

J.N. Upadhyay & Co.

Chartered Accountants

Independent Auditor's Report

To The Members
Non-Resident Nepali Association

Report on Audit of Financial Statements

Qualified Opinion

We have audited the financial statement of **Non-Resident Nepali Association (NRNA)**, which comprise the Statement of Financial Position as at Ashad 31, 2080 (July 16, 2023), Statement of Income and Expenditure, Statement of Cash flows and Fund Accountability Statement for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at 31st Ashad, 2080 and its financial performance and its Cash Flows for the year ended in accordance with Nepal Accounting Standards (NASs).

Basis for Qualified Opinion

- i. Included in Property, Plant & Equipment, shown on the statement of Financial Position is Land and Building amounting to NRs. 127.88 million and NRs. 151.67 million respectively (Point 4.23 of Notes to Accounts). The Land located in Baluwatar, where the building has been constructed is under dispute of ownership and Bhumisudhar Tatha Malpot Karyalaya has initiated legal case which is still pending in special court.
In view of the above facts and the matter that the legal case is still pending at Special Court we couldn't verify Non-Resident Nepali Association's ownership over such assets.
- ii. As per NAS 40, an entity shall classify property as an investment property if it is used to earn rental or for capital appreciation or both. An entity shall disclose the rental income and direct operating expenses from investment property in profit or loss account. Included in Property, Plant & Equipment, shown on the statement of Financial Position is Building amounting to NRs. 14,43,56,826.76. NRNA rents out more than 70% of its building for earning rental income which has not been classified as investment property.
In view of the above facts and matter NRNA has not complied with requirements of NAS 40.
- iii. The association has not specified various funds into designated and undesignated funds. Due to which earmarked fund balances and their corresponding bank balances have not been reconciled.

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our Report. We are independent of the entity 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 the financial statements in Nepal, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAN's Handbook of Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significant in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. N	Key Audit Matters	Auditor's Response
1.	<p>Information Technology General Controls</p> <p>A significant part of the Entity's financial reporting process is heavily reliant on IT systems with automated processes and controls over the capture, storage and extraction of information. A fundamental component of these processes and controls is ensuring appropriate user access and change management protocols exist and are being adhered to. These protocols are important because they ensure that access and changes to IT systems and related data are made and authorized in an appropriate manner. As our audit sought to place a high level of reliance on IT systems and application controls related to financial reporting, a high proportion of the overall audit effort was in this area.</p> <p>We have considered this a key audit matter as any control lapses, validation failures, incorrect input data, and wrong extraction of data may result in wrong reporting of data to the management, members and regulators.</p>	<p>Our audit approach regarding the verification of the Information Technology of the Entity is included:</p> <p>a. Understanding the coding system adopted by the entity for various categories of customers.</p> <p>b. Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system in the entity.</p> <p>c. Reviewed the reports generated by the system on a sample basis. We verified the Income booking under various revenue streams on a test basis with the system.</p> <p>d. We extended our testing to identify whether there had been unauthorized or inappropriate access or changes made to critical IT system and related data,</p> <p>e. Where required, we performed a greater level of testing to validate the integrity and reliability of associated data and reporting.</p>

Other Matter

We draw your attention to audit findings, as indicated in the "Management Letter" section of our report which identify internal control weaknesses and audit recommendations to address them, which we come across during the course of our audit. Our opinion is not qualified in respect of this report.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Nepal Accounting Standards (NASs) and for 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 entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern



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basis of accounting unless management either intends to liquidate the Entity or to cease operations or has no realistic alternative but to do so.

The members of International Co-ordination Council (ICC) are responsible for overseeing the Non-Resident Nepali Association's financial reposting process.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financials statement 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 NSAs will always detect a material misstatement when it exists.

Misstatement can arise from fraud or error and are considered material if, individually or in 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ 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 entity's internal controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management of the Entity.
- ❖ 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory requirements

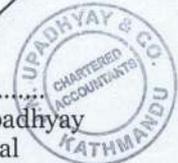
On the basis of our examination, we would like to further report that:

1. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. To the best of our information and according to explanations given to us and so far, appeared from our examination of the books of account of the Entity, we have not come across cases where the members of International Co-ordination Council (ICC of the entity have acted contrary to the provisions of law or committed any misappropriation relating to accounts or caused loss or damage to the Entity and violated any Act and regulation or acted in manner to jeopardies the interest and security of the Entity.
3. We have not come across cases where Non-Resident Nepali Association had carried any activities contrary to its objectives.
4. We further report that NRNA has complied generally with the provisions in Chapter 17 of Income Tax Act 2058 B.S relating to withholding tax.

For, J.N. Upadhyay & Co.
Chartered Accountants



CA. Jagannath Upadhyay
Managing Principal
UDIN#231009CA00114uhcH2



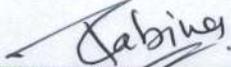
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Place: Kathmandu, Nepal

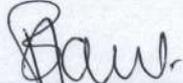
NON-RESIDENT NEPALI ASSOCIATION
Kathmandu, Nepal

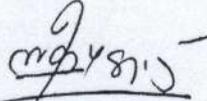
STATEMENT OF FINANCIAL POSITION
As at 31st Ashad 2080 (July 16, 2023)

Particulars	Notes	Amount in NRs.	
		31/03/2080	32/03/2079
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	4.1	290,637,341.60	297,729,429.57
Intangible assets		-	-
Investment Property		-	-
Long term Investments	4.2	40,374,000.00	5,335,000.00
Other noncurrent assets		-	-
Total Non - Current Assets		331,011,341.60	303,064,429.57
Current Assets			
Short term Investments	4.3	22,000,000.00	-
Inventories		-	-
Accounts receivable	4.4	4,165,243.82	26,759,591.53
Cash and cash equivalents	4.5	25,814,956.04	109,053,354.31
Total Current Assets		51,980,199.86	135,812,945.84
Total Assets		382,991,541.46	438,877,375.41
LIABILITIES & RESERVES			
Accumulated Reserves			
Unrestricted Funds/accumulated surplus	4.6	115,665,710.62	250,731,462.34
Designated Funds	4.7	7,347,584.25	(170,857.30)
Restricted Funds	4.8	65,933,545.69	(24,715,490.96)
Endowment Fund	4.9	5,883,660.05	5,422,370.20
Capital Fund	4.10	179,580,079.64	187,443,756.90
Total Accumulated Reserves		374,410,580.25	418,711,241.18
Non - Current Liabilities			
Loans and borrowings		-	-
Employee benefit liabilities		-	-
Deferred Revenue		-	-
Total Non - Current Liabilities		-	-
Current Liabilities			
Accounts payable	4.11	4,628,050.79	19,977,134.24
Loans and borrowings	4.12	-	189,000.00
Provisions		3,952,910.42	-
Bank overdrafts		-	-
Total Current Liabilities		8,580,961.21	20,166,134.24
Total Liabilities		8,580,961.21	20,166,134.24
Total Liabilities and Reserves		382,991,541.46	438,877,375.42

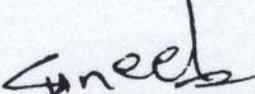
The Notes on accounts form an integral parts of the financial statements.

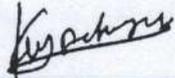

RABINA MAHARJAN
SR. FINANCE OFFICER
NRNA SECRETARIAT


RAJENDRA KUMAR RAUT
CEO, NRNA SECRETARIAT

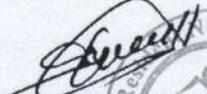

LOK PRASAD DAHAL
TREASURER, NRNA ICC

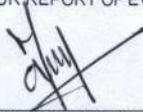

FANINDRA PANTA
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SUNEEL SAH
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KUL ACHARYA
PRESIDENT, NRNA ICC


RABINA THAPA
PRESIDENT, NRNA ICC


DR. BADRI KC
PRESIDENT, NRNA ICC
NRNA SECRETARIAT

AS PER OUR REPORT OF EVENT DATE

CA JAGANNATH UPADHYAY
MANAGING PRINCIPAL
FOR, J.N. UPADHYAY & CO.
CHARTERED ACCOUNTANTS



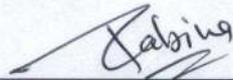
DATE: 2080/06/22
PLACE: KATHMANDU

NON-RESIDENT NEPALI ASSOCIATION
Kathmandu, Nepal

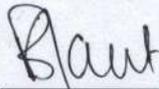
STATEMENT OF INCOME AND EXPENDITURE
For the year ended on 31st Ashad, 2080 (16th July, 2023)

Particulars	Notes	31/03/2080	Amount in NRs. 32/03/2079
INCOME			
Incoming Resources	4.13	144,595,325.19	140,972,196.57
Financial Income	4.14	5,427,264.75	1,609,537.60
Other Income	4.15	19,585,452.96	18,943,098.96
Total Income		169,608,042.90	161,524,833.13
EXPENDITURE			
Staff Cost/Expenses	4.16	12,333,326.34	11,586,560.23
Program Expenses	4.17	42,271,397.86	120,642,300.80
General Administrative Expenditure	4.18	26,500,964.49	9,291,703.14
Depreciation	4.1	13,228,741.32	15,468,253.01
Other Expenditure	4.19	118,520.00	15,914,079.16
Total Expenditure		94,452,950.01	172,902,896.34
Surplus/(Deficit) Of the Year		75,155,092.89	(11,378,063.21)
Transferred From Charity Fund		3,894,734.47	2,903,383.05
Transferred To Blood Transfusion Fund		(7,612,263.52)	4,979,816.59
Transferred From Emergency Fund		900,661.62	3,675,585.32
Transferred To Covid Relief (Emergency Fund)		(649,500.00)	47,160,054.72
Transferred To Endowment Fund		(461,289.85)	(341,439.32)
Transferred To Foreign Employment Relief Fund		(1,493,391.89)	(1,208,048.79)
Transferred To NRNA Relief Fund-Laparak		(87,047,404.22)	8,607,698.58
Transferred From Road Safety Project		-	22,052.90
Transferred To Women Welfare Fund		(1,685,245.63)	(212,545.76)
Transferred From Sahitya Puroskar		186,938.84	(167,853.04)
Transferred From Pashupati		100,000.00	(151,000.00)
Transferred To Singer		(6,178.03)	(703,859.79)
Transferred To Youth Welfare Fund		(21,076.15)	(9,901.42)
Transferred From Ilo Project Fund		-	35,557,061.90
Total		(93,894,014.36)	100,111,004.94
Net Surplus (Deficit) before Taxation		(18,738,921.47)	88,732,941.73
Income Tax Expenses For Current Year		3,047,733.85	2,899,281.88
Total Surplus (Deficit) after Taxation		(21,786,655.32)	85,833,659.85

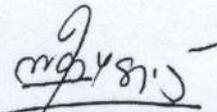
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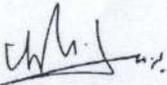
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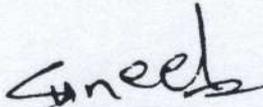
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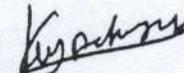
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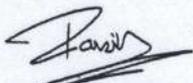
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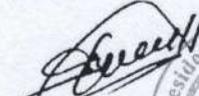
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DATE: 2080/06/22
PLACE: KATHMANDU

NON-RESIDENT NEPALI ASSOCIATION
KATHMANDU, NEPAL
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

Note - 4.1

PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION

PARTICULARS	COMPUTER AND PERIPHERALS		FURNITURE & FIXTURE		OFFICE EQUIPMENT		VEHICLE		OTHERS		BUILDING (CAPITALIZED ON ASHAD END 2080)		LAND		TOTAL
RATE OF DEPRECIATION	25.00%		25.00%		25.00%		20.00%		15.00%		5.00%				
COST															
OPENING BALANCE	1,918,844.00		19,664,476.07		16,660,705.57		700,000.00		456,317.41		160,782,507.25		127,881,425.00		328,064,275.30
ADDITION	417,195.00		580,774.80		446,939.97		-		18,000.00		5,600,000.00		-		7,062,909.77
ASSETS RELATED TO FUND															
NET ADDITION	417,195.00		580,774.80		446,939.97		-		18,000.00		5,600,000.00		-		7,062,909.77
DELETION							700,000.00								1,600,000.00
TOTAL NRS.	2,336,039.00		19,345,250.87		17,107,645.54		-		474,317.41		166,382,507.25		127,881,425.00		333,527,185.07
DEPRECIATION															
DEPRECIATION UP TO THE LAST YEAR	1,120,040.59		5,535,811.48		8,680,198.31		140,000.00		149,833.21		14,708,962.14		-		30,334,845.73
DEPRECIATION FOR THE YEAR	215,351.85		3,494,870.54		2,076,800.29		76,712.33		48,287.96		7,316,718.35		-		13,228,741.32
DELETION			457,031.25				216,712.33								673,743.58
TOTAL NRS.	1,335,392.44		8,573,650.77		10,756,998.60		-		198,121.17		22,025,680.49		-		42,889,843.47
BALANCE AS ON 2080/03/31	1,000,646.56		10,771,600.10		6,350,646.94		-		276,196.24		144,356,826.76		127,881,425.00		290,637,341.60
BALANCE AS ON 2079/03/32	798,803.41		14,128,664.59		7,980,507.26		560,000.00		306,484.20		146,073,545.11		127,881,425.00		297,729,429.57

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NON-RESIDENT NEPALI ASSOCIATION
Kathmandu, Nepal

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: 4.2

	Note	31/03/2080	32/03/2079
LONG TERM INVESTMENT			
FIXED DEPOSIT FOREIGN EMPLOYMENT RELIEF FUND-MBL		10,000,000.00	-
FIXED DEPOSIT FOREIGN EMPLOYMENT RELIEF FUND (SIDDHARTH)		14,550,000.00	-
FIXED DEPOSIT NRNA CHARITY FUND		10,000,000.00	-
FIXED DEPOSIT NRNA ENDOWMENT FUND		5,824,000.00	5,335,000.00
TOTAL NRS.		40,374,000.00	5,335,000.00

Note: 4.3

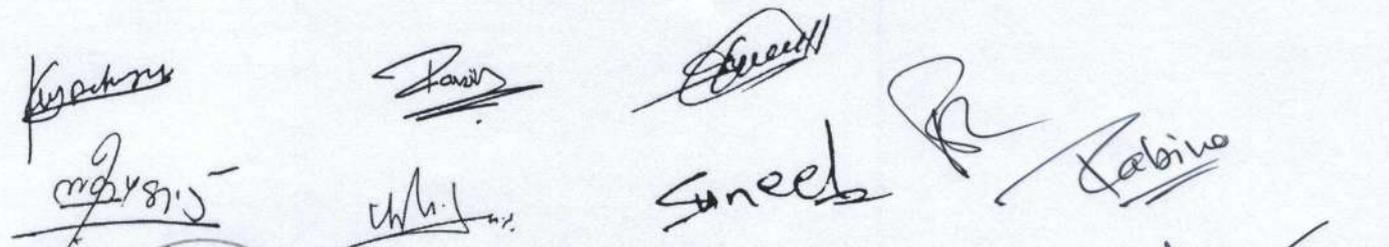
	31/03/2080	32/03/2079
SHORT TERM INVESTMENT		
FIXED DEPOSIT NIBL	10,000,000.00	-
FIXED DEPOSIT NRNA REGULAR	10,000,000.00	-
FIXED DEPOSIT NRNA WOMEN WELFARE FUND	2,000,000.00	-
TOTAL NRS.	22,000,000.00	-

Note: 4.4

	31/03/2080	32/03/2079
ACCOUNT RECEIVABLE		
12th EUROPEAN REGIONAL MEETING RECEIVABLE	313,837.24	313,837.24
WIFI ROUTER DEPOSIT	6,500.00	6,500.00
AQUA DEPOSIT SECURITIES	20,000.00	20,000.00
ADVANCE BAMBOO ATHENS LAND DEVELOPERS	-	5,000,000.00
ADVANCE- ECOTECH BUILDING SYSTEM PVT LTD	-	15,120,000.00
NRN DEVELOPMENT FUND	75,600.00	-
SHIVA MANI BHURTEL	3,800.00	-
SOCIETY OF ECONOMICS JOURNALISTS NEPAL (SEJON)	-	520,000.00
RECEIVABLE FROM NCC UK	-	143,007.00
NIROJ MAHARJAN	40,000.00	-
NEPAL HANDMAD RUG	28,800.00	-
ICONIC DIGITAL CREATION	1,500.00	-
DHARMA RAJ ADHIKARI	11,000.00	11,000.00
ADVANCE DHARMA RAJ GIRI	-	64,298.00
MAHESH KUMAR SHRESTHA	-	50,000.00
EFG CONSTRUCITON COMPANY PVT. LTD.	280,000.00	-
STAFF PERSONAL ADVANCE	408,722.90	419,400.00
NEPAL RASTRA BANK	869,109.38	-
NEPAL SCIENCE FOUNDATION	224,000.00	224,000.00
UJAYLO NEPAL FOUNDATION	100,221.01	100,221.00
RECEIVABLE FROM ILO PROJECT	-	4,767,328.29
DHAULAGIRI KHANEPANI UDHYOG PVT. LTD.	200.00	-
NCELL AXIATA LTD.	5,070.00	-
14TH ERM - SWEDEN	536,528.10	-
MIDDLEST REGIONAL MEETING OMAN	389,438.45	-
15TH ERM - CZECH REPUBLIC	836,375.96	-
PREPAID EXP.	14,540.78	-
TOTAL NRS.	4,165,243.82	26,759,591.53

Note: 4.5

	31/03/2080	32/03/2079
CASH AND CASH EQUIVALENTS		
CASH IN HAND	-	-
CASH AT BANK	25,814,956.04	109,053,354.31
BANK OF KATHMANDU	1,447,802.18	2,511,939.10
MACHHAPUCHCHHRE BANK	1,186,890.62	613,806.38
MEGA BANK	481,508.74	668,447.58
NEPAL INVESTMENT BANK	1,897,343.70	2,061,135.28
NIC ASIA BANK	9,632.00	9,596.46
PRABHU BANK	31,517.63	32,024.88
SANIMA BANK	20,619,265.17	94,764,463.33
SIDDHARTHA BANK	104,298.74	8,391,941.30
NABIL BANK	36,697.26	-
TOTAL NRS.	25,814,956.04	109,053,354.31






Note: 4.6

Unrestricted Funds/accumulated surplus	31/03/2080	32/03/2079
Balance at beginning of the year	250,731,462.34	166,265,974.07
Unrestricted surplus/deficit in operation activities	(21,786,655.32)	84,465,488.27
Provision for De-fort Designers Pvt. Ltd.	(3,952,910.42)	-
Laparak Project deficit transferred to core fund	(109,326,185.98)	-
Balance at end of the Year	115,665,710.62	250,731,462.34

Note:

1. As per agenda number 2(d) of 19th IES meeting held on 12th August 2023, chaired by Dr. Badri KC, decision was passed that the negative fund balance of NRNA Relief Project (Laparak) of NRs. 10,93,26,185.98 has been paid from NRNA core fund and this will be adjusted from NRNA surplus as a donation to Laparak Project for FY 2079/80. The above-mentioned figure is before the dispute settlement case of bamboo (Athen Land Developers) and D-fort design (NRs.39,52,910.42 excluding interest amount).

2. As per agenda number 2(d) of 19th IES meeting held on 12th August 2023 chaired by Dr. Badri KC, decision was passed that the actual amount based on the decision of Patan High Court is to be paid. However, since the Laparak Project Fund has already been closed it is likely that such liability is to be borne from core fund. No decision regarding such has been made in previous year. Hence, the provision has been made in the current financial year by Rs. Rs. 39, 52,910.42 and expenses has been adjusted from surplus of core fund.

Note: 4.7

DESIGNATED FUND	4.7.1	31/03/2080	32/03/2079
Balance at beginning of the year		(170,857.30)	
Unrestricted surplus/deficit		7,518,441.55	
Balance at end of the Year		7,347,584.25	(170,857.30)

Note: 4.7.1

DESIGNATED FUND	31/03/2080	32/03/2079
NRNA BLOOD TRANSFUSION SYSTEM FUND	6,586,546.43	(1,025,717.09)
NRNA THE SINGER	710,037.82	703,859.79
NRNA PASUPATI PROJECT	51,000.00	151,000.00
TOTAL NRS.	7,347,584.25	(170,857.30)

Note: 4.8

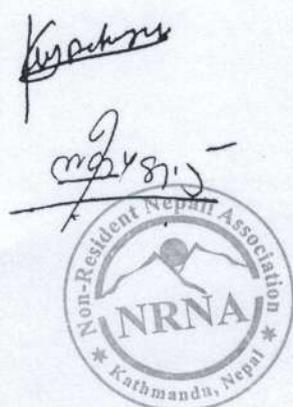
RESTRICTED FUND	4.8.1	31/03/2080	32/03/2079
Balance at beginning of the year		(24,715,490.96)	
Unrestricted surplus/deficit		90,649,036.65	
Balance at end of the Year		65,933,545.69	(24,715,490.96)

Note: 4.8.1

RESTRICTED FUND	31/03/2080	32/03/2079
NRNA CHARITY FUND	21,145,207.29	25,039,941.76
NRNA FOREIGN EMPLOYMENT RELIEF FUND	33,254,253.48	31,760,861.59
NRNA RELIEF FUND	-	(87,047,404.22)
NRNA EMERGENCY FUND	13,199,395.75	14,100,057.37
NRNA EMERGENCY FUND-COVID RELIEF	(3,869,769.17)	(4,519,269.17)
NRNA SAHITYA PURASKAR KOSH	481,508.74	688,447.58
NRNA YOUTH WELFARE FUND	(2,376,825.93)	(2,397,902.08)
WOMEN WELFARE FUND	4,099,775.53	2,414,529.90
ILO FUND	-	(4,734,753.69)
TOTAL NRS.	65,933,545.69	(24,715,490.96)

Note: 4.9

ENDOWMENT FUND	4.9.1	31/03/2080	32/03/2079
Balance at beginning of the year		5,422,370.20	
Unrestricted surplus/deficit		461,289.85	
Balance at end of the Year		5,883,660.05	5,422,370.20



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Note: 4.9.1

ENDOWMENT FUND	31/03/2080	32/03/2079
NRNA ENDOWMENT FUND	5,883,660.05	5,422,370.20
TOTAL NRS.	5,883,660.05	5,422,370.20

Note: 4.10

CAPITAL FUND	31/03/2080	32/03/2079
CAPITAL FUND-LAND	40,810,211.79	40,810,211.79
CAPITAL FUND-BUILDING	138,769,867.85	146,073,545.11
CAPITAL FUND-VEHICLE	-	560,000.00
TOTAL NRS.	179,580,079.64	187,443,756.90

Note: The Capital Fund Balance shown in the financial statement represents donation received for the purchase of land and building only whereas remaining balance for the purchase of land & building is borne by core fund of association. Therefore, Capital Fund Balance does not represent the total value of land & building.

Note: 4.11

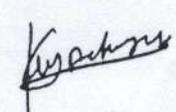
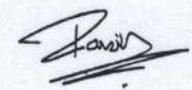
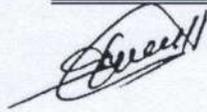
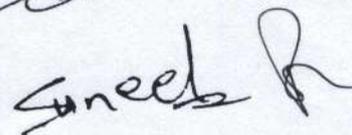
ACCOUNTS PAYABLE		31/03/2080	32/03/2079
SUNDRY CREDITOR	4.11.1	3,383,125.15	13,461,109.79
DUTIES & TAXES PAYABLE	4.11.2	224,084.72	875,120.45
AUDIT FEE PAYABLE		295,475.00	295,153.25
LAPRAK PROJECT PAYABLES		-	326,810.00
ILO PROJECT PAYABLES		-	4,903,970.26
NET TAX PAYABLE		660,039.92	114,970.49
MILAP 9TH ARM-THAILAND		65,326.00	-
TOTAL NRS.		4,628,050.79	19,977,134.24

Note: 4.11.1

SUNDRY CREDITOR		31/03/2080	32/03/2079
INFCARE PVT. LTD.		646,700.00	-
CONTINENTAL TRADING ENTERPRISES PVT. LTD.		1,325,663.72	-
IME TRAVELS PVT. LTD.		836,375.96	-
MIND WORKS MEDIA AND EVENTS PVT. LTD.		104,525.00	-
SEPALS INTERNATIONAL PVT. LTD.		-	2,920.08
GC RESEARCH & DEVELOPMENT UDYOG		-	10,941,142.67
RADISSON HOTEL		-	1,844,533.54
PANCHAMRIT		7,215.00	-
TEEKA RESORT PVT. LTD.		117,568.00	-
HASTA GURUNG		16,637.50	16,637.50
DIGI DESIGN		328,439.97	-
BANDANA SAPKOTA		-	200,000.00
MIN RAJ WAGLE		-	200,000.00
MHENDO DESIGN & PRINT HOUSE PVT. LTD.		-	5,876.00
ROJAN RAJ GHIMIRE		-	250,000.00
TOTAL NRS.		3,383,125.15	13,461,109.79

Note: 4.11.2

DUTIES & TAXES PAYABLE		31/03/2080	32/03/2079
TDS on Internal Audit Fee		750.00	24,430.95
TDS on Proprietorship (11111)		22,695.98	678,084.13
TDS on Pvt. Ltd. (11123)		7,688.67	2,221.41
TDS on Salary - Remuneration Tax (11112)		186,615.97	147,081.32
TDS on Salary - Social Security (11211)		6,334.10	4,553.00
Reverse Vat Payable		-	18,749.64
TOTAL NRS.		224,084.72	875,120.45





Note: 4.12

	31/03/2080	32/03/2079
LOANS AND BORROWINGS		
UNSECURED LOAN	-	189,000.00
TOTAL NRS.	-	189,000.00

Note: 4.13

INCOMING RESOURCES		31/03/2080	32/03/2079
CORPORATE FUNDRAISING	4.13.1	10,354,023.50	108,520,744.60
GRANTS - RESTRICTED FUNDING	4.13.2	127,428,518.40	18,391,045.87
DONATIONS FROM PUBLIC	4.13.3	2,050,700.00	9,005,031.66
OTHER FUND RAISING ACTIVITY	4.13.4	4,762,083.29	5,055,374.44
TOTAL NRS.		144,595,325.19	140,972,196.57

Note: 4.13.1

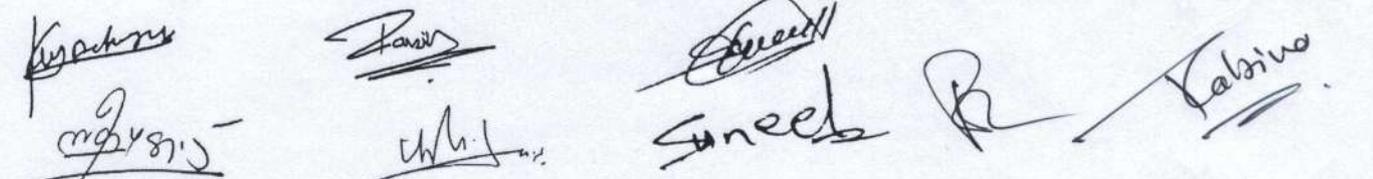
CORPORATE FUND RAISING		31/03/2080	32/03/2079
ICC MEMBER CONTRIBUTION		3,000,000.00	12,636,542.47
NCC MEMBER CONTRIBUTION		6,849,623.50	50,325,152.99
NOMINATION FEE		-	45,559,049.14
REGISTRATION INCOME		504,400.00	-
TOTAL NRS.		10,354,023.50	108,520,744.60

Note: 4.13.2

GRANTS - RESTRICTED FUND		31/03/2080	32/03/2079
VEHICLE FUND INCOME		-	140,000.00
BUILDING FUND INCOME		7,303,677.26	7,688,081.32
NRNA CHARITY FUND		1,113,311.65	3,335,302.63
Donation- NRNA Mobile Toilet		200,000.00	-
Donation- Smart Toilet Project		612,293.65	-
Donation-Charity Fund		300,001.00	-
Donation- NRNA Appeal		1,017.00	-
NRNA BLOOD TRANSFUSION SYSTEM FUND		7,578,451.79	970,276.50
Donation-BTS Koshi Province		704,130.70	-
Donation-BTS Madesh Province		1,437,662.13	-
Donation-BTS Lumbini Province		5,234,658.96	-
Donation-Blood		202,000.00	-
NRNA EMERGENCY FUND		155,001.00	516,476.48
Donation- Earthquake Doti		155,001.00	-
NRNA FOREIGN EMPLOYMENT RELIEF FUND		50,000.00	1,841,950.00
Donation-Foreign Employment		50,000.00	-
NRNA RELIEF FUND (LAPRAK PROJECT)		109,326,185.98	215,621.00
NRNA RELIEF FUND (LAPRAK PROJECT)		109,326,185.98	-
NRNA ROAD SAFETY FUND		-	1,641,543.33
WOMEN WELFARE FUND		1,833,328.73	600,794.61
Donation Street Childred Project-Women Welfare Fund		1,813,328.73	-
Donation- Women Welfare Fund		20,000.00	-
NRNA SAHITYA PURASKAR KOSH		500.00	520,000.00
Donation- NRNA Sahitya Puruskar Kosh		500.00	-
THE SINGER IDOL		-	770,000.00
PASHUPATI PROJECT		-	151,000.00
SPORT ACADEMY		68,061.99	-
Airfare Expense-9th National Game		35,414.00	-
Lunch Exp - Sports Academy		32,647.99	-
TOTAL NRS.		127,428,518.40	18,391,045.87

Note: 4.13.3

DONATION FROM PUBLIC		31/03/2080	32/03/2079
DONATION-COVID 19 RELIEF		649,500.00	1,997,634.81
FUND RECEIVED FROM CONTRIBUTORS-ILO		-	6,927,396.85
Donation- Seminar		40,000.00	80,000.00
Donation - Sport Academy		1,361,200.00	-
TOTAL NRS.		2,050,700.00	9,005,031.66






Note: 4.13.4

OTHER FUND RAISING ACTIVITY	31/03/2080	32/03/2079
Sponsorship Fee 2021-23	2,800,000.00	4,993,374.44
Sponsorship Fee- 2nd GKC Program	-	62,000.00
Sponsorship Fee - AGM & Global Conclave 2022	1,962,083.29	-
TOTAL NRS.	4,762,083.29	5,055,374.44

Note: 4.14

FINANCIAL INCOME	31/03/2080	32/03/2079
INTEREST INCOME ON CALL A/C	1,604,990.26	1,281,360.71
INTEREST INCOME FROM FD	3,822,274.49	328,176.89
TOTAL NRS.	5,427,264.75	1,609,537.60

Note: 4.15

OTHER INCOME	31/03/2080	32/03/2079
OTHER INCOME	1.98	3,300.00
RENTAL INCOME	18,897,536.11	18,837,245.76
FOREIGN EXCHANGE GAIN/(LOSS)	687,914.87	102,553.20
TOTAL NRS.	19,585,452.96	18,943,098.96

Note: 4.15.1

RENTAL INCOME	31/03/2080	32/03/2079
Nepal Rastra Bank	18,585,245.76	18,585,245.76
NDF Fund	312,290.35	252,000.00
TOTAL NRS.	18,897,536.11	18,837,245.76

Note: 4.16

STAFF COST/EXPENSES	31/03/2080	32/03/2079
SALARY, OVERTIME, WAGES & ALLOWANCES	10,780,583.32	8,766,960.43
INFLATION ALLOWANCE	538,435.48	475,000.00
RETIREMENT BENEFIT	665,772.06	2,016,599.80
TRANSPORTATION ALLOWANCE	348,535.48	328,000.00
TOTAL NRS.	12,333,326.34	11,586,560.23

Note: 4.17

PROGRAM EXPENSES	31/03/2080	32/03/2079
LAPRAK RELIEF FUND EXPENSE	4.17.1 22,278,910.05	8,824,796.79
PASUPATI PROJECT	100,000.00	-
CHARITY FUND EXPENSE	4.17.2 5,587,872.03	6,260,239.07
EMERGENCY FUND EXPENSE	4.17.3 1,157,120.00	4,313,907.66
FOREIGN EMPLOYMENT FUND EXPENSE	4.17.4 1,200.00	1,071,881.00
WOMEN WELFARE FUND EXPENSE	4.17.5 283,320.66	416,020.00
BLOOD TRANSFUSION FUND EXPENSE	4.17.6 31,774.26	5,959,967.50
ENDOWMENT FUND EXPENSE	4.17.7 300.00	300.00
ROAD SAFETY FUND EXPENSE	4.17.8 -	1,663,596.23
SPORTS ACADEMY	4.17.9 12,630,785.86	-
ILO PROJECT FUND EXPENSE	-	42,484,458.74
COVID 19 FUND EXPENSE	4.17.10 -	49,220,301.29
SAHITYA PURASKAR KOSH	4.17.11 200,000.00	356,322.52
THE SINGER IDOL	4.17.12 115.00	70,510.00
TOTAL NRS.	42,271,397.86	120,642,300.80

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Note: 4.17.1

LAPRAK RELIEF FUND EXPENSE	31/03/2080	32/03/2079
BANK CHARGES	600.00	375.00
CONSTRUCTION MATERIALS	-	6,000.00
CONSTRUCTION CONSUMABLES	-	6,100.00
LEGAL CONSULTANCY	5,882.35	16,950.00
FOOD EXPENSES	-	111,780.00
FUEL AND CONVEYANCE	-	125,518.74
MEDICAL EXPENSES	-	1,925.00
EMPLOYEE EXPENSE	-	439,000.00
LAPRAK STAFF BENEFIT	-	27,400.00
RETIREMENT BENEFIT	-	171,586.80
TRANSPORTATION EXPENSES	-	517,048.70
TRAVEL PERDIUM (DSA) EXP	-	14,920.00
LABOUR WAGES	-	7,285,806.95
VEHICLE AND ROAD TAX	45,000.00	66,544.00
PRODUCTION EXP - SAND/STONE DUST- LAPRAK	22,211,754.60	-
INSURANCE EXPENSE	15,673.10	24,091.60
OFFICE ELECTRICITY EXPENSES	-	9,000.00
PRINTING AND STATIONARY EXPENSES	-	750.00
TOTAL NRS.	22,278,910.05	8,824,796.79

Note: 4.17.2

CHARITY FUND EXPENSE	31/03/2080	32/03/2079
CHARITY WORKS	-	857,364.32
BANK CHARGES	633.03	595.00
TRANSPOTATION EXP- CHARITY WORK	-	4,102.56
WAGES LABOUR-CHARITY WORK	-	2,020.20
GARDEN CONSTRUCTION EXP	-	4,108,576.51
CHARITY WORKS	1,005,503.53	1,287,580.48
PROGRAM EXP	81,339.00	-
CHARITY WORKS- NRNA SMART TOILET PROJECT	4,500,396.47	-
TOTAL NRS.	5,587,872.03	6,260,239.07

Note: 4.17.3

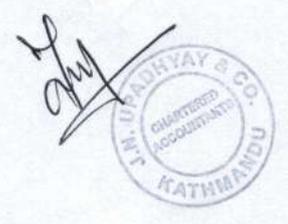
EMERGENCY FUND EXPENSE	31/03/2080	32/03/2079
CHARITY WORKS	1,156,800.00	4,246,607.48
BANK CHARGES	320.00	820.00
TRANSPORTATION EXPENSES	-	54,358.97
WAGE LABOUR EXPENSES	-	12,121.21
TOTAL NRS.	1,157,120.00	4,313,907.66

Note: 4.17.4

FOREIGN EMPLOYMENT FUND EXPENSE	31/03/2080	32/03/2079
CHARITY WORKS	-	603,850.00
EVENTS AND PROGRAMME EXPENSES	-	14,125.00
BANK CHARGES	1,200.00	675.00
WHITE PAPER DEVELOPING	-	120,800.00
AUDIT EXPENSES	-	141,250.00
STAFF EXPENSES	-	191,181.00
TOTAL NRS.	1,200.00	1,071,881.00

Note: 4.17.5

WOMEN WELFARE FUND EXPENSE	31/03/2080	32/03/2079
CHARITY WORKS	280,000.00	415,700.00
BANK CHARGES	740.66	320.00
PROGRAM EXPENSES	2,580.00	-
TOTAL NRS.	283,320.66	416,020.00



Note: 4.17.6

BLOOD TRANSFUSION FUND EXPENSE	31/03/2080	32/03/2079
ADVERTISEMENT EXPENSES	6,102.00	-
TRANSPORTATION EXPENSES	-	200.00
EVENTS AND PROGRAM	-	8,000.00
MOBILE BLOOD BUS	-	5,867,160.00
CHARITY WORK	-	14,407.50
TRAVELLING EXPENSE	-	70,200.00
BANK CHARGE	25,672.26	-
TOTAL NRS.	31,774.26	5,959,967.50

Note: 4.17.7

ENDOWMENT FUND EXPENSE	31/03/2080	32/03/2079
BANK CHARGE	300.00	300.00
TOTAL NRS.	300.00	300.00

Note: 4.17.8

ROAD SAFETY FUND EXPENSE	31/03/2080	32/03/2079
BANK CHARGE	-	124.23
TRAFFICE SAFETY WWORKS EXPENSES	-	1,663,472.00
TOTAL NRS.	-	1,663,596.23

Note: 4.17.9

SPORTS ACADEMY	31/03/2080	32/03/2079
AIRFARE EXPENSE-SPORTS ACADEMY	148,447.00	-
COURIER CHARGES- SPORTS ACADEMY	980.00	-
DECORATION AND FLOWER-SPORTS ACADEMY	259,725.00	-
FOODING AND LODGING EXP-SPORTS ACADEMY	182,375.51	-
FUEL AND CONVEYANCES- SPORTS ACADEMY	543.00	-
GENERATER HIRE AND OTHER EXP- SPORTS ACADEMY	55,555.56	-
HALL EXP- SPORTS ACADEMY	43,900.00	-
LUNCH EXP - SPORTS ACADEMY	286,844.00	-
MEDIA EXPENSES - SPORTS	67,800.00	-
MEDICAL EXP - SANDIP ADHAKARI AND OTHER (SPORTS)	775,743.15	-
MEETING EXP - SPORTS ACADEMY	4,717.75	-
MULTIMEDIA EXPENSES- SPORTS ACADEMY	150,640.00	-
PLAYER/REFEREE ALLOWANCE EXP - SPORTS ACADEMY	1,623,040.00	-
PLAYER PRIZE EXP- SPORTS ACADEMY	665,000.00	-
PRINTING EXPENSES- SPORTS ACADEMY	892,920.25	-
REFRESHMENT EXPENSES-SPORTS ACADEMY	214,805.24	-
SPORT ACCESSORIES - SPORTS ACADEMY	417,304.00	-
TOKEN OF LOVE- SPORT ACADEMY	162,850.00	-
TRANSPORTATION EXP- SPORTS ACADEMY	501,658.85	-
WAGE LABOUR- SPORTS ACADEMY	25,200.00	-
HOTEL EXP- SPORTS ACADEMY	3,992,773.57	-
DRESS EXP- SPORTS ACADEMY	1,804,498.98	-
BAG EXP- SPORTS ACADEMY	353,464.00	-
TOTAL NRS.	12,630,785.86	-

Note: 4.17.10

COVID 19 FUND EXPENSE	31/03/2080	32/03/2079
BANK CHARGES- COVID 19	-	25.00
BOOKLET DESIGN EXP-COVID 19	-	122,880.00
CHARITY WORKS- COVID 19	-	1,500,000.00
CONSULTANCY FEE- COVID 19	-	109,798.41
COVID- MEDICAL EXP-COVID 19	-	4,000.00
INTERSHIP EXP - COVID 19	-	32,800.00
PRINTING EXP- COVID 19	-	45,087.00
SERVICE CHARGE OF DOCTOR-COVID 19	-	111,263.52
SUPPORT SERVICE EXP- COVID 19 FUND	-	39,550.00
TRANSPOTATION EXP - COVID 19	-	8,102.56
ZOOM EXPENSES	-	10,800.00
ICU INSTALLATION EXPENSES	-	2,260,000.00
OXYGEN PLANT	-	44,975,994.80
TOTAL NRS.	-	49,220,301.29

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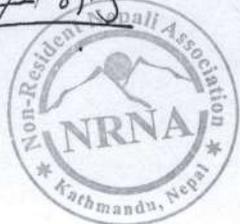
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Note: 4.17.11

SAHITYA PURASKAR KOSH	31/03/2080	32/03/2079
PRIZE/AWARD EXPENSES	200,000.00	266,666.66
PROGRAM AND EVENTS EXPENSES	-	89,655.86
TOTAL NRS.	200,000.00	356,322.52

Note: 4.17.12

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THE SINGER IDOL	31/03/2080	32/03/2079
BANK CHARGE	115.00	110.00
INTERNSHIP EXPENSES	-	70,400.00
TOTAL NRS.	115.00	70,510.00

Note: 4.18

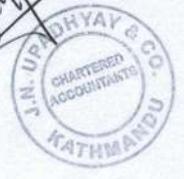
GENERAL ADMINISTRATIVE EXPENDITURE	31/03/2080	32/03/2079
NEWSLETTER, PUBLICATION AND MEDIA EXPENSES	40,150.00	3,400.00
FUEL AND CONVEYANCE	69,610.18	148,813.00
REPAIR & MAINTENANCE	352,247.17	1,030,480.33
REMUNERATION, PART TIME EXPENSES	176,000.00	208,600.00
OTHER AUDIT FEES	226,000.00	226,000.00
STATUTORY AUDIT FEES	186,450.00	186,450.00
PRINTING & STATIONERY	54,976.57	62,708.08
MISCELLANEOUS EXPENSE	74,972.30	7,000.00
CONSUMABLES	175,397.98	139,084.27
MEETING FEE & PROGRAM EXPENSE	1,021,978.04	7,048.00
LEGAL CONSULTANCY	1,416,200.00	1,529,598.53
REFRESHMENT EXPENSES	728,969.21	259,549.07
CONSULTANCY AND SERVICE CHARGE	761,874.11	812,054.41
LABOUR WAGE EXPENSES	20,585.86	60,209.66
ADVERTISEMENT	248,343.00	85,484.50
AMC CHARGES	50,137.23	20,340.00
CLEANING AND HOUSEKEEPING EXPENSES	650,309.16	652,309.16
BANK CHARGES	25,887.00	2,616.77
INSURANCE EXPENSES	435,093.40	455,469.18
INTERNET EXPENSES	68,121.44	73,615.63
WEBSITE HOSTING, ONLINE SERVICE AND MIS	2,624,208.89	1,369,106.90
INTERNATIONAL SMS SERVICE CHARGE FOR MEMBERSHIP	101,700.00	29,380.00
OFFICE CLEANING EXP	114,032.66	64,270.07
OFFICE ELETRICITY EXP	90,632.53	253,724.51
SOCIAL PARTNERSHIP PLAN PROGRAM	209,050.00	-
OFFICE EXPENSES	43,000.00	3,004.00
PUJA EXPENSES	5,598.00	9,116.00
WATER EXPENES	-	76,455.00
SECURITY EXPENSES	991,721.40	991,721.39
TELEPHONE & COMMUNICATION CHARGES	69,560.00	84,175.00
TAX AND REGISTRATION EXPENSES	197,361.23	50,500.00
ELECTRICITY MATERIALS AND REPAIR EXP	500,000.00	-
MEDICAL EXPENSES	-	70.00
DECORATION AND FRAMING EXP	-	58,823.53
TRAVELLING AND TRANSPORTATION EXPENSE	81,844.00	-
AGM AND GLOBAL CONCLAVE 2022 EXPENSES	4,140,937.59	-
BOOKLET, DESIGN AND PERODICALS	124,010.40	330,526.15
RECREPTION FAREWELL EXP	68,620.00	-
CONSTRUCTION AND BUILDING MAINTENANCE	1,390,885.18	-
SMART NRNA PROJECT	2,638,548.88	-
4TH GLOBAL HEALTH CONFERENCE EXP	439,694.66	-
CHARITY WORK TO MAHABIR PUN	366,256.42	-
RESEARCH ON NRNA INVESTMENT	520,000.00	-
WRITE OFF EXP	5,000,000.00	-
TOTAL NRS.	26,500,964.49	9,291,703.14

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Note: 4.19

	31/03/2080	32/03/2079
OTHER EXPENDITURE		
10TH GLOBAL CONFERENCE EXPENSE	4.19.1 -	13,336,238.27
SEMINAR-CNC,FEF AND INVESTMENT	4.19.2 118,520.00	2,577,840.89
TOTAL NRS.	118,520.00	15,914,079.16

Note: 4.19.1

	31/03/2080	32/03/2079
10TH GLOBAL CONFERENCE EXPENSE		
BOOKLET DESIGNING AND PRINTING EXP- 10TH GC	-	215,491.00
CONSULTANCY FEE- 10TH GC	-	65,000.00
CULTURE PROGRAM EXP-10TH GC	-	120,000.00
ELECTION EXPENSES-10TH GC	-	1,487,294.12
EVENTS AND PROGRAMME EXPENSES-10TH GC	-	6,893,270.27
FOODING AND LODGING EXP- 10TH GC	-	5,000.00
GENERATER HIRE EXP- 10TH GC	-	146,900.00
INTERNSHIP EXP- 10TH GC	-	241,125.00
LABOUR WAGES-10TH GC	-	20,000.00
LEGAL CONSULTANCY FEE- 10TH GC	-	1,106,641.96
LOCAL CONVEYANCE- 10TH GC	-	6,800.00
LUNCH EXPENSE FOR 10TH GC	-	111,196.00
MANAGEMENT CHARGE-10TH GC	-	348,864.90
MASS (BULK) MAILING EXPENSE FOR GC	-	94,920.00
MULTIMEDIA EXPENSES-10TH GC	-	553,700.00
OVERTIME EXP-10TH GC	-	34,490.00
PHOTOGRAPHY AND VIDEGRAPHY EXP- 10TH GC	-	274,590.00
PRINTING & STATIONARY EXP-10TH GC	-	118,232.20
PROGRAM HOST MC-10TH GC	-	80,000.00
PUJA EXPENSES-10TH GC	-	11,100.00
REFRESHMENT EXPENSES- 10TH GC	-	80,386.00
REPAIR AND MAINTENENCE- OTHERS-10TH GC	-	3,500.00
SCREEN SYSTEM EXP- 10TH GC	-	180,800.00
SECURITY EXPENSES-10TH GC	-	94,920.00
SERVICE CHARGE-10TH GC	-	7,058.82
STAFF 10TH GC ALLOWANCE	-	687,680.00
TELEPHONE & COMMUNICATION CHARGES-10TH GC	-	500.00
TOKEN OF LOVE EXP-10TH GC	-	144,778.00
ZOOM EXP- 10TH GC	-	202,000.00
TOTAL NRS.	-	13,336,238.27

Note: 4.19.2

	31/03/2080	32/03/2079
SEMINAR-CNC,FEF AND INVESTMENT		
CONSULTANCY FEE - SEMINAR	25,000.00	50,000.00
EVENT & PROGRAM EXP - SEMINAR	4,000.00	2,086,327.89
INTERNSHIP EXP-SEMINAR	-	1,200.00
LOCAL CONVANCY- SEMINAR	6,200.00	1,650.00
LUNCH EXP - SEMINAR	2,400.00	24,190.00
MULTIMEDIA EXPENSES-SEMINAR	55,370.00	300,580.00
PRINTING & STATIONARY EXP- SEMINAR	25,550.00	2,034.00
TOKEN OF LOVE-SEMINAR	-	107,859.00
ZOOM EXP- SEMINAR	-	4,000.00
TOTAL NRS.	118,520.00	2,577,840.89

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NON-RESIDENT NEPALI ASSOCIATION
Kathmandu, Nepal

STATEMENT OF ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS
For the period ended 31st Ashad, 2080 (16th July, 2023)

1. General Information

Non-Resident Nepali Association (NRNA) is a non-governmental not for profit organization registered with Government of Nepal, Ministry of Foreign Affairs on 21st October 2013, as per the decision of Government of Nepal (Ministerial Level) dated 20th October, 2013 pursuant to the Non-Resident Nepali Act, 2007 and the Non-Resident Nepali Rules, 2009. It is registered with Inland Revenue Department with effect from 4th December, 2013. The top-level authority is the NRNA General Assembly followed by International Coordination Council (ICC). For efficient and effective implementation of works of ICC, International Executive Secretariate (IES) is formed. Its registered office is in Baluwatar as principal place of activities.

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 Cash Flows together with the Accounting Policies and Notes to the financial statements as at 31st Ashadh 2080 and for the year then ended comply with the Generally Accepted Accounting Principles to the extent applicable and the Nepal Accounting Standards for NPOs (NAS for NPOs) issued by Accounting Standard Board of Nepal.

The Financial Statements were authorized for issue as per decision of the Executive Committee dated October 09, 2023.

2.2 Basis of measurement

The financial statements have been prepared using the historical cost convention in accordance with Generally Accepted Accounting Practices based on accrual basis of accounting except membership fees which has been recognized on cash basis.

2.3 Functional and presentation currency

The financial statements are presented in Nepali Rupees (NRs.), which is the organization's functional and presentation currency.

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[Circular stamp: J. N. UPADHAY & CO. CHARTERED ACCOUNTANTS, KATHMANDU]

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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 judgements. It also requires management to exercise judgement in the process of applying the accounting policies. The management makes certain estimates and assumptions regarding the future events. Estimates and judgements are continuously evaluated based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and judgements.

3. Summary of significant accounting policies

3.1 Property Plant and Equipment

a. Cost and Valuation

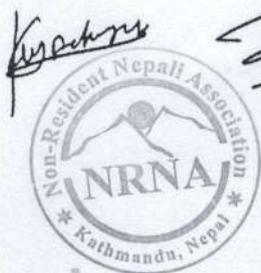
All items of property, plant and equipment are initially recorded at cost. Subsequent to the initial recognition of an asset, property plant and equipment are carried at cost less any subsequent depreciation. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied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

b. Depreciation

Depreciation is provided for on all Property Plant and Equipment on the WDV basis and is calculated on the net book value of all property, plant and equipment other than land.

The annual rates of depreciation currently being used by Non-Resident Nepali Association based on rates as prescribed by Income Tax Act 2058:

Assets	Rate p.a.
Buildings	5%
Vehicles	20%
Computer equipment	25%
Office Equipment	25%
Furniture and Fittings	25%
Others	15%



c. 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 asset is valued on the conclusion of the project with the approval from funding agencies and brought into the financial statements under property plant and equipment with corresponding credit to Capital Reserve . The depreciation provided on such assets will be charged against such Capital Reserve. For the purpose of depreciation, the date of valuation for inclusion in the financial statements is considered the date of purchase.

3.2 Foreign-Currency transactions

Transaction in currencies other than Nepal Rupees are converted into Nepal Rupees at rates which approximate the actual rates at the transaction date (spot exchange rate). 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 that date. Realized and unrealized exchange differences are reported in the Statement of Income and Expenditure.

3.3 Cash and cash equivalents

Non-Resident Nepali Association 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 equivalents".

3.4 Provisions

A provision is recognized in the statement of financial position when Non-Resident Nepali Association 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.

3.5 Employee Benefits Liabilities

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

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

3.6 Loans and Borrowings and Account Payables

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

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3.7 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 Non-Resident Nepali Association at the discretion of the Board, in furtherance of the general objectives of Non-Resident Nepali Association 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.

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 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 in 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 certainty that the balance will be received such amount is recognized through Debtors in the Statement of Financial Position.

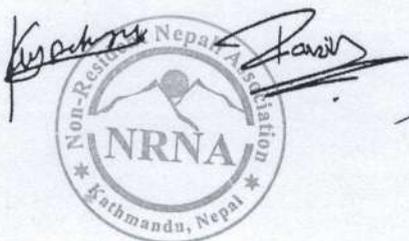
c. Restricted Fund

The activities for which these 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.

Investment Income and other gains realized from funds available under each of the above categories are allocated to the appropriate funds, unless the



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relevant agreement or minute provides otherwise. Where such income can be used for general purposes, same shall be treated as income in the Statement of income & expenditure.

3.8 Grants and Subsidies

Grants and subsidies are recognized in the financial statements at their fair value. When the grant or subsidy relates to an expense 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 asset by the amount of depreciation with corresponding debit to deferred income over more than one accounting period.

In the case of 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 costs to the Statement of Financial Performance, the grant value is recognized as income in the same 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 reserve 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.

3.9 Income recognition

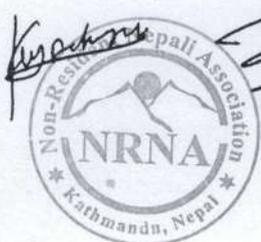
a. Contributions/Incoming Sources

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.

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 used for the purpose of Non-Resident Nepali Association 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 Non-Resident Nepali Association 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.

However, Income from contribution of National Co-ordination Council (NCC) and International Co-ordination Council (ICC) members as membership fees are recognized on cash basis.



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b. Financial Income

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

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.

c. Other income

Other income is recognized on an accrual basis except otherwise categorically explained to be on cash basis.

3.10 Expenditure recognition

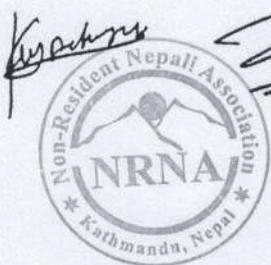
Expenses in carrying out the projects and other activities of Non-Resident Nepali Association are recognized in the Statement of Income & Expenditure during the period in which they are incurred. Other expenses in administering and running Non-Resident Nepali Association and in restoring and maintaining 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.

3.11 Taxation

Tax Exemption Certificate has been renewed during the fiscal year 2079/80. Hence, Income Tax has been calculated as per Income Tax Act, 2058 for only such amounts that are not tax exempt.

3.12 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 Non-Resident Nepali Association. 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 4.21. For certain operational claims reported as contingent liabilities, it is not practical to disclose detailed information on their corresponding nature and uncertainties.



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4. Notes to Financial Statements

4.14 Interest Income

The association has received interest income of Rs. 1,604,990.26 (Previous Year Rs.12,21,360.71) from various banks and interest income of Rs. 3,822,274.49 (Previous Year Rs.3,28,176.89) from fixed deposit.

4.20 Income Tax Expenses

Non-Resident Nepali Association has got Tax Exempted Status and accordingly no provision for tax has been made. Interest Income from Bank has been shown net of final withholding tax in accordance with section 92 of Income Tax Act 2058. However, Rental Income has been booked on gross basis and taxed @25% on such income after deducting related allowable expenses on systematic basis.

4.21 Contingent Liabilities

Non-Resident Nepali Association has entered into agreement with ministry of women, children, and social welfare on 2080/02/12. NRNA has committed to provide 4 installments of Rs. 15,000/- per children per installment to 50 children. At the end of the financial year 2079/80 NRNA has paid one installment. Hence, Contingent liability for the current financial year is of Rs. 22,50,000/-.

4.22 Related Party Transactions

Related Party Disclosures for the year ended July 16, 2023 (Ashad 31, 2080) in accordance with NAS 24 issued by the Accounting Standard Board of Nepal.

a. Member of Management Committee & Transaction

Related parties include the CEO and Assistant Director, who are members of the management committee and transaction during the year is Rs. 42,59,538.82 (Previous Year Rs. 45,41,260.52). This amount is recognized as an expense during the reporting period related to those charged with governance.

b. Other Related Party Transaction

S.N.	Name of the related Party	Relation	Nature of Transaction	Transaction		Outstanding Balance	
				F.Y. 2079/80	F.Y. 2078/79	F.Y. 2079/80	F.Y. 2078/79
1	NRN Nepal Development Fund Ltd.	Sister Concern	Rental	312,290.33	252,000	75,600.00	

Note: In the above table only the transactions and outstanding balances of related parties are presented.



4.23 Legal Disputes

- a. The land on which NRNA building is constructed is in conflict on the ownership title of NRNA. As per the Press Release dated 2076/10/22 by Commission for the Investigation of Abuse of Authority (CIAA), the land owned by NRNA is set to be confiscated by the Government of Nepal as per Section 47 of Prevention of Corruption Act, 2059. Notice has been issued by the special court on 2077/11/04 notifying NRNA that the case mentioned on the Press Release dated 2076/10/22 has been filed (case no. 2076-CR-0270). Bhumisudhar Tatha Malpot Karyalaya has published 21-day notice to NRNA on 2077/12/23 to provide written response supported by facts and evidences that the disputed land is owned by NRNA and not by Nepal Government. NRNA has provided the written response in 2078/01/13. Therefore, the case is still running in special court and the ownership of the assets (land and building) of NRNA is questionable.
- b. NRNA had been in litigation in the court with DE-FORT Trek & Health Pvt. Ltd. (De-Fort Designers Pvt. Ltd.). Arbitration Tribunal has taken the decision against NRNA to make payment of Rs. 3,952,910.42 to the party on 2077/12/26. NRNA has filed the case against the party in the High Court Patan on 2078/03/15 to cancel the decision made by Arbitration Tribunal. The court has ordered for reconciliation through the process of Arbitration as on 2079.03.14. The Secretariat is awaiting the High Court order to pay the pending payment, after which the Secretariat will have to immediately clear the liability. Therefore, a provision of Rs. 3,952,910.42 is booked against such liability.

4.24 Negative Fund Balance

- a. Following fund balances shows negative figures where excess fund has been used from Secretariat and other funds:

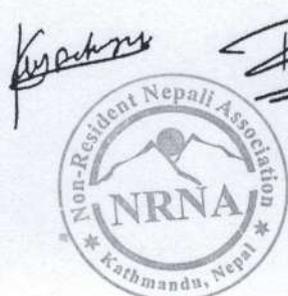
Fund	Amount
COVID 19 Emergency Fund (Relief)	3,869,769.17 Dr.
NRNA Youth Welfare Fund	2,376,825.93 Dr.

b. NRNA Relief Fund (Laparak Model Village Development Project)

As per agenda number 2(d) of 19th IES meeting held on 12th August 2023, chaired by Dr. Badri KC, decision was passed that the negative fund balance of NRNA Relief Project (Laparak) of NRs. 10,93,26,185.98 has been paid from NRNA core fund and this will be adjusted from NRNA surplus as a donation to Laparak Project for f/y 2079/80. The above-mentioned figure is before the dispute settlement case of bamboo (Athen Land Developers) and D-fort design (NRs.39,52,910.42 excluding interest amount).

4.25 Write off of Advances

As per agenda number 2(d) of 19th IES meeting held on 12th August 2023, chaired by Dr. Badri KC, decision was passed that the advance balance of Athen Land Developers amounting to Rs. 50 lakhs and the advance balance of SEJON amounting to Rs. 5 Lakhs and 20 thousand has been written off.



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4.26 Fund and Bank Reconciliation

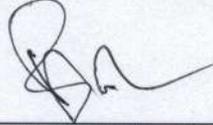
Earmarked fund balance and their corresponding bank balances have not reconciled.

4.27 Provision

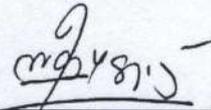
As per agenda number 2(d) of 19th IES meeting held on 12th August 2023 chaired by Dr. Badri KC, decision was passed that the actual amount based on the decision of Patan High Court is to be paid. However, since the Laprak Project Fund has already been closed it is likely that such liability is to be borne from core fund. No decision regarding such has been made in previous year. Hence, the provision has been made in the current financial year by Rs. 39, 52,910.42 and expenses has been adjusted from surplus of core fund.



RABINA MAHARJAN
SR. FINANCE OFFICER
NRNA SECRETARIAT



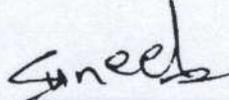
RAJENDRA KUMAR RAUT
CEO, NRNA SECRETARIAT



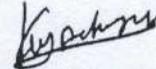
LOK PRASAD DAHAL
TREASURER, NRNA ICC



FANINDRA PANTA
TREASURER, NRNA ICC



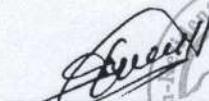
SUNEEL SAH
TREASURER, NRNA ICC



KULACHARYA
PRESIDENT, NRNA ICC



RABINA THAPA
PRESIDENT, NRNA ICC



DR. BADRI KC
PRESIDENT, NRNA ICC
NRNA SECRETARIAT



AS PER OUR REPORT OF EVENT DATE



CA JAGANNATH UPADHYAY
MANAGING PRINCIPAL
FOR, J.N. UPADHYAY & CO.
CHARTERED ACCOUNTANTS



DATE: 2080/06/22
PLACE: KATHMANDU