

Transparency International Nepal

Balance Sheet

As on July 15, 2009 (Asadh 31, 2066)

(Figures in Rupees)

Particulars	Note	Current Year	Previous Year
Assets			
Property, Plant and Equipment	4	234,666	311,890
Investments	5	4,000,000	
Total Non-Current Assets		4,234,666	311,890
Accounts Receivable from Donors	7	95,315	232,559
Prepaid, Advances and Deposits		83,816	20,000
Cash and Cash Equivalent	6	5,417,087	5,395,694
Less: Current Liabilities & Provisions		-270,235	-25,100
Net Current Assets		5,325,983	5,623,153
Total Assets		9,560,649	5,935,043
Represented by			
Restricted Fund	7	3,195,297	
Accumulated Fund - transferred from Statement of Income and Expenditure		6,365,352	5,935,041
Total Funds		9,560,649	5,935,041

Attached Explanatory Notes are an integral part of this statement

Komal Chitracar	Shreehari Aryal	Damodar Gautam
Treasurer	Secretary General	President

As per our annexed report

Mukunda Dev Adhikari, CA
Partner
Baker Tilly Banskota & Co
Chartered Accountants

Kathmandu, September 24, 2009

Transparency International Nepal

Statement of Income and Expenditure

for the year ended July 15, 2009 (Asadh 31, 2066)

(Figures in Rupees)

Particulars	Sch. No.	Current Year	Previous Year
Income			
Income from donors for Projects		3,312,560	1,712,096
Grant-in-aids	8	236,541	
Interest Income		290,488	98,829
Miscellaneous Income	9	469,413	80,198
Total		4,309,002	1,891,123
Expenses			
Salary and Allowances		1,087,054	420,489
Direct Project Expenditure	10	2,099,393	885,512
General and Overhead Cost	11	692,244	2,033,456
Total		3,878,691	3,339,457
Net Surplus/(Deficit)		430,311	-1,448,334
Balance of Accumulated Fund as on 31.03.65		5,935,041	7,383,375
Balance of Accumulated Fund as on 31.3.2066 taken to Balance sheet		6,365,352	5,935,041

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Explanatory Notes

On the Financial Statements

for the year ended July 15, 2009 (Asadh 31, 2066)

1. Background

- 1.1 Transparency International Nepal (TIN) was established in 1996 as a non-political, non-governmental, non-profit making organization. TIN is registered with the District Administration office, Kathmandu under Societies Registration Act 1977 and affiliated with the Social Welfare Council. TIN is recognized as the national chapter of Transparency International having its head office in Berlin, Germany.
- 1.2 TIN is recognized as a tax exempted organization by the Inland Revenue Department.
- 1.3 TIN's mission is to work towards corruption free Nepal. Its main objectives are to:
 - combat corruption in all forms at national and international levels through advocacy, representation, networking, coalitions and awareness building;
 - discourage abuse of public post and authority for personal interest and
 - motivate movements, organizations, groups, communities for proactive role against corruption.
- 1.4 The General Body elects the members of Executive Committee including President. Three office bearers Vice- President, Secretary General and Treasurer are nominated by the President. The Executive Committee forms several sub- committees to advise on the various programmes and policies.
- 1.5 TIN has an Operation Manual for the management of administration, finance and personnel affairs.

2. Significant Accounting Policies

- 2.1 Presentation of financial statements
 - 2.1.1 The financial statements are prepared under the historical cost convention on an accrual basis except as stated in the related notes.
 - 2.1.2 The figures are presented in nearest rupees and totals may not add up due to approximation.
 - 2.1.3 Previous year's figures are reclassified or adjusted to make them comparable with this year's figures.
- 2.2 Revenue Recognition
 - 2.2.1 Income from donors for projects is recognized on the basis of expenditure charged to the project during the year.
 - 2.2.2 Grants-in-aid is recognized on a cash basis.
 - 2.2.3 Income from interest on bank deposits is recognized on a cash basis.
 - 2.2.4 Income from membership fee, sales of publications and other minor items are recognized on a cash basis.

2.3 Assets and Liabilities

2.3.1 Property, plant and equipment are either acquired out of accumulated fund or capitalized upon transfer of ownership to TIN after project completion as per agreement with respective donor. The value of fixed assets is capitalized on the basis of the cost of acquisition less depreciation for the period already used in the various projects. The cost of acquisition is composed of suppliers' invoice price plus duties and other capital costs. Where the information relating to the cost of acquisition is not known, the value is determined on the basis of replacement cost. Depreciation is charged on written down value method: Office equipment and Furniture @ 25% p.a. and Vehicles @ 20% p.a.

2.3.2 Provision is a liability of uncertain timing or amount. It is recognized when:

- 1 There is present obligation (legal or constructive) as a result of past event;
- 2 It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 3 A reliable estimate can be made of the amount of the obligation.

2.3.3 The closing balance of foreign currency monetary items is translated using the closing rate and the exchange difference is taken to revenue.

2.4 Fund

2.4.1 Restricted Fund represents the balance of fund received from donors for utilization in the specified projects as per the agreement or understanding between the various donors and TIN.

2.4.2 Accumulated Fund represents the balance of free fund available at the disposal of the organization to be spent as per the decision of the Executive Committee.

3. Change in presentation of financial statements

The balance of fund is segregated this year into the following two funds:

- a) Restricted Fund which is the balance of fund in the various projects to be spent as per agreement with the donors, and
- b) Accumulated Fund which is the balance of unrestricted fund which is to utilized as per the discretion of the Executive Committee.

The figures for the previous year were presented accordingly with the following effect:

Balance as on 31.3.2066	Rs.
a) Accumulated Fund	5,935,041
b) Accounts receivable from donors	<u>(232,559)</u>
Net balance	
as per last year's Balance Sheet	<u>5,702,483</u>

4. Property, Plant and Equipment

(Figures in Rupees)

	Office Equipment & Furniture	Vehicle	Total
Original Cost			
as on 1.4.2065	1,431,061	87,250	1,518,311
addition/ deduction this year	0	0	0
as on 31.3.2066	1,431,061	87,250	1,518,311
Accumulated depreciation			
as on 1.4.2065	1,134,149	72,273	1,206,422
depreciation this year	74,228	2,995	77,224
as on 31.3.2066	1,208,377	77,224	1,283,645
Written Down Value			
as on 31.3.2066	222,685	11,982	234,666
as on 31.3.2065	296,913	14,977	311,890

5. Investment

The fund that was in surplus of the current cash commitments was invested as follows:

7.25% Term Deposit with bank - maturing on November 22, 2010: Rs. 4,000,000

6. Cash and Cash Equivalents

Balance with banks in call and checking accounts	Rs.
in foreign currency	3,983,316
in Rupee	1,433,771
Total	5,417,087

7. Restricted Fund

The movements of funds with the various projects and the balance of fund or the accounts receivable from donors are as per detail below. (Figures in Rupees)

Project/ Donor	Opening Balance	Fund Transfer this year	Total Income	Expenditure this year	Balance of Restricted Fund	Receivable from donor
Finland Embassy	(232,559)	232,559	0	0	0	
ALAC I & II		3,414,900	3,414,900	1,408,237	2,006,663	
MONP		297,477	297,477	269,492	27,985	
CRINIS		998,835	998,835	777,305	221,530	
FPMS		700,000	700,000	795,315		95,315
FK		1,001,330	1,001,330	62,211	939,119	
Total	(232,559)	6,412,542	6,412,542	3,312,560	3,195,297	95,315

The profile of the projects under implementation during the year were as per below.

Donor	Project title	Acro- nym	Project Duration	Curre ncy	Budget	Fund transfer this year	Budget balance
Transparency International	Advocacy & Legal Advice Center (Inception Phase)	ALAC I	01/10/08 – 31/03/09	GBP	16,610	16,610	-
Ditto	Ditto (Implementation Phase)	ALAC II	01/04/09 – 30/09/12	GBP	135,740	12,880	122,860
Ditto	Membership Outreach and Network Project	MONP	June 2008 - June 2009	USD	3,000	3,000	-
Ditto	CRINIS – Nepal	CRINIS	31/12/08 – 31/08/09	EUR	14,000	10,000	4,000
World Wildlife Fund	Poaching of mega species and illegal trade of their parts	FPMS	16/10/08 - 15/05/09	NPR	1,250,000	700,000	550,000
Fredskorpset, Norway	Partnership in South - South Asia	FK	06/05/09 – 31/10/10	USD	39,434	13,115	26,319

8. Grants-in-aid

A donation of USD 3,000 (Rs. 236,541) was received from Mr. Marvin A. Bustin to be spent for good purpose as per objectives of TIN.

9. Miscellaneous Income

Particulars	Rs.
Foreign Exchange Gain/Loss	321,937
Membership Fee	17,500
Sales of Publication	36,723
Global Corruption Report 2009	41,860
Others	51,393
Total	469,413

10. Direct Project Expenditure

Direct Project Expenditure includes the various specified costs which were incurred exclusively for the purpose of the various projects as per agreement with the concerned donors. Details are as per below. (Figures in Rupees)

Contribution to Support Group	275,000
Salary & Allowances (Project staff)	241,948
Research & Consultant	570,142
Capital expenses (Office equipment & Furniture)	300,591
Travel	510,608
Workshop and meeting	85,949
Postage & Telephone	5,912
Website	28,849
Office Materials	6,565
Resource Centre/Documentation	443
Printing & Publication	73,386
Total	2,099,393

11. General and Overhead Cost

<u>Particulars</u>	<u>Rs.</u>
House Rent	217,800
Hospitality	27,467
Meeting expenses	10,503
Postage & Telephone	59,558
Stationery and Supplies	21,797
Resource Centre/Documentation	12,345
Transportation & Conveyance	25,977
Electricity	11,868
Bank Charges	3,488
Repair & Maintenance	64,360
Printing & Publication	5,230
Contribution to Support Group	45,000
Website	26,397
Miscellaneous Expenses	55,145
Registration & Taxes	2,985
Audit fee	25,100
Depreciation	77,224
Total	692,244

As per our annexed report

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