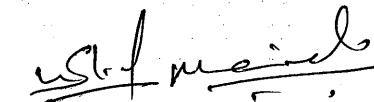

Bishesh Ram Mishra, PhD
Chairperson


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



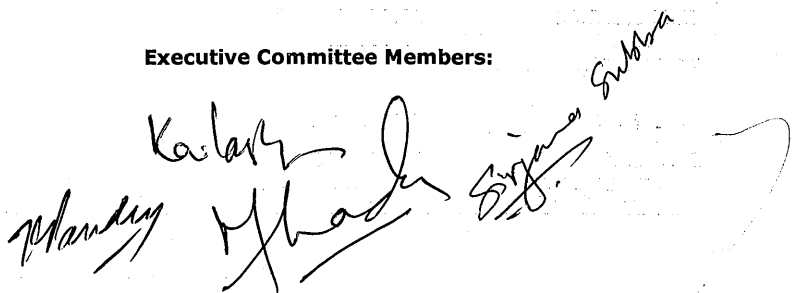


Rojina Sitaula
Chief Admin and Finance



Sushil Mainali
General Secretary

Executive Committee Members:



Martin Chautari
Kathmandu, Nepal
Income & Expenditure Statement
From 1 Shrawan 2074 to 32 Ashad 2075 (Corresponding to 16 July 2017 to 16 July 2018)

Amount in Rs.

Income	Sch	Current Year	Previous Year
Restricted Grant Received	4.4.1	38,160,016.89	27,832,364.22
General Income	6	8,606,393.44	7,210,053.98
Total Income (A)		46,766,410.33	35,042,418.20
Expenditure			
Office General Expenses	7	3,835,521.56	5,314,280.54
Project/Program Expenditure		-	-
Restricted Program Activities	4.4.1	38,160,016.89	27,832,364.22
Total Expenditure (B)		41,995,538.45	33,146,644.76
Excess of Income over Expenditure (A-B)		4,770,871.88	1,895,773.44
Appropriation Account			
Appropriation to			
Fixed Assets Fund		-	-
Special Program		-	-
General Fund		4,770,871.88	1,895,773.44
Surplus balance transferred to Balance Sheet		4,770,871.88	1,895,773.44

Notes related to Financial Statement


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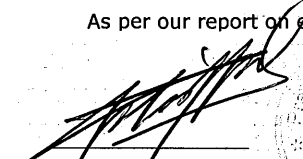
Schedules referred above form integral part of this Financial Statement

As per our report on even date

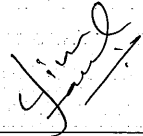

Sangita Pandey
Treasurer




Prabin D Joshi, PhD
Chairperson

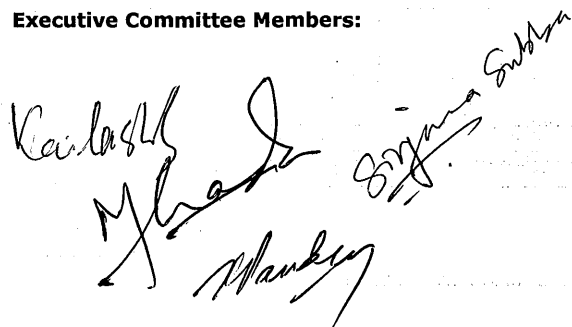

CA. Prabin D Joshi
Prabin Joshi & Co.
Chartered Accountants




Rojina Sitaula
Chief Admin and Finance


Sushil Mainali
General Secretary

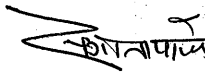
Executive Committee Members:




Martin Chautari
Cash Flow Statement
As at 32 Ashad 2075 (16 July 2018)


Amount in Rs.			
S. No.	Particulars	Current Year	Previous Year
1	Cash from Operation	4,281,112.60	4,155,097.41
	Net Operational Surplus/(Deficit)	4,770,871.88	1,895,773.44
	Add: Depreciation for general fixed assets	-	-
	Add: Project Capital Expenditure expensed off	1,126,424.10	391,094.00
	Add: Fixed Assets Disposed/Written off (Core)	2,500.00	46,619.50
	Less: Non-cash adjustment (capital reserve)	-	(463,937.00)
	Sub total	5,899,795.98	1,869,549.94
	Change in current assets	(2,029,708.64)	4,464,398.30
	Change in current liabilities	411,025.26	(2,178,850.83)
	Sub-total	(1,618,683.38)	2,285,547.47
2	Cash flow from Investing Activities	(1,213,135.45)	(450,721.90)
	Fixed assets Addition (net)	(1,213,135.45)	(450,721.90)
3	Financing Activities	6,211,275.81	9,604,607.89
	Net Project Fund Balance	6,211,275.81	9,604,607.89
	Net Cash flow (1+2+3)	9,279,252.96	13,308,983.40
	Opening balance of cash	44,347,276.95	31,038,293.55
4	Closing cash and bank balances	53,626,529.91	44,347,276.95

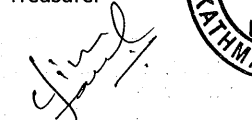
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Sangita Pandey
Treasurer



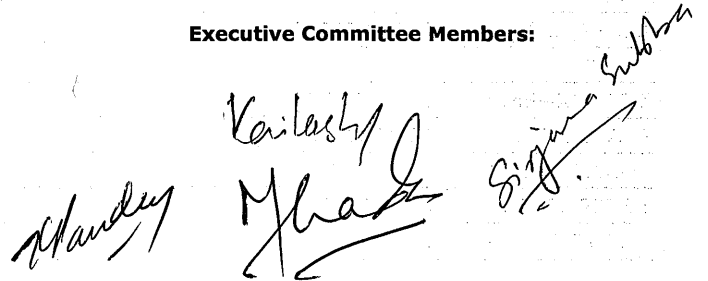

Jogesh Ram Mishra, PhD
Chairperson


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


Rojina Sitaula
Chief Admin and Finance


Sushil Mainali
General Secretary


Executive Committee Members:

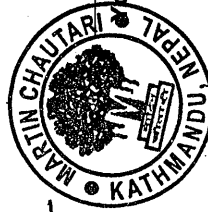


Martin Chautari
Statement of Changes in Fund
As at 32 Ashad 2075 (16 July 2018)


SN	Particulars	Amount in Rs.			
		Surplus	Capital Fund	Restricted fund	Land and Building Reserve Fund
1	Opening Balance	14,435,012.69	14,149,100.86	30,209,056.57	467,108.00
	Adjustment	-	-	-	-
	Restated balance	14,435,012.69	14,149,100.86	30,209,056.57	467,108.00
	Surplus / (Deficit) during the year	4,770,871.88	-	-	-
	Changes in capital/restricted fund	-	827,114.10	6,211,275.81	4,770,871.88
2	Balance As at 16 July 2018	19,205,884.57	14,976,214.96	36,420,332.38	467,108.00
					7,038,389.91
					71,069,539.91

As per our report of even date.



Sangita Pandey
Treasurer





Jogesh Ram Mishra, PhD
Chairperson






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




Sushil Mainali
General Secretary


Rojina Sitaula
Chief Admin and Finance

Executive Committee Members:

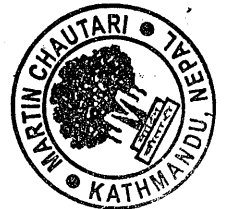
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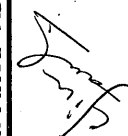


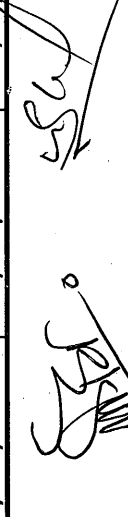
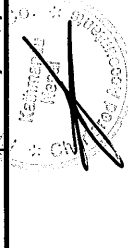
Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)

Schedule-1

Fixed Assets (General)
Schedule Forming Part of the Financial Statement

Descriptions	Leasehold Improvements	Office Equipment	Computer Equipment	Furniture	Books	Total
Opening	549,635.36	1,013,398.67	7,282.00	167,069.10	117,368.90	1,854,754.03
Additions/Adjustment	-	31,640.00	-	9,605.00	45,466.35	86,711.35
Disposals	-	(2,500.00)	-	-	-	(2,500.00)
As on 32/03/2075	549,635.36	1,042,538.67	7,282.00	176,674.10	162,835.25	1,938,965.38
Dep. Rate	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Net Value on 32/03/2075	549,635.36	1,042,538.67	7,282.00	176,674.10	162,835.25	1,938,965.38
Total General Assets	549,635.36	1,042,538.67	7,282.00	176,674.10	162,835.25	1,938,965.38
Project Funded Assets (Contra for Capital Reserve)						
Opening	1,716,356.00	958,398.00	1,183,891.94	1,026,543.08	5,223,628.02	10,108,817.04
Additions/Adjustments	-	179,716.00	331,000.00	292,500.00	323,208.10	1,126,424.10
Disposals	-	-	-	-	(4,645.00)	(4,645.00)
As on 32/03/2075	1,716,356.00	1,138,114.00	1,514,891.94	1,319,043.08	5,542,191.12	11,230,596.14
Dep. Rate	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Net Value on 32/03/2075	1,716,356.00	1,138,114.00	1,514,891.94	1,319,043.08	5,542,191.12	11,230,596.14
Basket Fund Assets (Contra to Capital Reserve)						
Opening	-	1,237,790.00	566,986.00	446,594.17	1,788,913.65	4,040,283.82
Addition/Adjustments	-	-	-	-	-	-
Disposals	-	(202,680.00)	(91,985.00)	-	-	(294,665.00)
As on 32/03/2075	-	1,035,110.00	475,001.00	446,594.17	1,788,913.65	3,745,618.82
Dep. Rate	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Net Value on 32/03/2075	-	1,035,110.00	475,001.00	446,594.17	1,788,913.65	3,745,618.82
Total Fixed Assets	2,265,991.36	3,215,762.67	1,997,174.94	1,942,311.35	7,492,940.02	16,915,180.34




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Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Schedules forming part of the Financial Statement

Advances & Receivables

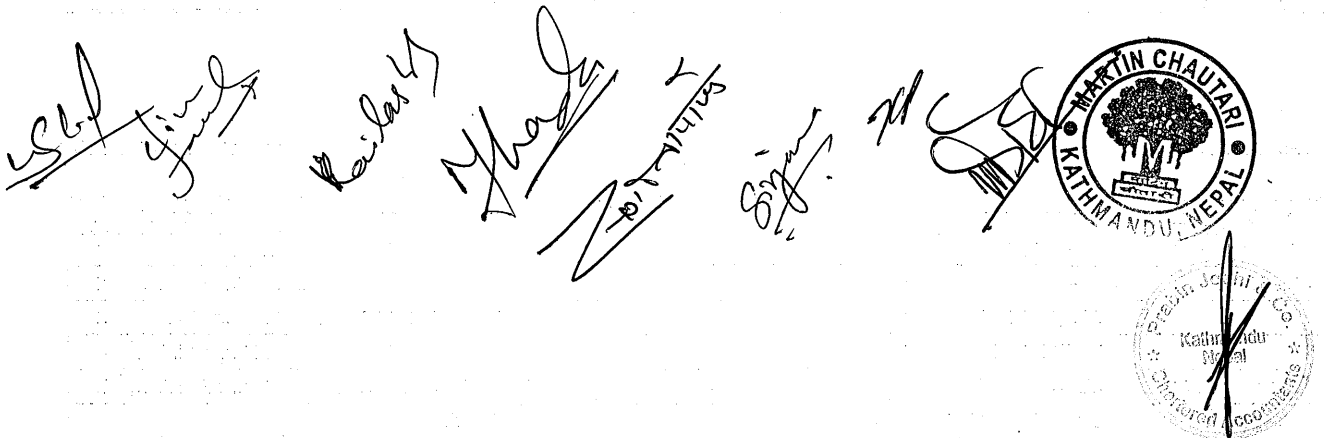
Schedule-2

S.N.	Particulars	Current Year	Previous Year
A	General Advances		
i	Rameshwori Shrestha (Project)	400,000.00	400,000.00
ii	Project Advance	978,196.72	(929,576.17)
B	Other Receivables (Core Fund)		
i	Indian Embassy	611,091.90	572,243.50
ii	ICTJ	574,280.82	574,280.82
iii	SOAS	359,267.00	60,929.65
iv	ISET	-	152,749.00
v	Others	-	62,501.00
Total		2,922,836.44	893,127.80

Cash & Bank Balance

Schedule-3

A	Project Related Balances	Current Year	Previous Year
1	NABIL Bank Limited A/C 0210017502536	22,181,760.06	19,648,866.73
2	NABIL Bank Limited A/C 081005187401	-	485.09
3	Nabil Bank Limited A/C 0201017503311	5,914,769.00	-
4	Nabil Bank Limited A/C 0201017503312	280,445.85	-
5	NABIL Bank Limited A/C 0810017500335	8,952,110.53	12,919,691.39
Sub-total		37,329,085.44	32,569,043.21
B	General Balances (Core Fund)		
1	NABIL Bank Limited A/C 0810017500335	16,236,703.50	11,748,476.77
Sub-total		16,236,703.50	11,748,476.77
C	General Balances (Core Fund)		
1	Cash in Hand- Project	43,057.00	21,401.00
2	Centre -Martin Chautari	17,683.97	8,355.97
Sub-total		60,740.97	29,756.97
Total		53,626,529.91	44,347,276.95

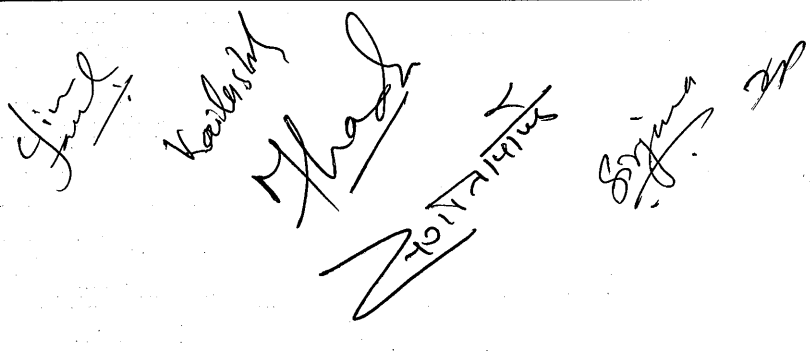



 The bottom section of the page contains several handwritten signatures and official stamps. On the right side, there is a circular stamp for 'MARTIN CHAUTARI KATHMANDU, NEPAL' with a tree logo. Below it is another circular stamp for 'Prabin Joshi & Co. Chartered Accountants' with a signature across it. To the left of these stamps are several handwritten signatures in black ink, some of which appear to be dated '2017/11/13'.

Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Schedules forming part of the Financial Statement

Fund Balance

Schedule-4

S.N.	Particulars	Current Year	Previous Year
4.1	Capital Reserves (Project Assets Fund)		
	Balance as per previous year	4,885,189.02	5,475,967.02
	Additional	803,216.00	252,800.00
	Prior Period Adjustment	-	(423,060.00)
	Depreciation	-	-
	Disposal	-	(420,518.00)
	Balance	5,688,405.02	4,885,189.02
4.2	Capital Reserves (Basket Fund)		
	Balance as per previous year	2,251,370.17	2,314,745.17
	Addition	-	-
	Depreciation	-	-
	Disposal	(294,665.00)	(63,375.00)
	Balance	1,956,705.17	2,251,370.17
4.3	Capital Reserves (Book)		
	Balance as per previous year	7,012,541.67	6,915,124.67
	Additional	323,208.10	138,294.00
	Prior Period Adjustment	-	(40,877.00)
	Depreciation	-	-
	Disposal	(4,645.00)	-
	Balance	7,331,104.77	7,012,541.67
4.4	Restricted Fund (Schedule -4.4.1)		
	Foundation Open Society Institute (Knowledge Production)	-	141,000.00
	Foundation Open Society Institute (Improving)	0.00	1,493,095.30
	NED	381,272.85	-
	Indian Embassy	(611,091.90)	(511,091.90)
	Ford Foundation (UC2)	8,452,619.64	7,076,961.75
	International Center for Transitional Justice (ICTJ)	(568,420.92)	(568,420.92)
	Danida Fellowship Center	23,174,245.78	18,727,531.56
	Foundation Open Society Institute	5,914,769.00	-
	School of Oriental & African Studies	(323,062.07)	2,899,980.78
	ISET	-	(250,000.00)
	UNDP	-	1,200,000.00
	Balance	36,420,332.38	30,209,056.57
	Total	51,396,547.34	44,358,157.43

Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Schedules forming part of the Financial Statement

Current Liabilities and Provisions

Schedule-5

S.N.	Project Related TDS & Other Payables	Current Year	Previous Year
1	Other Payables (Audit Fee etc.)	65,000.00	120,250.00
2	Sundry Creditors (BL)	359,267.00	-
3	Other Payable (ISET)	113,000.00	117,922.00
4	Others Payables (The Asia Foundation)	432,367.06	432,367.06
5	Sundry Creditors (IE)	611,091.90	572,243.50
6	Other payables (OSF)	99,000.00	-
7	Other payables (OSF-KPBA)	141,000.00	-
8	Sundry Creditors (ISET)	-	152,749.00
9	Sundry Creditors (ICTJ)	574,280.82	574,280.82
10	Sundry Creditors (Ford)	-	485.09
11	Book Purchase Payable - Core Fund	-	11,920.05
12	TDS Payable	-	1,764.00
Total		2,395,006.78	1,983,981.52

General Income

Schedule-6

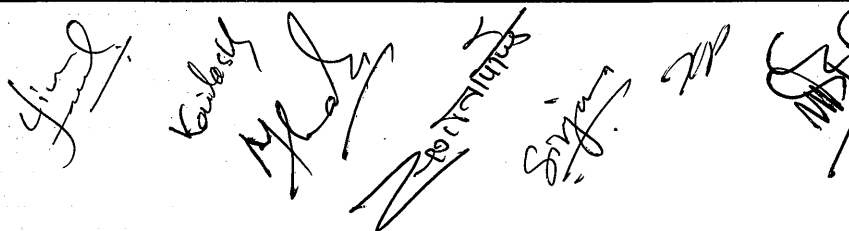

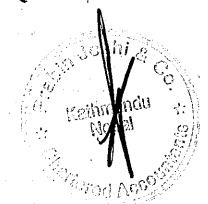
S.N.	Particulars	Current Year	Previous Year
A	Income from Overhead charged on Project:	706,113.89	907,631.72
1	Income From Overhead	706,113.89	907,631.72
B	Income from Completed Projects (Non Refundable Fund Balances)	-	399,864.30
1	Income From Completed Project	-	399,864.30
C	Membership fees	34,000.00	40,200.00
1	Income From Membership Renewal Fee	34,000.00	35,000.00
2	Income From Membership Entrance Fee	-	5,200.00
D	Income from Bank Interest on Deposit	564,281.20	458,350.86
1	Income From Bank Interest on Deposit	564,281.20	458,350.86
E	Other Income	3,749,523.40	1,218,102.90
1	Library Charges	6,513.00	8,837.00
2	Books and Journals Sales	187,510.40	137,965.90
3	Seminar / Workshop / Conference etc. Reg. fee	136,500.00	161,300.00
4	Venue Charge	49,000.00	60,000.00
5	Contractual Services	3,370,000.00	850,000.00
F	Affiliation Fee	-	1,076,259.00
G	QAC (Common cost recovery)	3,347,119.70	2,358,142.70
H	Misc Income	1,055.25	5,690.50
I	Donation	204,300.00	281,875.00
J	Adjustment in capital Reserve	-	463,937.00
Total		8,606,393.44	7,210,053.98

Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Schedules forming part of the Financial Statement

Office General Expenses

Schedule-7


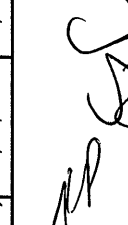
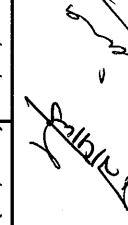


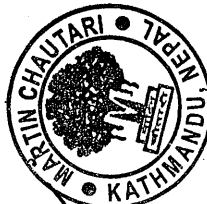
S.N.	Particulars	Current Year	Previous Year
A	Office Expenses	848,178.31	2,096,567.90
1	Repair and Maintenance	84,475.82	573,694.66
2	Office Supplies	190,305.89	869,656.09
3	Stationery Items	76,239.60	67,930.65
4	Telephone and Fax Expenses	-	3,386.00
5	Travel Expenses	7,778.00	10,238.00
6	Refreshment Expenses	27,930.00	38,993.00
7	Advertisement & Publicity	58,919.00	-
7	Electricity & Fuel Charge	-	18,160.00
8	Assets Write Off	2,500.00	46,619.50
10	Office Rent	400,000.00	400,000.00
11	Internet Charge	-	67,800.00
12	Bank Charges	30.00	90.00
B.	Capacity Building Expenses	290,579.70	105,053.55
1	Travel Expenses	100,220.00	20,427.30
2	Registration Fee- Conferences, Workshops, Seminars	63,309.70	34,193.75
3	Allowance	127,050.00	50,432.50
C.	Personnel Expenses	1,903,445.00	2,459,521.00
1	Senior Researcher (RB)	-	680,807.00
2	Researcher (RC)	-	197,660.00
3	Associate Researcher (RD)	-	70,428.00
4	Assistant Admin & Finance Manager (AAFE)	-	23,426.00
5	Support Staff (AAG)	426,133.00	535,964.00
6	Asst. Librarian	239,658.00	-
7	Library Assistant (DLF)	214,831.00	235,215.00
8	Support Staff (DLG)	144,491.00	193,260.00
9	IT Layout & Design	158,332.00	183,760.00
10	Consultants	720,000.00	339,001.00
D.	Benefits	331,024.40	352,062.09
1	Provident Fund	83,259.40	189,552.30
2	Festival Allowance	77,131.00	68,894.00
3	Relief Allowance	170,634.00	91,827.00
4	Insurance	-	1,788.79
E.	Workshops/Conference	74,781.15	23,650.00
1	Annual Conferences/Events	35,760.00	6,300.00
2	Occasional Conferences/Events	39,021.15	17,350.00
F.	Journals, Magazines and Newspapers	-	1,965.00
G.	Monitoring, Evaluation, Audit & Legal Cost	387,513.00	275,461.00
1	Organizational Review	171,824.00	-
2	External Audit	65,000.00	65,000.00
3	Legal cost	53,000.00	90,794.00
4	Monitoring & Evaluation	97,689.00	119,667.00
Total		3,835,521.56	5,314,280.54

Martin Chautari
Kathmandu, Nepal
Statement of Account of Donor Related Activities
As of 32 Ashad 2075 (16 July 2018)

Sub schedule: 4.4.1

Particulars	Foundation Open Society Institute (Knowledge)	Foundation Open Society Institute (Improving)	NED	Indian Embassy	Ford Foundation (UC2)	International Center for Transitional Justice	Danida Fellowship Center	OSI	SOAS	ISET Nepal	UNDP	The Asia Foundation	Total
Opening Balance	141,000.00	1,493,095.30	-	(511,091.90)	7,076,961.75	(568,420.92)	18,727,531.56	-	2,899,980.78	(250,000.00)	1,200,000.00	-	30,209,056.57
Fund Received	-	-	2,364,400.00	-	13,222,723.00	-	22,378,776.55	5,921,821.50	-	250,000.00	233,571.65	-	44,371,292.70
Martin Chautari's Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	141,000.00	1,493,095.30	2,364,400.00	(511,091.90)	20,299,684.75	(568,420.92)	41,106,308.11	5,921,821.50	2,899,980.78	-	1,433,571.65	-	74,580,349.27
Revenue Expenditures Incurred (Sub-schedule- 4.4.1.1)	141,000.00	1,200,595.30	1,983,127.15	100,000.00	11,428,557.11	-	17,623,680.93	7,052.50	3,207,930.80	-	1,341,649.00	-	37,033,592.79
Capital Expenditure (Sub- schedule - 4.4.1.1)	-	292,500.00	-	-	418,508.00	-	308,381.40	-	15,112.05	-	91,922.65	-	1,126,424.10
Balance of Transferred to Cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure Incurred	141,000.00	1,493,095.30	1,983,127.15	100,000.00	11,847,065.11	-	17,932,062.33	7,052.50	3,223,042.85	-	1,433,571.65	-	38,160,016.89
Total Expenses	141,000.00	1,493,095.30	1,983,127.15	100,000.00	11,847,065.11	-	17,932,062.33	7,052.50	3,223,042.85	-	1,433,571.65	-	38,160,016.89
Transferred to Project Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance Refunded	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of Fund Cr./(Dr.)	-	0.00	381,272.85	(611,091.90)	8,452,619.64	(568,420.92)	23,174,245.78	5,914,769.00	(323,062.07)	-	-	-	36,420,332.38
Represented by:													
Cash Balance	-	-	8,307.00	-	14,077.00	-	14,289.00	-	6,384.00	-	-	-	43,057.00
Bank Balances (General/ Core account)	141,000.00	99,000.00	280,445.85	-	8,131,062.64	5,859.90	22,181,760.06	5,914,769.00	29,820.93	113,000.00	-	432,367.06	37,329,085.44
Advances	-	-	-	-	-	-	978,196.72	-	-	-	-	-	978,196.72
Rent Receivable	-	-	92,520.00	-	307,480.00	-	-	-	-	-	-	-	400,000.00
Liabilities	(141,000.00)	(99,000.00)	-	(611,091.90)	-	(574,280.82)	-	-	(359,267.00)	(113,000.00)	-	(432,367.06)	(2,330,006.78)
TDS Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income Transfer to Core Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	381,272.85	(611,091.90)	8,452,619.64	(568,420.92)	23,174,245.78	5,914,769.00	(323,062.07)	-	-	-	36,420,332.38

Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Sub-schedules forming part of the financial statement

Sub schedule: 4.4.1.1

Foundation Open Society Institute
Improving Quality of Learning in Nepali Public Schools

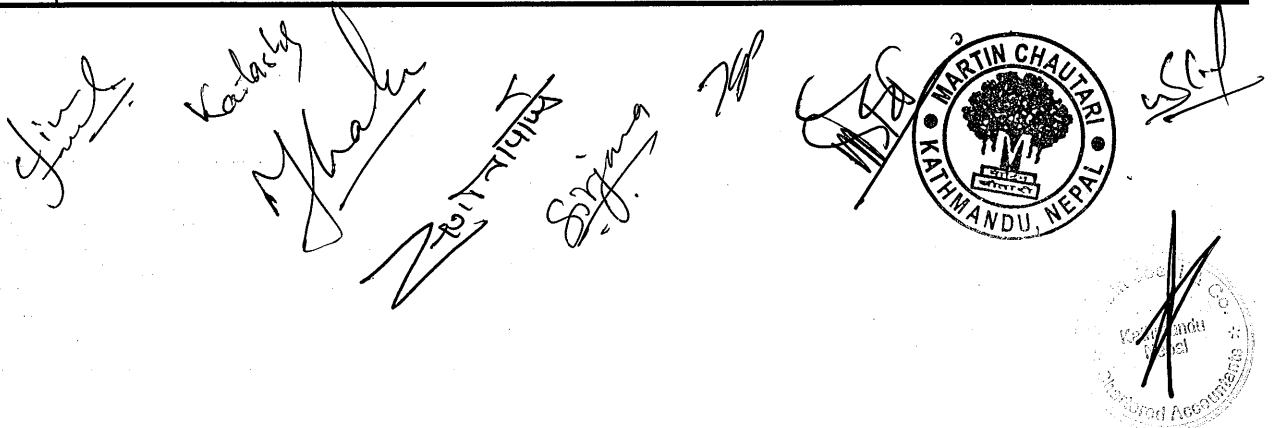
S.N	Particulars	Amount in Rs.
	Researcher Salaries	227,700.00
1	Project Coordinator	158,400.00
2	Researchers	69,300.00
	Public and Policy Dialogue	823,279.30
1	National Dissemination Seminars	420,107.45
2	Production & sharing of policy papers	99,000.00
3	Travel & Accomodation	171,132.00
4	Local Resource Person	30,000.00
5	Policy workshop	103,039.85
	Program Administration	49,616.00
1	Partial office supplies & utilities	49,616.00
	Monitoring & Evaluation	100,000.00
	Strengthening Institutional Capacity	292,500.00
	Total	1,493,095.30

Open Society Institute
Support to Institutional Strengthening of MC

S.N	Particulars	Amount in Rs.
	Partial Contribution to Office Expenses	7,052.50
1	Office expenses	7,052.50
	Total	7,052.50

Indian Embassy
Fostering Academic and Policy Research Collaboration

S.N	Particulars	Amount in Rs.
	Commissioned Research	100,000.00
1	Researcher Remuneration	100,000.00
	Total	100,000.00


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Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Sub-schedules forming part of the financial statement

Sub schedule: 4.4.1.1

School of Oriental and African Studies

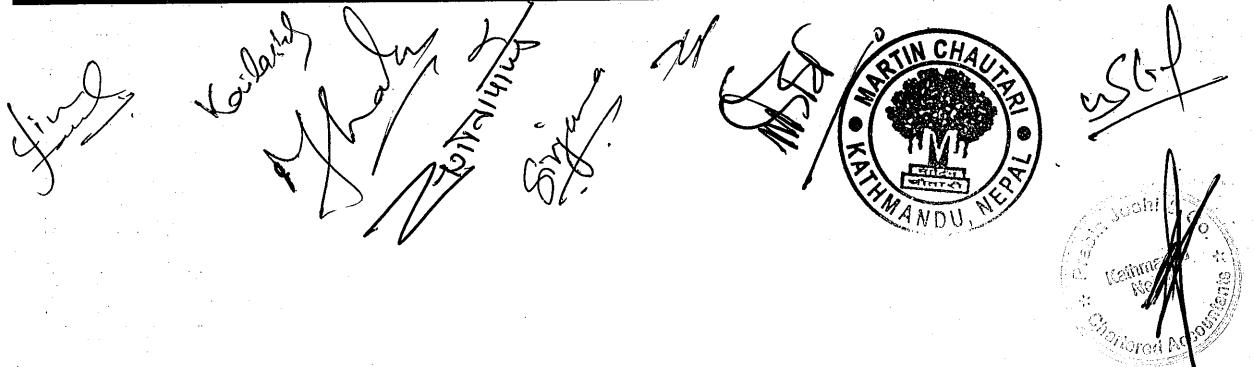
Borderlands, Brokers and Peace building in Sri Lanka and Nepal: War to Peace Transitions viewed

S.N	Particulars	Amount in Rs.
	Literature Review & Planning	18,803.05
1	Material Collection	
	Books	15,112.05
	Journals, magazines & others	1,832.00
2	Local Travel (Ktm)	1,859.00
	District Based Studies	611,711.20
1	Local Researchers Salary	278,654.20
2	Consultant (Surveyor) Remuneration	187,276.00
3	Local Travel (Districts)	42,556.00
4	Airfare	18,278.00
5	DSA	84,947.00
	Programme & Broker Studies	1,412,739.60
1	Local Researchers Salary	1,110,132.60
2	Local Travel	133,804.00
3	Airfare	82,764.00
4	DSA	86,039.00
	Staff Costs	1,179,789.00
1	Senior Researcher Salary	1,005,509.00
2	Researcher Salary	29,282.00
3	Administrative Salary	130,905.00
4	Provident Fund	8,727.00
5	Relief Allowance	5,366.00
	Total	3,223,042.85

OSF

Knowledge Production Beyond Academia

S.N	Particulars	Amount in Rs.
	Publication	141,000.00
1	Printing Cost	141,000.00
	Total	141,000.00


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Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Sub-schedules forming part of the financial statement

Sub schedule: 4.4.1.1

Danida Fellowship Center
Locating Public Finance Dynamics in Education in Nepal

S.N	Particulars	Amount in Rs.
	Salaries and Emoluments	6,500,921.48
1	Principal Researcher	1,310,330.00
2	Principal Researcher	897,840.00
3	Principal Researcher	1,405,495.00
4	Principal Researcher	675,960.00
5	Principal Researcher	1,120,130.00
6	Professor	1,091,166.48
	Taximeter/Educational Grants	4,538,771.00
1	Research Assistants	1,298,771.00
2	KU's Taximeter and Educational Grant	3,240,000.00
	Expenses for Trips Abroad and Fieldwork	4,654,504.35
1	Survey cost	3,636,069.35
2	Fieldwork	146,656.00
3	Conference Participation in Denmark	7,624.00
4	International travel support to principal researchers for conferences	44,366.00
5	Workshops & Meetings	620.00
6	KU's Expenses for Trip Abroad and Fieldwork	819,169.00
	Project and Research Materials and Equipment	737,344.50
1	Software	56,120.00
2	Books/Literature	-
	Books	216,173.40
	Journals, magazines & others	144,704.00
3	Voice Recorder	92,208.00
4	Office Equipment	15,491.00
5	KU's Project & Research Materials and Equipment	212,648.10
	Publication, Dissemination and Communication	111,068.00
1	Policy Briefs	14,118.00
2	Methodology Workshop	16,730.00
3	Website development & maintenance	11,300.00
3	KU's Pub., Dis. & Com. Expenses	68,920.00
	Administrative Overhead	1,319,453.00
1	MC's Administrative	648,713.89
2	KU's Administrative Overhead	670,739.11
	External Audit	70,000.00
1	MC's External Audit	45,000.00
2	KU's External Audit	25,000.00
	Total	17,932,062.33

The bottom of the page contains several handwritten signatures in black ink, including names like 'Ganesh', 'Kaviratna', 'Mohan', 'Rajendra', 'Surya', 'MCS', and 'KCS'. There are also two circular stamps: one for 'MARTIN CHAUTARI KATHMANDU NEPAL' and another for 'Chartered Accountants'.

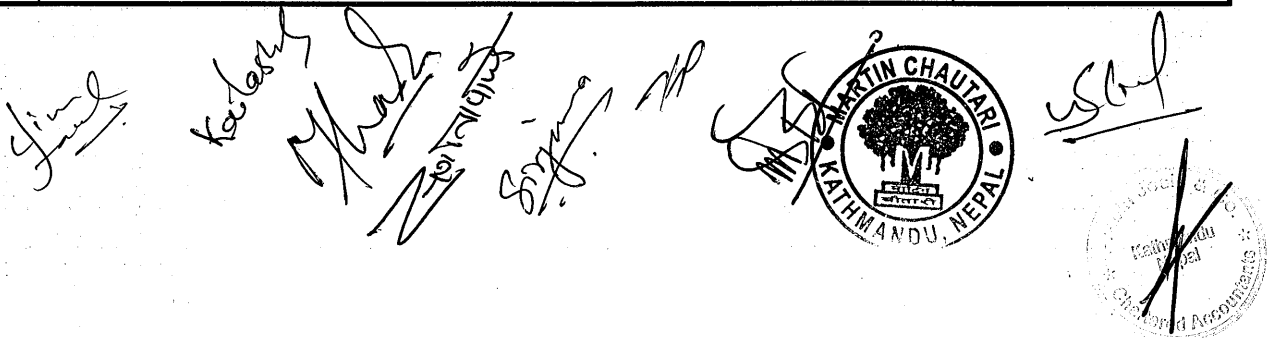
Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Sub-schedules forming part of the financial statement


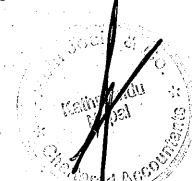
Sub schedule: 4.4.1.1

Ford Foundation

Framing Pathways to IT Infrastructure Development in Nepal

S.N	Particulars	Amount in Rs.
	Staff Cost	9,049,641.20
1	Research Director/Project Lead	1,153,289.00
2	Research Director	824,220.00
3	Senior Researcher	2,446,112.00
4	Research Manager	1,540,768.00
5	Researcher	527,088.00
6	Associate Researcher	319,256.00
7	Finance Officer	353,239.00
8	Administrative Staff	316,248.00
9	Administrative Staff	245,964.00
11	IT Layout & Design	280,300.40
12	Festival Allowance	608,408.00
13	Staff Health Insurance	56,997.20
14	Provident Fund	194,792.60
15	Relief Allowance	182,959.00
	Travel	25,545.00
1	Local Travel	25,545.00
	Workshop Cost	278,909.76
1	Consultative Review Workshop	175,543.76
2	Capacity Development Workshop	103,366.00
	Consultancy Cost	550,000.00
1	Local Partners	550,000.00
	Office Costs	1,524,461.15
1	Office Rent	1,014,960.00
2	Electricity and Fuel Charge	99,275.00
3	Internet Charge	226,000.00
4	Telephone and Fax Charge	23,937.00
5	Office General Supplies	160,289.15
	Equipment	418,508.00
1	Computer	331,000.00
2	Printer	40,500.00
3	Voice Recorder	47,008.00
	Total	11,847,065.11



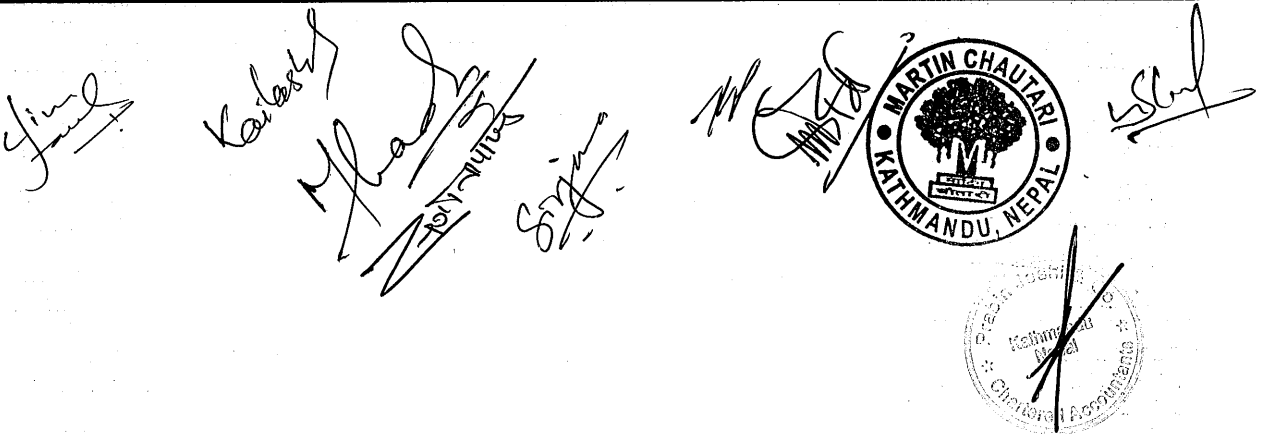



Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Sub-schedules forming part of the financial statement

Sub schedule: 4.4.1.1

National Endowment for Democracy
Enhancing Capacity of Right-based Advocates

S.N	Particulars	Amount in Rs.
	Salaries	1,036,854.00
1	Director of Research	370,080.00
2	Senior Researcher	493,440.00
3	Chief Admin & Finance	83,111.00
4	Workshop Coordinator	48,769.00
5	Library Coordinator	41,454.00
	Benefits, Taxes and Allowances	17,333.40
1	Provident Fund	17,333.40
	Space and Utilities	185,040.00
1	Office rent	185,040.00
	Supplies and Equipment	73,053.00
1	Office Supplies	73,053.00
	Communication and Postage	29,253.00
1	Phone	29,253.00
	Travel and Per Diem	302,695.00
1	Domestic Airfare	99,393.00
2	Local Travel	148,722.00
3	Per Diem	54,580.00
	Contractual Services	79,412.00
1	Trainers	29,412.00
2	MAHURI Local Coordinator	50,000.00
	Other Direct Costs	259,486.75
1	Training	259,486.75
	Total	1,983,127.15


 The bottom section of the document contains several handwritten signatures and official stamps. On the left, there are five distinct handwritten signatures. In the center-right, there is a circular official stamp for 'MARTIN CHAUTARI KATHMANDU, NEPAL' featuring a tree logo. Below this, there is another circular stamp for 'Chartered Accountants' with a signature over it.

Martin Chautari
Kathmandu, Nepal
As of 32 Ashad 2075 (16 July 2018)
Sub-schedules forming part of the financial statement

Sub schedule: 4.4.1.1

UNDP

Ten Years of Peace in Nepal: Research Fellowship Program 2017

S.N	Particulars	Amount in Rs.
	CfP and Selection of the 3 Peace Fellows	140,800.00
1	MC Coordinator	90,800.00
2	Honorarium for External Reviewer	50,000.00
	Grant Award and Mentoring	1,036,171.00
1	Award for the 3 Fellows	520,000.00
2	Honorarium for the mentors	120,000.00
3	MC Coordinator	136,171.00
4	Commissioned Research	260,000.00
	Field Research	30,000.00
1	Field allowance for 3 Fellows	30,000.00
	Program Support	169,200.65
1	Strengthening Peace & Dev. Resource at MC Library	
2	Books	91,922.65
3	Journals, magazines & others	1,678.00
4	M & E (Secretary, Research Management Committee)	29,600.00
5	IT and Layout Designer	40,000.00
6	Meeting expenses	6,000.00
	Overhead	57,400.00
	Total	1,433,571.65

Shree Jind

Kailash

M. Chautari

S. K. Singh

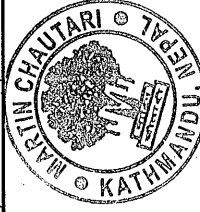
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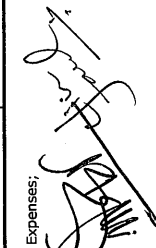

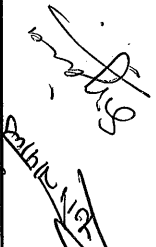




Martin Chautari
Comparative Statement of Annual Budget Per AWAB and Actual Expenditure (2074/75-up to 32 Ashad 2075)

Activity	Annual Budget (a)	Foundation Open Society Institute	International Center for Transitional Justice	National Endowment for Democracy	Ford Foundation	MC Core fund	Indian Embassy	Danida Fellowship Center	UNDP	School of Oriental & African Studies	Total Expenses (b)**	Balance (c=a-b)	(Excess)/ Short Balance % (c/a)
(A.1) Output-1 : Enhanced understanding and influencing the debates concerning the transition to federalism, planning mechanisms and structures, and the democratization of institutions and public space at all levels (Political Pathways I)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
(A.2) Output-2 : Increased engagement in research and policy advocacy on identity politics centering on the overcoming of polarizing/polarized identity positions and critical analysis of the politics of the representation and authority in embedded social relations (Political Pathways II)	2,824,005.00	-	-	641,594.00	-	-	-	-	-	2,055,592.00	2,697,186.00	126,819.00	4.49%
(A.3) Output-3 : Building new forms of accountability situated in the intersections of complex lived realities and senses of belonging, identity and rights (Political Pathways III)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
(A.4) Output-4 : Understanding and shaping the debates on the rapidly expanding fields of conventional and new media so as to make it accessible, inclusive and fair (Knowledge Production and Circulation I)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
(A.5) Output 5: Intervening into existing and emerging policies and institutional reforms in both basic and higher education systems through sound research and advocacy for making these systems equitable, fair and of professional quality (Knowledge Production and Circulation II)	1,344,200.00	1,343,479.00	-	-	-	-	-	-	-	-	1,343,479.00	721.00	0.05%
(A.6) Output 6: Engaging critically with formal and informal fields of knowledge production and circulation so as to bridge the gaps between academic knowledge and practice, and between research and policy (Knowledge Production and Circulation III)	5,205,300.00	141,000.00	-	-	-	-	3,933,603.00	-	-	-	4,074,603.00	1,130,697.00	21.72%
(A.7) Output 7: Understanding the growth of infrastructures and their governing ideologies and structures, so as to shape the process for making them more inclusive, fair, and participatory (Material Transformations I)	1,230,000.00	-	-	-	954,455.00	-	-	-	-	-	954,455.00	275,545.00	22.40%
(A.8) Output 8: Intervening into the emerging policies and practices on various modes of exchange so as to make these exchanges rule-based, accountable, transparent and equity wise (Material Transformation II)	1,402,600.00	-	-	-	-	-	-	-	1,336,172.00	-	1,336,172.00	66,428.00	4.74%
(A.9) Output 9: Engaging with debates concerning the roles of technology in shaping the lives and livelihood of the citizens by developing new and critical insights into the history of things (Material Transformations III)	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
(A.10) Output 10: Martin Chautari recognized as the leading independent research and policy institute on Nepal Studies	26,833,905.00	156,669.00	-	1,341,533.00	10,992,610.00	3,835,522.00	-	7,870,816.00	97,400.00	1,167,451.00	25,462,001.00	1,371,904.00	5.11%
(A.11) Output 11: Increased equality and sensitivity within Martin Chautari's structures and interventions areas, including gender, disability and other forms of social and geographical inequalities	-	-	-	-	-	-	-	-	-	-	-	-	0.00%
Total	38,840,010.00	1,641,148.00	-	1,983,127.00	11,947,065.00	3,835,522.00	-	11,804,419.00	1,433,572.00	3,223,043.00	35,867,896.00	2,972,114.00	7.65%
Budget utilization (%)	92.35%												
Percentage of contribution (individual expenses/total expenses)		4.58%	0.00%	5.53%	33.31%	10.69%	0.00%	31.91%	4.00%	8.99%	100.00%		

** Total Expenses (b) is excluding of KU's Expenses;



Martin Chautari
Kathmandu , Nepal
Financial Year 2074 -75

Notes related to Financial Statement

Schedule-8

A Background Information

- 1.1** Martin Chautari (MC) registered as a non-profit making Non-Government Organization (NGO) institution in 2059 BS. It's registered office is located in Kathmandu District Nepal. Since its inception, Martin Chautari's core objectives has been to enhance the quality of public dialogue in Nepal, particularly in matters pertaining to democracy, civil liberties and social and environmental justice.

These financial statements have been prepared under the responsibility of the management of Martin Chautari and approved by Executive Committee meeting of Martin Chautari held on 22 Bhadra 2075 (7 September 2018)

B Significant Accounting Policies

- 2.1** Financial Statement has been prepared under historical cost convention generally under cash basis of accounting except otherwise stated here in after.

2.2 Restricted Fund (Donors Related Activities)

Funds received for specific activities shall be accounted for on receipt by crediting restricted fund accounts. The amount of expenditures incurred for identified project activities shall be considered as project expenditures with corresponding amount as income by debiting restricted fund account. The balance of fund shall be treated as refundable upon completion or premature termination of project activities. These shall be reflected in the financial statements as restricted fund (liable for refund and in the nature of deferred income).

2.3 Bank Account

General bank account has been 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 accounts have been operated for restricted funding activities as per the specific requirement as per respective agreements.


2.4 Income/Grant Recognition and Expenses Accounting

- 2.4.1** All income & grant has been accounted for in cash basis.
- 2.4.2** Interest earned has been accounted on net of advance tax deduction at source.
- 2.4.3** Except for audit fee, books purchased, advance tax withholding on sources and salary; all other expenditures are accounted for on cash basis.

2.5 Capitalization Policy

- 2.5.1** Assets purchased during the year under project has been expensed off as project expenditures. The amount of such assets purchased has been later transferred to Capital Reserve (Project Assets) with corresponding debit to fixed assets.
- 2.5.2** The books purchased under project fund amounting to Rs. 323,208.10 during the current financial year has been reflected in "Capital Book Reserve" with corresponding balance in fixed assets as per usual previous practice.

Handwritten signatures and stamps:

used fund *Kadashy* *M. Chautari* *20/11/18* *20/11/18* *M* *KSP*  *[Signature]*

Martin Chautari
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Financial Year 2074 -75

Notes related to Financial Statement

Schedule-8

2.6 Inventory

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 for and no value is carried forward for the stock lying unutilized. At the end of the year, there are no significant value of inventory which is requiring disclosure.

2.7 Employees Liabilities

Martin Chautari has not made provision for any liabilities relating to employees which arise on account of accumulated leave, gratuity, etc which is not consistent with Labor Act 2074. The provisions of Labor Act 2074 are under discussion.

2.8 Income Tax Liabilities

Martin Chautari has obtained tax exemption certificate from Inland Revenue Office, accordingly liability for tax has not been provided. It has considered all its income within the objectives as specified in its constitution.

2.9 Comparative Statement of Annual Budget Per AWAB and Actual Expenditure (2074/75) including reconciliation with audited expenditure has been appended in **Annexure-1**. The expenditure related to DFC project incurred by the partner institution Kathmandu University (KU) amounting to Rs. 6,127,642.69, has not been reflected in **Annexure-1**, which is subject to separate audit.

3 Significant Disclosures

3.1 Depreciation Rates and Method

Depreciation policy has not been formalized. Accordingly, depreciation has not been charged on the fixed assets (including project assets transferred) purchased during the current financial year and earlier financial years as well.

3.2 Related Parties Transactions

Martin Chautari has not undertaken any related parties transaction be it with relatives, friend etc. of employees or Executive Members. However, certain executive or general members have been hired based on their expertise, qualification and experiences to work as expert on regular or output basis assignment. Management considers this to be carried out in line with its continued past practice.

3.3 Write off/Disposal of Fixed Assets

During the current year fixed asset worth of Rs. 301,810 (Rs. 4,645 for Restricted Fund, Rs. 2,500 for General Fund and Rs. 294,665 for Basket Fund) has been written off/ Disposed as decided by Board Meeting dated 17 Shrawan 2075.

4 Previous years figures have been regrouped and rearranged wherever necessary.

(Handwritten signatures and stamps)

(Circular stamp: MARTIN CHAUTARI, KATHMANDU, NEPAL)

(Circular stamp: Kathmandu, Nepal, Chartered Accountants)