

N.K.P. & Associates.

Firm Regd. No. 3286
Kapan, Kathmandu,
Nepal.

COP. No: 3120 "B"
ICAN No: 4349
PAN: 302588066

AUDITOR'S REPORT TO THE MEMBERS OF FREEDOM FORUM

Report on the Audit of Financial Statements

We have audited the accompanying financial statements of Freedom Forum, which comprise the statement of financial position as at 32nd Ashadh 2082 (corresponding to 16th July 2025), statement of income & expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information so required and give a true and fair view in conformity with the Nepal Accounting Standards (NAS) for NPOs of the state of affairs of the organization as at 32nd Ashadh 2082 (corresponding to 16th July 2025), and the statement of income & expenditure, statement of changes in equity and statement of cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Nepal Accounting Standards on Auditing. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the *Code of Ethics* together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Board Members is responsible with respect to the preparation of these financial statements that give a true and fair view of the statement of financial position as at 32nd Ashadh 2082 (corresponding to 16th July 2025), and the statement of income & expenditure, statement of changes in equity and statement of cash flows for the year then ended in accordance with Nepal Accounting Standards (NAS) for NPOs. This responsibility also includes maintenance of adequate accounting records in accordance with accounting standards for safeguarding of the assets of the organization and for preventing and detecting frauds and other irregularities selection and application of appropriate implementation and maintenance of accounting policies making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, Board Members is responsible for assessing the organization'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 Board Members either in tends to liquidate the organization or to cease operations, or has no realistic alternative but to do so. Those Board Members are also responsible for overseeing the organization's financial reporting process.

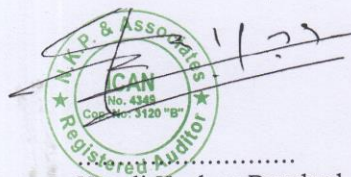
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material mis statement 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.

Report on Other Legal and Regulatory Requirements:

We have obtained satisfactory information and explanations asked for, which to the best of our knowledge and belief were necessary for the purpose of our audit the financial statements have been prepared in accordance with the Relevant Act of Nepal, and they are in agreement with the books of accounts of the organization and the accounts and records of the organization are properly maintained in accordance with the prevailing laws.

To the best of our information and according to the explanations given to us, in the course of our audit, we did not come across cases of accounting related fraud and the cases where the board members or any member or any office bearer of the organization has acted contrary to the provisions of law or caused loss or damages to the organization or committed any misappropriation of the funds of the organization.



Nandi Keshar Poudyal
Registered Auditor
Place: Kathmandu
Date: 2082.12.01

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

FREEDOM FORUM

Statement of Accounting Policies and Notes to Financial statement

For the year ended 32nd Ashadh 2082 (16th July 2025)

1. General Information

Freedom Forum is a non-government not for profit organization established under institute Registration Act ("Sanstha Darta Ain"). It is established on 2062.05.16 and affiliated with Social Welfare Council/District Administration Office. Its registered office is in Thapathali, Kathmandu, Nepal as principal place of activities.

It is domiciled in Nepal and it has registered with Inland Revenue Department (IRD) Tripureshwor on 11-06-2062 vide PAN Number 302021332.

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 statement as at 32nd Ashadh 2082 (16th July 2025) 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.

The Financial Statements were Authorized for the issue as per decision of the Board or Executive Committee.

2.2. Basis of measurement

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

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2.3. Functional and presentation currency

The financial statements are presented in Nepal Rupees (NRs.), which is the organization's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest rupees/thousands/million, except when otherwise indicated.

2.4. Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

2.5. Significant Accounting Judgements, 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 judgement in the process of applying the accounting policies. Estimates and judgements 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 results may differ from these estimates and assumptions.

3. Summary of Significant accounting policies

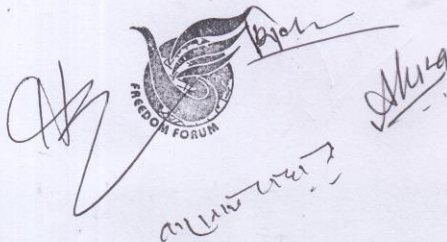
3.1. Property Plant and Equipment

a. Cost and Valuation

All items of property, plant and equipment are initially recorded at cost. Subsequent to the initial recognition of an asset, property plant and equipment are carried at cost less any subsequent depreciation. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in the Statement of Income & Expenditure as an expense as incurred.

Building owned are used for the purposes of Freedom Forum only and not for income generating purpose and therefore do not fall under the definition of Investment Property.

Revaluation model has been followed for Building and Land at the reporting date.

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b. Depreciation

Depreciation is provided for on all Property Plant and Equipment on the straight-line basis and is calculated on the cost of all property, plant and equipment other than land, in order to write off such amounts less any terminal value over the estimated useful lives of such assets.

The annual rates of depreciation currently being used by Freedom Forum based on useful life less residual/terminal values are:

<u>Assets</u>	<u>Rates pa</u>
Buildings	5%
Motor Vehicles	20%
Plant and Machinery	15%
Computers Equipment	25%
Office Equipment	25%

Donated Assets

Where 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 assets 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 is considered the date of purchase.

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

Handwritten signatures and a logo for Freedom Forum.



therefore reflected in the Statement of Income & Expenditure in the year in which the expenditure is incurred.

The useful lives of intangible assets assessed to be either finite or indefinite.

Intangible assets software has been amortized within the period of 5 years.

Intangible assets with finite useful lives are amortized over their useful economic life. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Accordingly, straight line amortization over the useful life is carried out.

Intangible assets with indefinite useful lives are tested for impairment annually. Such Intangibles are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3.3. Foreign-currency transactions

Transactions in currencies other than Nepal Rupees are converted into Nepal Rupees at rates which approximate the actual rates at the transaction date. At the reporting date, monetary assets (including securities) and liabilities denominated in foreign currency are converted into Nepal Rupees at the rate of exchange at the rate of exchange at that date. Realized and unrealized exchange differences are reported in the Statement of Income & Expenditure.

3.4. Investments

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

3.5. Cash and cash equivalents

Freedom Forum considers and classifies 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 equipment's". Bank borrowings that are repayable on demand and form an integral part of the Freedom Forum's cash management are included as a component of cash and cash equipment's for the purpose of the Statement of Cash Flows.

3.6. Inventories

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Inventories are valued at the lower of cost and net realizable value. Net realizable value is the price at which inventories can be reasonably expected to be sold in the market place, less any estimated cost necessary to make the sale.

The cost is determined on first-in first-out (FIFO) method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and such time they are distributed or resold.

3.7. Provisions

A provision is recognized in the statement of financial position when Freedom Forum 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.

3.8. Employee Benefits Liabilities

The organization's obligation in respect of the defined future benefits plans is calculated separately for each benefits plans by estimating the amount of future benefits that employees have earned in the current and prior periods. The calculation of the defined benefits obligations is performed annually.

Gratuity, medical facilities & accumulated leave provision has been provided as per By-Laws, assuming that all the staffs will be retired at the reporting date.

3.9. Loans and Borrowings and Account Payables

Loans and borrowings and Accounts payables are stated at their cost.

3.10. 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 by Freedom Forum 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 prior approval of the Donor.

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Contributions received from the general public are recognized in the Statement of Income & expenditure on a cash basis.

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.

Where grants are received for the use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Income & Expenditure to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under accumulated fund and the Statement of Financial Position until such time as they are required.

Funds collected through a fund-raising activity for any specific or defined purpose are also included under this category.

Where approved grant expenditure exceeds the income received and there is certainly that the balance will be received such amount is recognized through debtors in the Statement of Financial position.

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. Such restricted fund may include conditions for refund should there be balance of fund at the end of the project.

d. Endowment Reserves/Funds

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

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

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3.11. Grants and Subsidies

Grants and subsidies are recognized in the financial statements at their fair value. When the grant or subsidy relates to an expenses it is recognized as deferred income necessary to match it with the costs over the accounting years, which is intended to compensate for on a systematic basis.

Grants and subsidies in the form of PPE (Fixed assets) are generally shown as deferred income in the statement of Financial Position and credited to the Statement of income & expenditure over the useful life of the assets by the amount of depreciation with corresponding debit to deferred income over more than on accounting period.

In the case grants received to fund an entire project or activity, which includes the purchase of an asset, and the cost of such asset is charged with the project's costs to the statement of Financial Performance, the grant value is recognized as income in the period as the cost of the asset is charged to the Statement of Income & Expenditure. At the end of the project, when there is certain fair value remains of such assets charged to Statement of income & Expenditure, same will be recognized as capital reserves at fair value with corresponding value of PPE. Each year and over its useful life, the depreciation will be charged to capital reserve with corresponding credit to related PPE.

3.12. Income recognition

a. Contributions/Incoming sources

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 has characteristics similar to revenue in business entities and has been treated accordingly. It is only recognised 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 NPO.

Gifts and donations received in kind are recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being

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used for the purpose of Freedom Forum at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements.

All other income is recognized when Freedom Forum is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.

b. Financial Income

Interest earned is recognized on an accrual basis when there is certainty of receipt.

Dividend received is recognized when the right to receive dividend is established.

Revenues earned on services rendered are recognized in the accounting period in which the services were rendered and accepted by the clients.

Net gains and losses on the disposal of property, plant and equipment and other non-current assets, including investments, are recognized in the Statement of Income & Expenditure after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses.

3.13. Expenditure recognition

Expenses in carrying out the projects and other activities of Freedom Forum are recognized in the Statement of Income & expenditure during the period in which they are incurred. Other expenses incurred in administering and running Freedom Forum 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 & Expenditure.

3.14. Taxation

a. Current Taxes

Income tax is provided in accordance with provisions of the Income Tax Act on the profits earned by Freedom Forum to exemptions referred to in Note 4.29 to the financial statements.

b. Deferred Taxes

Freedom Forum has got tax exempted status and accordingly no provision for tax has been made.

c. Value added taxes

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Value Added Taxes (VAT) that are payable on services and goods purchased are normally included in the cost of such item. An exception would be where Freedom Forum is exempted and entitled to refund, in such case, same would be reflected as receivable in the Statement of Financial Position.

3.15. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset, are charged off to Statement of Income & Expenditure as expense. Other borrowing costs are treated as an expense in the period in which it is incurred.

3.16. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of Freedom Forum. It may also be a present obligation that arises from past events but in respect of which an outflow of economic benefit is not probable or which cannot be measured with sufficient reliability. Such contingent liabilities are recorded under Note. For certain operational claims reported as contingent liabilities, it is not practical to disclose detailed information on their corresponding nature and uncertainties.

4. Transitional Provision

NAS for NPOs has been applied from the 2080.04.01 as it is only practically possible to undertake retrospective application from that date.

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to NAS for NPOs in:

Reconciliation of Statement of Financial Position as at 31st Ashad 2081

Reconciliation of Statement of Income and Expenditure for the year ended 31st Ashad 2081

Previous GAAP information has been reclassified/ regrouped in accordance with NAS for NPOs, wherever necessary, based on the audited financial statements of the Company for the year ended 31st Ashad 2081.

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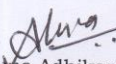


FREEDOM FORUM
Thapathali, Kathmandu, Nepal
STATEMENT OF FINANCIAL POSITION
As at 32nd Ashadh 2082(16 July 2025)

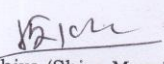
Figures in NPR
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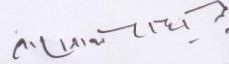
Particulars	Notes	As at 32nd Ashadh 2082	As at 31st Ashadh 2081
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	4.1	386,012	469,097
Intangible Assets	4.2	-	-
Investment Property	4.3	-	-
Long term investments	4.4	-	-
Other noncurrent assets	4.5	-	-
Total Non - Current Assets		386,012	469,097
Current Assets			
Inventories	4.6	-	-
Account receivable	4.7	1,517,098	1,402,942
Cash and cash equivalents	4.8	10,745,352	15,190,105
Total Current Assets		12,262,450	16,593,048
Total Assets		12,648,462	17,062,145
LIABILITIES & RESERVES			
Accumulated Reserves			
Unrestricted Funds/accumulated surplus	4.9	11,067,606	11,981,332
Designated Funds	4.10	-	-
Restricted Funds	4.11	57,519	4,220,075
Endowment Fund	4.12	-	-
Other Capital Reserves	4.13	-	-
Total Accumulated Reserves		11,125,125	16,201,407
Non - Current Liabilities			
Loans and borrowings	4.14	-	-
Employee benefit liabilities	4.15	-	-
Deferred Revenue	4.16	-	-
Other non-current liabilities	4.17	-	-
Total Non - Current Liabilities		-	-
Current Liabilities			
Accounts payable	4.18	1,523,337	860,738
Loans and borrowings	4.19	-	-
Provisions	4.20	-	-
Bank Overdrafts	4.21	-	-
Total Current Liabilities		1,523,337	860,738
Total Liabilities		1,523,337	860,738
Total Liabilities and Reserves		12,648,462	17,062,145

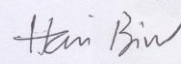
The Notes on accounts form an integral part of the financial statements.


Aruna Adhikari
Finance Officer




Shiva (Shiva Maya) Dahal
Treasurer


Taranath Dahal
Executive Chief


Hari Binod Adhikari
Chairperson



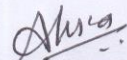

Nand Keshar Poudyal
N.K.P. & Associates
Reg. Auditor
Kathmandu, Nepal

FREEDOM FORUM
Thapathali, Kathmandu, Nepal
STATEMENT OF INCOME & EXPENDITURE
For the Year Ended 32nd Ashadh 2082(16 July 2025)

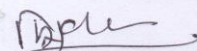
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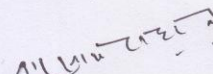
Particulars	Notes	FY 2081-82	FY 2080-81
INCOME			
Incoming Resources	4.22	12,518,229.00	7,070,017.70
Financial Income	4.23	342,584.94	836,573.01
Other Income	4.24	-	-
Total Income		12,860,813.94	7,906,590.71
EXPENDITURE			
Staff Cost/Expenses	4.25	3,714,215.00	4,357,768.00
Program Expenses	4.26	8,183,909.00	3,440,022.20
General Administrative Expenditure	4.27	1,775,331.00	2,591,757.69
Depreciation	4.1.1	101,085.44	123,237.57
Other Expenditure	4.28	-	-
Total Expenditure		13,774,540.44	10,512,785.46
Net surplus/(deficit) before Taxation		(913,726.50)	(2,606,194.75)
Income Tax Expenses	4.29	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		(913,726.50)	(2,606,194.75)
APPROPRIATION OF SURPLUS FOR THE YEAR			
Allocation to Reserves		(913,726.50)	(2,606,194.75)
Allocation to Endowment Fund			

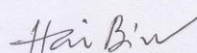
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Aruna Adhikari
Finance Officer

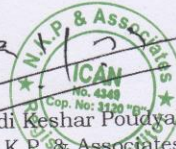



Shiva (Shiva Maya) Dahal
Treasurer


Taranath Dahal
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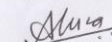


FREEDOM FORUM
Thapathali, Kathmandu, Nepal
STATEMENT OF CHANGES IN RESERVES
For the Year Ended 32nd Ashadh 2082(16 July 2025)

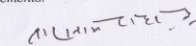
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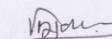
Description	Restricted Reserves	Designated Fund	Unrestricted Reserves	Endowment Funds	Capital Reserves	Result For the Year	Total
Balance as at 31st Ashadh 2080			14,587,526.97				14,587,526.97
Result for the Year						1,613,880.18	1,613,880.18
Allocation of results to Restricted Reserves	4,220,074.93					(4,220,074.93)	-
Allocation of results to Designated Fund						-	-
Allocation of results to Unrestricted Fund			(2,606,194.75)			2,606,194.75	-
Allocation of results to Endowment Fund						-	-
Allocation of results to Capital Fund						-	-
Balance as at 01st Shrawan 2081	4,220,074.93	-	11,981,332.22	-	-	-	16,201,407.15
Result for the Year						(5,076,282.30)	-5076282.299
Allocation of results to Restricted Reserves	(4,162,555.80)					4,162,555.80	-
Allocation of results to Designated Fund						-	-
Allocation of results to Unrestricted Fund			(913,726.50)			913,726.50	-
Allocation of results to Endowment Fund						-	-
Allocation of results to Capital Fund						-	-
Balance as at 32nd Ashadh 2082	57,519.13	-	11,067,605.72	-	-	-	11,125,124.85

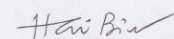
The Notes on accounts form an integral part of the financial statements.


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Taranath Dahal
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FREEDOM FORUM

Thapathali, Kathmandu, Nepal

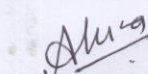
STATEMENT OF CASH FLOWS

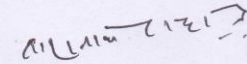
For the Year Ended 32nd Ashadh 2082 (16 July 2025)

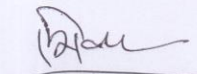
Figures in NPR

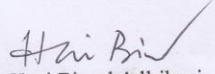
Particulars	Current Year	Previous Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year (Before Tax)	(913,726.50)	(2,606,194.75)
Adjustments to reconcile surplus/(deficit) to net cash flows: Non-cash items:		
Depreciation and impairment of property, plant and equipment	101,085.44	123,237.57
Amortization and impairment of intangible assets		
Provision and losses on inventories		
Movement in provisions, receivables and specific risks		
Losses/ (gains) on securities		
Gains from disposal of Fixed assets		
Working capital adjustments:		
Account receivable	(114,155.99)	(465,910.66)
Prepayments		
Inventories		
Other Financial assets		
Account payable	662,599.00	(109,372.50)
Accrued expenses and deferred income		
Other financial liabilities		
Less:		
Income Tax paid		
Interest paid		
Net cash from/(used in) operating activities	(264,198.05)	(3,058,240.34)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(18,000.00)	-
Purchase of intangible assets		
Purchase from sale of equipment		
Purchase of securities		
Income from securities, net		
Net cash from/(used in) investing activities	(18,000.00)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ Decrease in Fund	(4,162,555.80)	3,916,612.40
Borrowing of government loans		
Repayments of government loans		
Net cash from/(used in) financing activities	(4,162,555.80)	3,916,612.40
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(4,444,753.85)	858,372.06
CASH AND CASH EQUIVALENTS AT 01st Shrawan 2081	15,190,105.36	14,331,733.30
CASH AND CASH EQUIVALENTS AT 32nd Ashadh 2082	10,745,351.51	15,190,105.36

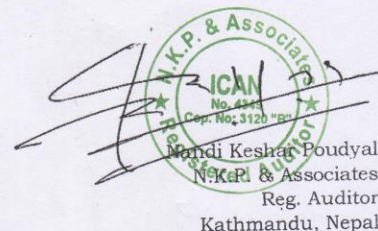
The Notes on accounts form an integral part of the financial statements.


Aruna Adhikari
Finance Officer


Taranath Dahal
Executive Chief


Shiva (Shiva Maya) Dahal
Treasurer


Hari Binod Adhikari
Chairperson



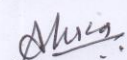
FREEDOM FORUM
Thapathali, Kathmandu, Nepal
Notes to Financial Statements

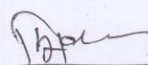
Figures in NPR

Reconciliation of Statement of Financial Position as at 32nd Ashadh 2082(16 July 2025)

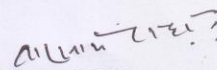
Particulars	Local GAAP	Adjustments	NAS for NPOs Balance
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	469,097	-	469,097
Intangible Assets	-	-	-
Investment Property	-	-	-
Long term investments	-	-	-
Other noncurrent assets	-	-	-
Total Non - Current Assets	469,097	-	469,097
Current Assets			
Inventories	-	-	-
Account receivable	858,454	(544,488)	1,402,942
Cash and cash equivalents	15,069,042	(121,063)	15,190,105
Total Current Assets	15,927,497	(665,551)	16,593,048
Total Assets	16,396,594	(665,551)	17,062,145
LIABILITIES & RESERVES			
Accumulated Reserves			
Unrestricted Funds/accumulated surplus	11,981,332	-	11,981,332
Designated Funds	-	-	-
Restricted Funds	3,775,242	(444,833)	4,220,075
Endowment Fund	-	-	-
Other Capital Reserves	-	-	-
Total Accumulated Reserves	15,756,574	(444,833)	16,201,407
Non - Current Liabilities			
Loans and borrowings	-	-	-
Employee benefit liabilities	-	-	-
Deferred Revenue	-	-	-
Other non-current liabilities	-	-	-
Total Non - Current Liabilities	-	-	-
Current Liabilities			
Accounts payable	640,019	(220,719)	860,738
Loans and borrowings	-	-	-
Provisions	-	-	-
Bank Overdrafts	-	-	-
Total Current Liabilities	640,019	(220,719)	860,738
Total Liabilities	640,019	(220,719)	860,738
Total Liabilities and Reserves	16,396,594	(665,551)	17,062,145

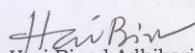
The Notes on accounts form an integral part of the financial statements.

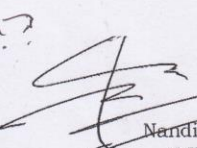

Aruna Adhikari
Finance Officer


Shiva (Shiva Maya) Dahal
Treasurer




Taranath Dahal
Executive Chief


Hari Binod Adhikari
Chairperson


Nandi Keshar Poudyal
N.K.P. & Associates
Reg. Auditor
Kathmandu, Nepal



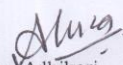
FREEDOM FORUM
Thapathali, Kathmandu, Nepal
Notes to Financial Statements

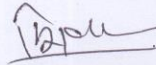
Reconciliation of Statement of Income and Expenditure for the year ended 32nd
Ashadh 2082(16 July 2025)

Figures in NPR

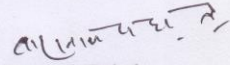
Particulars	Local GAAP	Adjustments	NAS for NPOs Balance
INCOME			
Incoming Resources	10,512,785.46	3,442,767.76	7,070,017.70
Financial Income	-	(836,573.01)	836,573.01
Other Income	-	-	-
Total Income	10,512,785.46	2,606,194.75	7,906,590.71
EXPENDITURE			
Staff Cost/Expenses	-	(4,357,768.00)	4,357,768.00
Program Expenses	3,440,022.20	-	3,440,022.20
General Administrative Expenditure	6,949,525.69	4,357,768.00	2,591,757.69
Depreciation	123,237.57	-	123,237.57
Other Expenditure	-	-	-
Total Expenditure	10,512,785.46	-	10,512,785.46
Net surplus/(deficit) before Taxation	-	2,606,194.75	(2,606,194.75)
Income Tax Expenses	-	-	-
SURPLUS/(DEFICIT) FOR THE YEAR	-	2,606,194.75	(2,606,194.75)
APPROPRIATION OF SURPLUS FOR THE YEAR			
Allocation to Reserves	-	2,606,194.75	(2,606,194.75)
Allocation to Endowment Fund	-	-	-

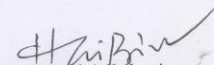
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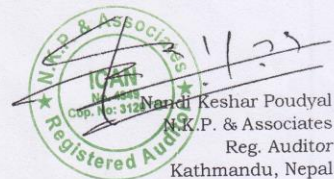

Aruna Adhikari
Finance Officer


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Hari Binod Adhikari
Chairperson



FREEDOM FORUM
Thapathali, Kathmandu, Nepal
NOTES TO FINANCIAL STATEMENTS

Property, Plant and Equipment

4.1

Item	Opening balance 01.04.2081	Revaluation Surplus/(Deficit)	Addition during the year	Disposal during the year	Balance at 32.03.2082
Land	-	-	-	-	-
Building	-	-	-	-	-
Plant and Machinery	76,611.67	-	-	-	76,611.67
Machine (Donated)	-	-	-	-	-
Machine (Not Handed Over)	-	-	-	-	-
Vehicles	354,420.59	-	-	-	354,420.59
Computer equipment	40,069.15	-	-	-	40,069.15
Office Equipment	121,233.18	-	18,000.00	-	139,233.18
Total	592,334.59	-	18,000.00	-	610,334.59

Depreciation

4.1.1

Item	Balance as at 01.04.2081	Charge for the year	Disposal during the year	Balance at 32.03.2082
Building	-	-	-	-
Plant and Machinery	11,491.75	9,767.99	-	21,259.74
Machine (Donated)	-	-	-	-
Machine (Not Handed Over)	-	-	-	-
Vehicles	70,884.12	56,707.29	-	127,591.41
Computer equipment	10,017.29	7,512.97	-	17,530.25
Office Equipment	30,844.41	27,097.19	-	57,941.61
Total	123,237.57	101,085.44	-	224,323.01

Intangible Assets

4.2

Item	Balance as at 01.04.2081	Additions during the year	Disposal during the year	Balance at 32.03.2082
Software	-	-	-	-
Total	-	-	-	-

Amortization

4.2.1

Item	Balance as at 01.04.2081	Additions during the year	Disposal during the year	Balance at 32.03.2082
Software	-	-	-	-
Total	-	-	-	-

Investment Property

4.3

Item	Opening balance	Additional during the year	Disposal during the year	Balance at 32.03.2082
Total				

Long Term Investment

4.4

Item	Opening balance	Additional during the year	Disposal during the year	Balance at 32.03.2082
Investment in share of listed bank	-	-	-	-
Total	-	-	-	-

Other Non Current Assets

4.5

Item	2082.03.32	2081.03.31
Long term prepaid expenses	-	-
Total	-	-

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Inventories

4.6

Particulars	2082.03.32	2081.03.31
Finished Goods and Goods for Sale/use	-	-
Donation received in Kind	-	-
Total	-	-

Accounts Receivables

4.7

Particulars	2082.03.32	2081.03.31
Deposits and Advances	-	-
VAT Refundable	-	-
Withholding Taxes	-	-
Other account receivable	1,517,098.44	1,402,942.45
Less: Allowance for account receivable	-	-
Total	1,517,098.44	1,402,942.45

Cash and cash equivalent

4.8

Particulars	2082.03.32	2081.03.31
Cash in hand	6,000.00	13,639.00
Cash at bank	5,739,351.51	5,176,466.36
Short-term deposits	5,000,000.00	10,000,000.00
Total	10,745,351.51	15,190,105.36

Unrestricted

Funds/Accumulated Surplus

4.9

Particulars	2082.03.32	2081.03.31
Balance at beginning of the year	11,981,332.22	14,587,526.97
Unrestricted surplus/deficit in operating activities	(913,726.50)	(2,606,194.75)
Balance at end of the year	11,067,605.72	11,981,332.22

Designated Funds

4.10

Particulars	2082.03.32	2081.03.31
Balance as at beginning of year	-	-
Additional Funds received during the year	-	-
Balance as at year end	-	-

Designated for

4.10.1

Particulars	2082.03.32	2081.03.31
Total		

Restricted Funds

4.11

Particulars	2081/82	2080/81
Balance as at beginning of year	4,220,074.93	1,254,455.38
Additional funds received during the year	4,021,353.20	6,405,641.75
Less: Transferred to Statement of Income and Expenditure	8,183,909.00	3,440,022.20
Less: Interest income on restricted	-	-
Transfer to unrestricted funds	-	-
Balance As at end	57,519.13	4,220,074.93

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Project wise allocation and movement in restricted funds

Name of Donor organization	Project Name/Description	Balance brought forward	Received /restricted surplus during the year	Transferred to statement of income &Expenditure	Interest income on restricted	Balance carried forward shown in restricted fund balance
CECI Nepal	Sustainable Use of Technology for Public Sector Accountability in Nepal (SUSASAN II)	777.00	-	-	-	777.00
The Asia Foundation (TAF)	RTI Diagnostic Study & Enabling Environment for RTI through Research, Training and Support to Nodal Agency	31,645.00	-	-	-	31,645.00
	Fund for Earthquake Victim-Journalist	20,000.00	-	-	-	20,000.00
PEFA	PEFA 21	235,559.00	-	-	-	235,559.00
GDP	Budget Credibility & The SDG	311,219.80	-	-	-	311,219.80
IFEX	Campaign & Advocacy Digital Issues-IFEX	4,548.00	-	-	-	4,548.00
The Asia Foundation (TAF)	Lobby/ Advocacy for NSB IN Lower House	7,090.25	-	-	-	7,090.25
GMDF	Enabling Safety of Journalist (ESAJ)	1,212,666.88	2,543,148.20	4,177,305.00	-	(421,489.92)
IFEX	To Strengthen Free & Safe Civic Space for P.P FOE	1,156,494.00	-	1,188,674.00	-	(32,180.00)
IBP	COAB II Project	1,240,075.00	598,755.00	1,938,480.00	-	(99,650.00)
MOCIT	MOCIT Grant	-	200,000.00	200,000.00	-	-
UNESCO_ Kathmandu	Focus Group Discussion on Social Media	-	173,340.00	173,340.00	-	-
UNESCO_ Kathmandu	Workshop on " The Governance of Digital Platforms E	-	506,110.00	506,110.00	-	-
TOTAL		4,220,074.93	4,021,353.20	8,183,909.00	-	57,519.13

Endowment Funds

4.12

Particulars	2081/82	2080/81
Balance at beginning of the year	-	-
Addition During the Year	-	-
Surplus/deficit for the year	-	-
Balance at the end of the year	-	-

Other Capital Reserves

4.13

Particulars	2081/82	2080/81
Revaluation Surplus	-	-
Deferred Income Machine	-	-
Less: Depreciation for the Year	-	-
Balance at the end of the year	-	-

Loans and Borrowings

4.14

Particulars	2081/82	2080/81
Term Loan	-	-
Less: Current Portion of Term Loan	-	-
Balance at the end of the year	-	-

Handwritten signature and stamp of the organization.

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Employees Benefit Liabilities

4.15

Particulars	2081/82	2080/81
Defined Employment Benefit Plan	-	-
	-	-

Deferred Revenue

4.16

Particulars	2081/82	2080/81
Deferred income	-	-
Less: Transferred to Statement of Income and Expenditure	-	-
Total	-	-

Other Non Current Liabilities

4.17

Particulars		

Account Payable

4.18

Particulars	2081/82	2080/81
Accrued Expenses	-	-
Other Payables	1,523,336.68	860,737.68
Total	1,523,336.68	860,737.68

Loans and Borrowings

4.19

Particulars	2081/82	2080/81
Current portion of Term Loan	-	-
Total	-	-

Provisions

4.20

Particulars	2081/82	2080/81
Balance as at the beginning of the	-	-
Allocation during the year	-	-
Use of provision during the year	-	-
Release of provision during the year	-	-
Total	-	-

Bank overdrafts

4.21

Particulars	2081/82	2080/81
	-	-
	-	-
Total	-	-

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Handwritten signature and a circular stamp with the text "K.K. & Associates", "ICAN", "No. 4349", "Cop. No: 3120-B", and "Registered Auditor".

FREEDOM FORUM
Thapathali, Kathmandu, Nepal
NOTES TO FINANCIAL STATEMENTS

Incoming Resources

4.22

Particulars	2081/82	2080/81
Grants –Restricted Funding	8,183,909.00	3,440,022.20
Grants –Unrestricted Funding	1,941,745.00	2,739,017.69
Income from endowments	-	-
Donations from the public	2,392,575.00	890,977.81
Donation- Machine	-	-
Corporate Fundraising	-	-
Gifts in kind	-	-
Donations received in Kind	-	-
Profit from trading or other activities[refer(4.22.1)]	-	-
Other fund raising activities	-	-
Total	12,518,229.00	7,070,017.70

Profit from trading activities

4.22.1

Particulars	2081/82	2080/81
Sale Proceeds	-	-
Less: Cost of Sales	-	-
Opening Stock	-	-
Add: Purchase	-	-
Less: Closing Stock	-	-
Cost/Fair value of items	-	-
Profit earned	-	-

Financial Income

4.23

Particulars	2081/82	2080/81
Interest income from Fixed Deposit	342,584.94	836,573.01
Dividend from Investment	-	-
Total	342,584.94	836,573.01

Other Income

4.24

Particulars	2081/82	2080/81
Rental Income	-	-
Exchange Difference Revaluation Gain	-	-
Total	-	-

Staff Cost

4.25

Particulars	2081/82	2080/81
Wages and salaries	3,408,400.00	4,122,400.00
Staff Food & Hospitality	175,755.00	150,408.00
Post-employment benefits costs	130,060.00	84,960.00
Total	3,714,215.00	4,357,768.00

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Handwritten signature and a circular stamp of "K.P. & Associates" with the text "No. 5445", "C.O.P. No. 3120 'B'", and "Registered Auditor".

Program Expenses

4.26

Particulars	2081/82	2080/81
Enabling Conductive Atmosphere for Free, Safe and Inclusive media in Nepal (ECAFSIM)	-	3,940.00
Support to Enable Environment for Freedom of Expression in Nepal (SEFEN)	-	1,684.00
Enabling Safety of Journalist (ESAJ)	4,177,305.00	208,828.12
MHRC (Mainstreaming Human Rights in Cybersecurity)	-	131,832.18
Open Budget Survey 23	-	859,232.50
To Strengthen Free & Safe Civic Space for P.P FOE	1,188,674.00	1,472,251.00
COAB II Project	1,938,480.00	60,000.00
COAB , Budget Credibility and SDG	-	702,254.40
MOCIT	200,000.00	-
Focus Group Discussion on Social Media	173,340.00	-
Workshop on " The Governance of Digital Platforms E	506,110.00	-
Total	8,183,909.00	3,440,022.20

General Administrative Expenses

4.27

Particulars	2081/82	2080/81
Audit Fee	75,000.00	75,000.00
Bank Charges	-	15.00
Books and Journals	2,870.00	2,000.00
Cleaning	4,300.00	4,200.00
Consultant Service Fee	127,726.00	845,400.00
Electricity	29,738.00	21,710.00
Fuel	37,000.00	44,500.00
Health Insurance	-	38,520.00
House Rent	660,000.00	495,000.00
Insurance Expenses	35,958.00	58,573.40
Internet	26,815.00	26,815.00
Legal Work	-	12,000.00
Miscellaneous Expenses	5,275.00	53,257.00
News letter Development and Printing	32,770.00	32,770.00
Newspaper	13,925.00	8,260.00
Other expenses	700.00	167,958.55
Podcast	6,000.00	7,700.00
Postal Expenses	-	5,751.00
Printing	4,450.00	8,625.00
Repair, Maintenance and Renewal	166,591.00	129,217.00
RTI Campaigning	50,000.00	24,480.00
RTI App Web Hosting Cost	11,300.00	-
RTI App Upgrade	45,200.00	-
Stationeries	-	11,797.00
Telephone	17,000.00	5,600.00
Transportation, Communication and Public Relation	227,195.00	308,975.00
VISA COST	-	12,911.65
Water	24,579.00	45,446.00
Decoration	4,720.00	3,280.00
Website Host Cost	28,911.00	47,350.00
International Membership Fee	27,304.00	13,301.00
Registration Exps.	-	4,804.00
Travelling	-	7,567.09
UPR Discussion Program Exps.	-	36,160.00
Worlds Social Forum (WSF2024) Expenses	-	32,814.00
Expert Remuneration	30,004.00	-
Monitoring /Evaluation Fee SWC-COAB	10,000.00	-
Monitoring/Evaluation _ UNESCO GMDF	70,000.00	-
Total	1,775,331.00	2,591,757.69



 FREEDOM FORUM



 N.K.P. & Associates

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 Registered Auditor

Other Expenditure

4.28

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

Income Tax Expense

4.29

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

Reconciliation of tax expense and the accounting profit multiplied by NPO's tax rate for 2080-81 and 2081-82:

Particulars	FY 208182	FY 2080-81
Accounting profit before income tax	-	-
NPO's statutory income tax rate of 25% (FY 2080-81.: 25%)	-	-
Income tax expense reported in the statement of profit or loss	-	-

As per Nepalese Income Tax Act Freedom Forum is liable to be taxed at 25% for any surplus during the accounting period where it fails to receive income tax exemption status.

Freedom Forum has got tax exemption status and accordingly no provision for tax has been made for other surplus fund. However, income tax deducted at sources of income has been charged to such revenue and reflected net of such withholding tax amounts to.

Particulars	2081/82	2080/81
Interest income from Fixed Deposit	60,456.17	147,630.53
Dividend from Investment	-	-
Total	60,456.17	147,630.53

