

# S. Sitaula & Associates

Registered Auditors

## INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF N. R. COLLEGE

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of "N. R. College", which comprises the Statement of Financial Position as at 31<sup>st</sup> Ashad 2078 (15<sup>th</sup> July 2021), Statement of Income, Cash Flow Statement, Receipt and Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the "N. R. College" as at 31<sup>st</sup> Ashad 2078 and its financial performance, Statement of cash flows and the Receipt and payment account for the year then ended, in accordance with accounting principles generally accepted accounting principles (GAAP) in Nepal and accounting policies as stated in note 2 of significant accounting policies and other explanatory notes.

#### Basis for opinion

We conducted our audit in accordance with Nepal Standard on Auditing (NSAs), generally accepted auditing standards and applicable laws. 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 ICAN's *Handbook of Code of Ethics for Professional Accountants* together with the ethical requirements that are relevant to our audit of financial statements in Nepal, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN's *Handbook of The Code of Ethics for professional Accountants*. We believe that the audit evidence that we have obtained is sufficient and appropriated to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements, and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the college's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objective is 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 not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern.

**Date:** 2078/10/21

**Place:** Kathmandu, Nepal

**UDIN:** 220205RA03160te70c

  
  
Shekhar Sitaula  
S. Sitaula & Associates  
Registered Auditors

**N. R. College**  
Tarakeshwor-11, Nepaltar, Kathmandu, Nepal  
**STATEMENT OF FINANCIAL POSITION**  
As at 31 Ashad 2078

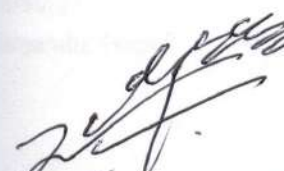
*Amount in NPR*


Particular	Notes	As at 2078.03. 31	As at 2077.03. 31
<b>EQUITY AND LIABILITIES</b>			
Reserve Fund and Retained Earnings	1	26,413,315.38	21,909,741.58
Endowment Fund	2	1,150,000.00	1,150,000.00
<b>Sub Total Equity &amp; Reserve</b>		<b>27,563,315.38</b>	<b>23,059,741.58</b>
<b>Non Current Liabilities</b>			
Non Current Liabilities		-	-
<b>Sub Total Non Current Liabilities</b>		-	-
<b>Current Liabilities</b>			
Restricted Grants	3	1,000,000.00	-
Sundry Payables	4	65,916.58	6,374.38
Provisions		-	-
<b>Sub Total Current Liabilities</b>		<b>1,065,916.58</b>	<b>6,374.38</b>
<b>Total Equity &amp; Liabilities</b>		<b>28,629,231.96</b>	<b>23,066,115.96</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	5	22,486,948.24	19,507,416.72
Investment		-	-
<b>Sub Total Non Current Assets</b>		<b>22,486,948.24</b>	<b>19,507,416.72</b>
<b>Current Assets</b>			
Investment on Fixed Deposit	6	2,924,189.00	2,697,897.00
Advances & Receivables	7	144,000.00	185,000.00
Cash & Bank Balances	8	3,074,094.72	675,802.24
<b>Sub Total Current Assets</b>		<b>6,142,283.72</b>	<b>3,558,699.24</b>
<b>Total Assets</b>		<b>28,629,231.96</b>	<b>23,066,115.96</b>


Significant Accounting Policies and Notes to Accounts -16

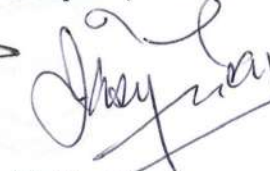
The above Notes from 1 to 8 and 16 form the Integral part of this financial statement

*As per our attached report of even date*

  
Rajipa Dhital  
Campus Chief  
N.R. College

  
Safala Thapa  
Accountant  
N. R. College

  
Chitrabar Thapa  
Chairman  
N. R. College

  
Shekhar Sitaula  
S. Sitaula & Associates  
Registered Auditors

Date: 2078/10/21  
Place: Kathmandu, Nepal





**N. R. College**  
**Tarakeshwor-11, Nepaltar, Kathmandu, Nepal**

**INCOME STATEMENT**

From 1st Shrawan 2077 to 31st Ashad 2078

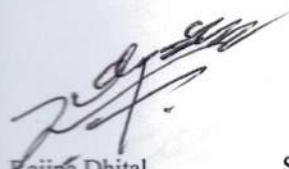
*Amount In NPR*

Particulars	Notes	Current Year	Previous year
		2077/78	2076/77
<b>INCOMES</b>			
Campus's Internal Sources Income & Other Income	9	7,217,119.00	8,857,756.00
Grant Received from University Grant Commission	10	2,449,575.00	1,099,575.00
Grant Received from Bagmati Province	11	1,938,535.00	900,000.00
Grant Received from Tarkeshwor Municipality	12	1,167,654.00	1,961,240.00
Interest Income from Fixed Deposits	13	294,439.43	236,961.93
<b>Total Income</b>		<b>13,067,322.43</b>	<b>13,055,532.93</b>
<b>EXPENDITURES</b>			
Salary Expenses	14	5,835,730.00	7,940,995.00
Administrative & Operational Expenses	15	1,917,274.40	2,401,134.57
<b>Total Administrative &amp; Operating Expenses</b>		<b>7,753,004.40</b>	<b>10,342,129.57</b>
<b>Surplus/ ( Deficits)</b>		<b>5,314,318.03</b>	<b>2,713,403.36</b>
<b>Less:</b>			
Depreciation	5.1	810,744.23	533,347.99
Finance Charges		-	-
<b>Surplus/ Before Tax</b>		<b>4,503,573.80</b>	<b>2,180,055.37</b>
Less: Income Tax Provision		-	-
<b>Surplus After Tax Carried forward to Balance Sheet</b>		<b>4,503,573.80</b>	<b>2,180,055.37</b>

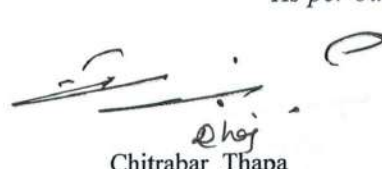
Significant Accounting Policies and Notes to Accounts: Note - 16

The above Notes 5.1 and from 9 to 16 form the Integral part of this financial statement

*As per our attached report of even date*

  
Rajipā Dhital  
Campus Chief

  
Safala Thapa  
Accountant

  
Chitrabar Thapa  
Chairman

  
Shekhar Sitaula  
S. Sitaula & Associates  
Registered Auditors

Date: 2078/10/21  
Place: Kathmandu, Nepal



**N. R. College**  
**Tarakeswor-11, Nepaltar, Kathmandu, Nepal**

**CASH FLOW STATEMENT**

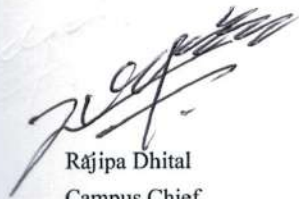
For the Year ended 31st Ashad 2078

Amount in NPR

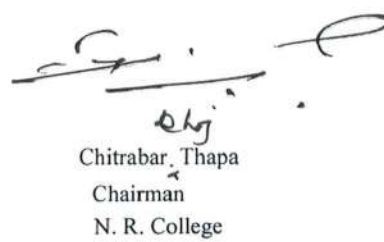
S.No.	Particulars	Current Year	Previous Year
		2077/78	2076/77
A	<b>Cashflow from Operational Activities</b>		
	Net Profit/ Surplus After Tax	4,503,573.80	2,180,055.37
	<b>Add:</b>		
	Depreciation	810,744.23	533,347.99
	Finance Charges paid	-	-
		<b>5,314,318.03</b>	<b>2,713,403.36</b>
	<b>Adjustment of Changes on Working Capital</b>		
	(Increase)/Decrease in Current Assets	41,000.00	(185,000.00)
	Increase (Decrease) in Current Liabilities	1,059,542.20	(7,566.95)
	<b>Net Cashflow from Operational Activities</b>	<b>6,414,860.23</b>	<b>2,520,836.41</b>
B	<b>Cashflow from Investing Activities</b>		
	Fixed Assets Purchased (-)	(3,790,275.75)	(4,637,766.70)
	Increased in Investment	-	-
	<b>Net Cashflow from Investing Activities</b>	<b>(3,790,275.75)</b>	<b>(4,637,766.70)</b>
C	<b>Cashflow from Financing Activities</b>		
	Increase / (Decrease) Loan and borrowings	-	-
	Increase / (Decrease) and Endowment fund	-	-
	<b>Net Cashflow from Financing Activities</b>	-	-
	<b>Net Cash Flow during the year ( A+B+C)</b>	<b>2,624,584.48</b>	<b>(2,116,930.29)</b>
	Opening Balance of Cash, Bank & FD Balances	3,373,699.24	5,490,629.53
	<b>Closing Balance of Cash and Bank Balances</b>	<b>5,998,283.72</b>	<b>3,373,699.24</b>

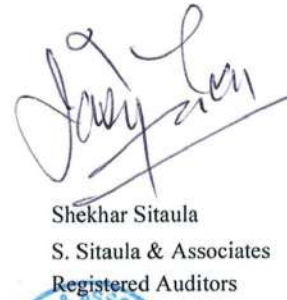
Significant Accounting Policies and Notes to Accounts - 16

As per our attached report of even date

  
Rajipa Dhital  
Campus Chief  
N.R. College

  
Safala Thapa  
Accountant  
N. R. College

  
Chitrabar Thapa  
Chairman  
N. R. College

  
Shekhar Sitaula  
S. Sitaula & Associates  
Registered Auditors

Date: 2078/10/21  
Place: Kathmandu, Nepal








**N. R. College**  
**Statement of Change in Equity**  
**For the year ended 31st Ashad 2078**

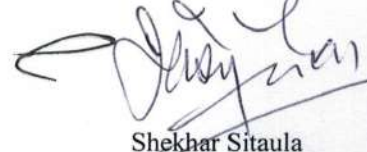
*Amount in NPR*

Particulars	Share Capital	Capital Reserve	Endowment Fund	Reserve & Surplus	Total
Balance as on 1st Shrawan 2077	-	-	1,150,000	21,909,742	23,059,741.58
Add; Surplus/ (Deficits) for the Year	-	-	-	4,503,574	4,503,573.80
Less: Dividend Proposed	-	-	-	-	-
Issue of share capital	-	-	-	-	-
<b>Balance as on 31st Ashad 2078</b>	-	-	<b>1,150,000</b>	<b>26,413,315</b>	<b>27,563,315.38</b>

  
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Shekhar Sitaula  
S. Sitaula & Associates  
Registered Auditors

Date: 2078/10/21  
Place: Kathmandu, Nepal



# N. R. College

Tarakeshwar-11, Nepalgarh, Kathmandu, Nepal

## Receipt and Payment Account

From 1st Shrawan 2077 to 31st Ashad 2078

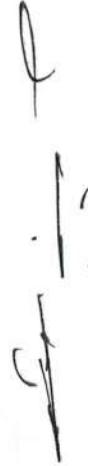
Amount in NPR

Receipts			Payments		
S. No.	Particulars	Notes	S. No.	Particulars	Notes
<b>1</b>	<b>Opening Balance</b>		<b>1</b>	<b>Regular Expenditures</b>	
1.1	Investment in Fixed Deposit	6	1.1	Salary Expenses	14
1.2	Advances & Receivables	7	1.2	Administrative Expenses	15
1.3	Cash & bank Balance	8	<b>2</b>	<b>Capital Expenditures</b>	
<b>2</b>	<b>Incomes for the Year</b>		2.1	Constructions - materials ( College)	5.1
2.1	Campus's Internal Sources Income & Other Income	9	2.2	Constructions - Wages ( building)	5.1
2.2	Total Grant Received from University Grant Commission	10	2.3	Colouring expenses - building	5.1
2.3	Grant Received from Bagmati Province	11	2.4	Computer, Printer, Monitor, Web Camp	5.1
2.4	Grant Received from Tarkeshwor Municipality	12	2.5	Furnitures Purchased	5.1
2.5	Interest Income from Fixed Deposits	13	3	Previous Year's TDS payable paid	4
<b>3</b>	<b>Closing Balance - Payables</b>		<b>4</b>	<b>Closing Balances</b>	
3.1	Sundry payables	4	4.1	Investment on Fixed Deposit	6
			4.2	Cash and Bank Balances	8
	<b>Total</b>			<b>Total</b>	
				<b>17,547,938.25</b>	<b>17,547,938.25</b>

The above Notes form the Integral part of this financial statement

  
Rajipa Dhital  
Campus Chief  
N.R. College

Safala Thapa  
Accountant  
N.R. College

  
Chitrabar Thapa  
Chairman  
N.R. College

  
Shekhar Sitaula  
S. Sitaula & Associates  
Registered Auditors

Date: 2078/10/21

Place: Kathmandu, Nepal



# N. R. College

Tarakeshwor-11, Nepaltar, Kathmandu, Nepal  
Accounts Notes for the fiscal year 2077/78 as on 31st Ashadh, 2078

Note - 1

## Reserve Fund & Retained Earnings

Particulars	Current Year	Previous year
	2077/78	2076/77
Up to Previous Year	21,909,741.58	19,729,686.21
Add; This year surplus brought down	4,503,573.80	2,180,055.37
<b>Total</b>	<b>26,413,315.38</b>	<b>21,909,741.58</b>

Note - 2

## Endowment Fund ( Akashaya Kosh)

Particulars	Current Year	Previous year
	2077/78	2076/77
Up to Previous Year	1,150,000.00	1,150,000.00
Add; This year addition	-	-
<b>Total</b>	<b>1,150,000.00</b>	<b>1,150,000.00</b>

Note - 3

## Restricted Grants

Particulars	Current Year	Previous year
	2077/78	2076/77
3rd Installment received from UGC as on 2078.03.30	1,000,000.00	-
<b>Total</b>	<b>1,000,000.00</b>	<b>-</b>

Note - 4

## Sundry Payables

Particulars	Current Year	Previous year
	2077/78	2076/77
SST - 1%	225.60	6,374.38
TDS payable - Construction Supply	14,843.32	-
TDS payable - Wages	752.91	-
TDS payable - Audit Fee	617.00	-
Deposit 5 % - R. D. Furniture	49,477.75	-
<b>Total</b>	<b>65,916.58</b>	<b>6,374.38</b>





# N. R. College

Tarakeshwor-11, Nepal, Kathmandu, Nepal  
Accounts Notes for the fiscal year 2077/78 as on 31st Ashadh, 2078

Note - 5

## Property, Plant Equipment

Particulars	Current Year	Previous year
	2077/78	2076/77
Land (refer to Note 5.1 for details)	9,160,000.00	9,160,000.00
Building (refer to Note 5.1 for details)	10,593,917.92	8,746,673.00
Furniture & Fixtures (refer to Note 5.1 for details)	1,768,245.92	534,231.52
Office Equipment & Machinery (refer to Note 5.1 for details)	190,193.62	253,591.49
Library Books (refer to Note 5.1 for details)	322,152.96	379,003.48
Hologram (refer to Note 5.1 for details)	11,708.69	15,611.58
<b>Total</b>	<b>22,486,948.24</b>	<b>19,507,416.72</b>

Note - 6

## Investment in Fixed Deposit

Particulars	Current Year	Previous year
	2077/78	2076/77
Fixed Deposit in Rastriya Banijya Bank	650,000.00	650,000.00
Fixed Deposit Hamro Cooperative Sagarmatha Cooperative Ltd.	2,274,189.00	2,047,897.00
<b>Total</b>	<b>2,924,189.00</b>	<b>2,697,897.00</b>

Note - 7

## Advances & Receivables

Particulars	Current Year	Previous year
	2077/78	2076/77
Last Installment Grant Income receivable from Bagmati Province	144,000.00	-
Advance to Purna Bahadur Tamang - Construction	-	185,000.00
<b>Total</b>	<b>144,000.00</b>	<b>185,000.00</b>

Note - 8

## Cash & Bank Balance

Particulars	Current Year	Previous year
	2077/78	2076/77
Rastriya Banijya Bank C/A no. 1190100001305001	3,074,031.72	579,739.24
Cash in Hand	63.00	96,063.00
<b>Total</b>	<b>3,074,094.72</b>	<b>675,802.24</b>



N. R. College  
Tarakeshwor-11, Nepaltar, Kathmandu, Nepal  
Accounts Notes for the fiscal year 2077/78 as on 31st Ashadh, 2078

Note - 5.1  
Amount in NPR

Statement of Property, Plant and Equipment

Pool	Group and Name of Assets	Dep Rate	Opening WDV '2077.03.31	Total Purchase during the year	Absorbed Addition			Disposal	Depreciation Base	Depreciation for the Year	Unabsorbed Addition	Closing WDV 2078.03.31	Closing WDV 2077.03.31
					Full	2/3	1/3						
A	Land & Building	0%	9,160,000.00	-	-	-	-	-	-	-	-	9,160,000.00	9,160,000.00
	Land	5%	8,746,673.00	2,284,578.57	-	-	-	8,746,673.00	437,333.65	2,284,578.57	-	10,593,917.92	8,746,673.00
	<b>Total Pool A</b>		<b>17,906,673.00</b>	<b>2,284,578.57</b>	-	-	-	<b>8,746,673.00</b>	<b>437,333.65</b>	<b>2,284,578.57</b>	-	<b>19,753,917.92</b>	<b>17,906,673.00</b>
B	Furniture & Office Equipment	25%	534,231.52	1,378,697.28	133,500.00	-	-	667,731.52	144,682.88	1,245,197.28	-	1,768,245.92	534,231.52
	Furniture & Fixtures	25%	418,305.65	126,999.90	-	-	-	-	104,576.41	126,999.90	-	440,729.14	418,305.65
	Computer & Printers	25%	253,591.49	-	-	-	-	-	63,397.87	-	-	190,193.62	253,591.49
<b>Total of Pool B</b>		<b>1,206,128.66</b>	<b>1,505,697.18</b>	<b>133,500.00</b>	-	-	<b>667,731.52</b>	<b>312,657.17</b>	<b>1,372,197.18</b>	-	<b>2,399,168.68</b>	<b>1,206,128.66</b>	
C	Vehicle		-	-	-	-	-	-	-	-	-	-	-
<b>Total of Pool C</b>			-	-	-	-	-	-	-	-	-	-	-
D	Other Assets		379,003.48	-	-	-	-	-	56,850.522	-	-	322,152.96	379,003.48
	Library Books	15%	15,611.58	-	-	-	-	-	3,902.895	-	-	11,708.69	15,611.58
	Hologram	25%	394,615.06	-	-	-	-	-	60,753.42	-	-	333,861.64	394,615.06
<b>Total of Pool D</b>		<b>394,615.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,753.42</b>	<b>-</b>	<b>-</b>	<b>333,861.64</b>	<b>394,615.06</b>	
E	Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Software			-	-	-	-	-	-	-	-	-	-	-
<b>Total of Pool E</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL</b>			<b>19,507,416.72</b>	<b>3,790,275.75</b>	<b>133,500.00</b>	<b>-</b>	<b>9,414,404.52</b>	<b>810,744.23</b>	<b>3,656,775.75</b>	<b>22,486,948.24</b>	<b>19,507,416.72</b>	<b>19,507,416.72</b>	



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# N. R. College

Tarakeshwor-11, Nepaltar, Kathmandu, Nepal  
Accounts Notes for the fiscal year 2077/78 as on 31st Ashadh, 2078

Note - 9

## Income From Campus Internal Sources & Other Incomes

Particulars	Current Year	Previous year
	2077/78	2076/77
Exam Fee, Registration Fee, Admission Fee, Monthly Fee etc.	7,203,466.79	8,680,780.00
Exam Center Income Received from T. U.	-	176,976.00
Miscellaneous Income	13,652.21	-
<b>Total</b>	<b>7,217,119.00</b>	<b>8,857,756.00</b>

Note - 10

## Grant Received From University Grant Commission ( UGC )

Particulars	Current Year	Previous year
	2077/78	2076/77
1st Installment Received as on	1,250,000.00	-
2nd Installment Received as on	1,199,575.00	-
3rd Installment Received as on	1,000,000.00	-
Grant received from UGC	-	1,099,575.00
Total Grant amount received during the Year	<b>3,449,575.00</b>	<b>1,099,575.00</b>
Less: Grant transferred to Restricted Grant income	(1,000,000.00)	-
<b>Total</b>	<b>2,449,575.00</b>	<b>1,099,575.00</b>

Note - 11

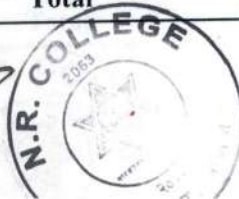
## Grant Received From Bagmati Province

Particulars	Current Year	Previous year
	2077/78	2076/77
Installment Received as on	1,794,535.00	-
Grant Receivable at Year end ( Received as on 2078/07/29 )	144,000.00	-
Grant received from Province - 3 for public construction	-	900,000.00
<b>Total</b>	<b>1,938,535.00</b>	<b>900,000.00</b>

Note - 12

## Grant Received From Tarkeshowr Municipality

Particulars	Current Year	Previous year
	2077/78	2076/77
Installment Received as on	1,167,654.00	-
Computer Grant Received from Municipality	-	374,140.00
Construction Grant Received from Municipality	-	1,587,100.00
<b>Total</b>	<b>1,167,654.00</b>	<b>1,961,240.00</b>



# N. R. College

Tarakeshwor-11, Nepaltar, Kathmandu, Nepal  
Accounts Notes for the fiscal year 2077/78 as on 31st Ashadh, 2078

Note - 13

## Interest Income ( Gross)

Particulars	Current Year	Previous year
	2077/78	2076/77
Interest Income on RBB Fixed Deposit	28,215.82	-
Accrued Interest Income from Hamro Sagarmatha Cooperative Ltd.	266,223.61	-
Interest Income from Fixed Deposit	-	236,961.93
<b>Total</b>	<b>294,439.43</b>	<b>236,961.93</b>

Note - 14

## Salary Expenses

Particulars	Current Year	Previous year
	2077/78	2076/77
Teachers Salary & Allowance Expenses	5,689,330.00	7,782,395.00
Security Guard's Salary Expenses	146,400.00	158,600.00
<b>Total</b>	<b>5,835,730.00</b>	<b>7,940,995.00</b>

Note - 15

## Administrative & Operational Expenses

Particulars	Current Year	Previous year
	2077/78	2076/77
Examination Expenses	1,316,185.00	1,492,414.50
College renewal Fee	85,000.00	-
Repair & Maintenance Expenses	49,919.00	82,962.13
Telephone, Water & Electricity ( Service) Expenses	79,100.00	23,726.00
Printing & Stationery Expenses	43,700.00	141,767.00
Transportation Expenses	48,000.00	32,500.00
Fuel Expenses	13,558.00	1,425.00
Audit Fee & Expenses	57,244.00	38,646.00
Office Supplies ( Expandable) Expenses	12,010.00	-
Advertisement Expenses	23,137.00	-
Scholarship Expenses	44,350.00	4,250.00
Bank Interest TDS Expenses	44,166.40	11,923.71
Bank Charges	25.00	-
Miscellaneous Expenses	100,880.00	309,708.98
Newspapers, Books & periodicals	-	36,110.00
T.U. Examination Center Expenses	-	136,715.00
Contingency ( Covid - 19 support) Expenses	-	25,000.00
Tie and T-Shirts Expenses	-	63,986.25
<b>Total</b>	<b>1,917,274.40</b>	<b>2,401,134.57</b>





# N.R. College

Fiscal Year 2077/078

Note: - 16

## SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES

1. **General Information:** N.R. College is a community college established in 2063 and affiliated with Tribhuvan University. The registered office of college is located at, Tarakeshwor municipality ward no. 11, Kathmandu, Nepal. The college has been running the Bachelor's level of Management, Humanity, and Education faculty and Master's level of Management and Humanity faculty. The college's Permanent Account Number (PAN) is **201391815**, which is obtained on 2078/09/19.

### 2. Significant Accounting Policies:

The accounting policies applied in the preparation of these financial statements are as set out below.

#### 2.1 Basis of Accounting:

Financial statements are prepared in Nepalese Rupee and in accordance with the historical cost convention, Generally Accepted Accounting Principles (GAAP), and on accrual basis except revenue income i.e. Grant Income and Bank Interest Income, which are accounted for on hybrid (both in cash and accrual) basis.

#### 2.2 Component Unit of College

The financial statements present the financial transactions and activities of N. R. College as they pertains operations in the Tarakeshwor – 11, Kathmandu, Nepal in accordance with the affiliation with the Tribhuvan University.

#### 2.3 Income

(a) N. R. college received internal sources of revenue from students such as admission fee, registration fee, monthly fee, examination fee, recommendation letter fee, character certificate fee, library & identity card fee and sale of T-shirts & tie, which are accounted for and recognized on cash basis. These incomes are recorded and



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accounted for together and reflected in as campus internal sources income account head and reflected in the financial statements accordingly.

- (b) N.R. College has received grants funds from University Grant Commission (UGC), Bagmati province and Tarakeshwor Municipality in its bank account either direct deposits or issuing cheques in favor of N.R. College during the year to meet the recurring as well as capital expenditures activities in Nepalese Rupee. Revenue is recognized at the time the funds that received and in cash basis. However, grant fund received during the year in tranche, amounting to NPR 1,000,000 from UGC; for the activity that will be completed during F/Y 2078/79 and not expended during the year; is accounted for as Restricted Grants and reflected in the financial statements accordingly.

Similarly, last tranche of grant income to be received for the activity that was completed during the year but amount not received till the end of fiscal year from Bagmati Pradesh amounting to NPR 144,000 has been accounted for in accrual basis and reflected as receivables in the financial statements.

- (c) Remaining Grant tranches that received during the year from UGC, Municipality and Bagmati Province are recorded on cash basis.
- (d) Interest income received on fixed deposit that maintained in Rastriya Banijya Bank is recorded in cash basis.
- (e) Interest income that accrued till the end of fiscal year on fixed deposit that is being maintained at Hamro Sagarmatha Multipurpose Co-operative Limited, (Head office located at Kupondole, Lalitpur, Nepal) is recognized on accrual basis based on the balance confirmation certificate provided by the Hamro Cooperative Ltd and the accrued interest income amount is clubbed with the fixed deposit amount ( as per FD certificate) balance at the end of fiscal year and reflected in the financial statements accordingly.

## 2.4 Expenditures

- (a) Expenditures from grants received that incurred both for recurring as well as capital expenditure are accounted for and reflected in the financial statements accordingly. Original invoices and relevant documents are submitted to the respective organization as a part of the expenses settlement and financial reporting.
- (b) Expenditures are recorded at the time of incurrence or payments made.



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## 2.5 Property, Plant and Equipment (PPE):

- (a) The fixed assets are recorded at cost and other associated cost that are incurred to put it in use or completion.
- (b) Fixed Asset is defined as those assets all single item with in excess of NPR 5,000 and having an economic useful life of over one year.
- (c) The fixed assets acquired for use or purchased/ incurred for N. R. College, particularly form grants income are charged as expenditures for the purpose financial reporting to respective organization. However, such capital expenditure is accounted for and capitalized in respective PPE category in the books of accounts of N.R. College.
- (d) Expenditures incurred e.g. materials, labour charges, colour/painting expenditures has been capitalized during the year as per the approval of building construction committee, college management committee and engineers' work completion certificate. The decisions and minutes that are made is documented accordingly.
- (e) No Fixed assets items were auctioned, written off, adjusted during the year. The memorandum Fixed Asset Register is being updated and yet to be completed.
- (f) The depreciation is calculated based on Written down value (WDV) method and the rates applied for depreciations calculation are as tabulated below.

S. No.	Fixed Assets Category	Depreciation rate applied
1.	Building	5%
2.	Furniture & Fixtures	25%
3.	Computers, Printers, web cam.	25%
3.	Office equipment & Machinery	25%
4.	Library books	15%
5.	Hologram	25%

## 2.6 Inventory and Non – Expandable Items

Non – expandable items, having life over 1 year but valued less than NPR 5,000 is charged as expenditures. Similarly, stationery items are also charged at the time of purchased.



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### 3. Other Explanatory Notes

#### 3.1 Reserve Fund & Retained Earnings

The surplus balance from income that recognized is clubbed with the previous year's brought forwarded balance.

#### 3.2 Restricted Grants

The tranche amounting to NPR 1,000,000 from University Grant Commission (UGC) that received as on 2078/03/30, not expended during the year and for on-going activity for fiscal year 2078/79 is deducted from total grant income and transferred to restricted grant income and reflected in balance sheet accordingly. Summary of UGC total grant received during the year and adjust made for restricted grant is as tabulated below.

S.no.	Particulars	Grant received date	Amount in NPR
1.	1 <sup>st</sup> Tranche of this year	2078/04/04	1,250,000
2.	2 <sup>nd</sup> Tranche of this year	2078/02/23	1,199,575
3.	3 <sup>rd</sup> Tranche of this year	2078/03/30	1,000,000
	<b>Total Grant Income Received from UGC during the year</b>		<b>3,449,575</b>
	<b>Less: 3<sup>rd</sup> grant amount received on 2078/03/30</b>		<b>1,000,000</b>
	<b>Net UGC Grant income recognized for the year</b>		<b>2,449,575</b>

#### 3.3 Advances & Receivables

Grant income that relating to the activity that completed and finalized during the fiscal year 2077/78 and last installment (retention money) of NPR 144,000 yet to be received is accounted for as receivable. The said amount is received 2078/07/29 i.e. in subsequent fiscal year.

#### 3.4 Sundry Payables

Sundry payables includes the outstanding Tax deducted at the source and retention money deducted (as deposit) at the end of the year.

3.5 No provision for Income Tax liability is made as the college is registered as community college and non-taxable as the college is registered as Government entity in PAN.

3.6 Current years and previous year's figures have been regrouped and reclassified, wherever necessary to facilitate the comparison and better presentation.



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