



K.B. GHIMIRE & COMPANY

Shantinagar-34, Kathmandu

Phone: (M) 01-4108715

ICAN No. 2755/060

PAN No300373503

COP No. 'D' 0549/059

Membership No.3221

AUDITOR'S REPORT

The Board of Directors,
Music Royalty Collection Society Nepal.

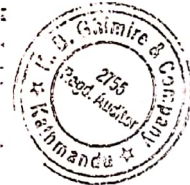
We have audited the accompanying balance sheet of Music Royalty Collection Society Nepal, Anamnagar as of Ashad 31st 2073, and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the firm's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Nepal Standards on Auditing or relevant practices. Those Standards or relevant practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the firm as of Ashad 31st 2073, and of the result of its operations and its cash flows for the year then ended in accordance with Nepal Accounting Standards or relevant practices.

For K.B. Ghimire & Co.
Registered Auditor

Khagda Bahadur Ghimire
Registered Auditor
Place: Kathmandu
Date: 28 December 2016



MUSIC ROYALTY COLLECTION SOCIETY NEPAL
Anamnagar, Kathmandu
Balance Sheet
As at 15 July 2016

Amount NPR

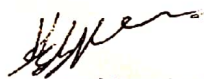
Particulars	Schedule	Current Year	Previous Year
Sources of Fund			
Net Fund Received	1	312,989	924,260
Total Sources of Fund		312,989	924,260
Application of Funds			
Fixed Assets:			
Gross Block	5	1,569,966	1,540,341
Less: Accumulated Depreciation		(1,070,443)	(908,808)
Net Fixed Assets		499,523	631,533
Current Assets, Loans & Advances			
Cash and Cash Equivalents	2	2,363,490	3,574,330
Advance, Prepaid & Deposits	3	501,726	323,631
		2,865,217	3,897,961
Less: Current Liabilities & Provisions			
Accrued Expenses and Other Payable	4	3,051,751	3,605,235
Net Current Assets		(186,534)	292,726
Total Application of Funds		312,989	924,260

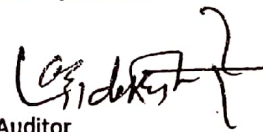
Significant Accounting Policies and Notes to Account
Schedules 1 - 5 & 6 form an integral part of this Balance Sheet

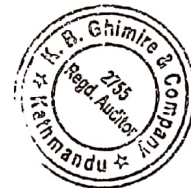
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Chairman
Suresh Chandra Adhikari


Treasurer
Lok Raj Adhikari


General Secretary
Mahesh Kumar Khadka


Auditor
Khadga Bahadur Ghimire



Date : 28 December 2016
Place: Kathmandu



MUSIC ROYALTY COLLECTION SOCIETY NEPAL

Anamnagar, Kathmandu

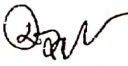
Statement of Income and Expenditure

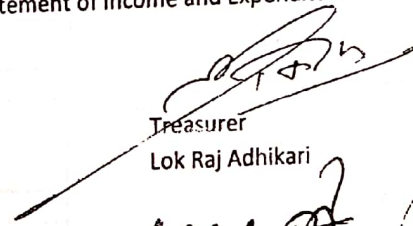
For the period from 17 July 2015 to 15 July 2016

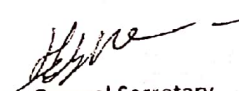
		Amount NPR		
	Particulars	Schedule	Current Year	Previous Year
A.	Income	6	132,116	178,298
			132,116	178,298
B.	Less: Expenditure			
	Employee Cost	7	1,773,021	1,938,283
	Administrative Cost	8	2,211,258	1,807,213
	Depreciation	5	161,636	200,729
	Total expenditure for the year		4,145,914	3,946,225
C.	Net expenditure transferred to Balance Sheet		(4,013,798)	(3,767,926)

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Significant Accounting Policies and Notes to Account
Schedules 5-9 form an integral part of this Statement of Income and Expenditure


Chairman
Suresh Chandra Adhikari


Treasurer
Lok Raj Adhikari


General Secretary
Mahesh Kumar Khadka


Auditor
Khadga Bahadur Ghimire



Date : 28 December 2016
Place: Kathmandu

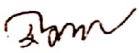
MUSIC ROYALTY COLLECTION SOCIETY NEPAL

Anamnagar, Kathmandu


Statement of Cash Flows

For the period from 17 July 2015 to 15 July 2016

Particulars	Current Year	Previous Year
	NPR	NPR
Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	(4,013,798)	(3,767,926)
Adjustment for:		
Depreciation	161,636	200,729
Operating Profit Before Changes in Working Capital	(3,852,162)	(3,567,197)
(Increase)/Decrease in Advance, Prepaid & Deposit	(178,095)	(6,391)
Increase/(Decrease) in Other Current liabilities	(553,484)	2,592,407
Increase/(Decrease) in Head office Account		
Remittance from NORCODE	3,402,527	3,471,199
Net Changes in Working Capital	2,670,948	6,057,215
Net Cash Flow from Operating Activities (A)	(1,181,214)	2,490,017
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(29,625)	(176,589)
Net Cash Flow from Investing Activities (B)	(29,625)	(176,589)
Cash Flow Financing Activities		
Net Cash Flow from Financing Activities (C)		
Net Cash Flow (A+B+C)	(1,210,839)	2,313,428
Opening Cash and Cash Equivalent	3,574,330	1,260,902
Closing Cash and Cash Equivalent	2,363,490	3,574,330



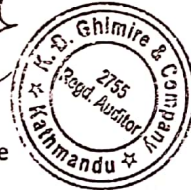
Chairman
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Date : 28 December 2016
Place: Kathmandu

MUSIC ROYALTY COLLECTION SOCIETY NEPAL
Anamnagar, Kathmandu

Schedules annexed to and forming part of Balance Sheet as at 15 July 2016

		Schedule-1	
Fund Received		Current Year	Previous Year
Particulars			
Net Fund from previous year		924,260	1,220,987
Fund received from NORCODE during this year		3,105,234	3,471,199
Fund received from NCRO during this year		297,293	
Transferred from statement of Income & Expenditure		(4,013,798)	(3,767,926)
Total (A + B)		312,989	924,260

		Schedule-2	
Cash and Cash Equivalent		Current Year	Previous Year
Particulars			
Cash at Bank		2,334,293	3,571,180
Nabil bank ltd 3101017500166		333,967	229,369
Nabil bank ltd 3101017500325		70,015	176,059
Nabil Bank Ltd c3101017500126		1,898,095	3,132,935
Agricultural Dev Bank 021020053599011		32,217	32,217
cash in hand		29,197	3,150
Total		2,363,490	3,574,330

		Schedule-3	
Advance, Prepaid & Deposits		Current Year	Previous Year
Particulars			
Advance of Staff		381,726	293,631
Advance of Board member		120,000	30,000
Total		501,726	323,631

		Schedule-4	
Accrued Expenses and Other Payables		Current Year	Previous Year
Particulars			
Royalty		3,017,014	3,559,581
Providend fund to staff		6,917	6,917
Audit Fee Payable		18,700	22,000
TDS payable		6,141	7
Other payable		2,979	16,730
Total		3,051,751	3,605,235

		Current Year	Previous Year
Details of Royalty payable			
Particulars			
Namaste Enterprise		3,600	3,600
Nepal Telecom		2,606,108	3,212,151
Nepal Television		85,000	85,000
Radio Nepal		80,161	58,365
Butwal FM		9,761	9,761
Music Nepal		134,240	136,104
Excellent Mobile		11,129	6,000
Internet Radio HD		24,000	12,000
Internet Radio HD MODERN		24,000	12,000
Media Space Solution		10,258	12,000
Music Research Development Forum Nepal		501	600
Nepal Tunes		12,000	12,000
Bro Sis Mobile Hub		6,000	
Free Nepali Songs		10,258	
Total		3,017,014	3,559,581

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MUSIC ROYALTY COLLECTION SOCIETY NEPAL
Schedules annexed to and forming part of Balance Sheet as at 15 July 2016

Schedule 5 Fixed Assets and Depreciation

Particulars	Gross Block		Opening WDV		DEPRECIATION			NET BLOCK		Amount in NPR			
	Gross Block	Addition	Total	Opening	Addition during the year	Total	Percentage	Depreciation till previous year	Addition		Accumulated Depreciation	Unabsorbed portion	As at 16/07/2015
Furniture and Fixture	379,989	14,125	394,114	145,257	14,125	159,382	25%	245,122	398,46	284,967		119,537	119,537
Other Office Assets	382,859	5,000	387,859	184,241	5,000	189,241	25%	216,353	47,310	263,664		141,931	141,931
Computers and Accessories	509,317	10,500	519,817	208,823	10,500	214,323	25%	277,969	53,581	330,950		160,742	160,742
Computer software	40,000		40,000	25,600		25,600	5 Years	14,400	5,120	19,520		20,480	20,480
Musical Instruments	83,276		83,276	25,132		25,132	25%	58,145	6,283	64,428		18,849	18,849
Vehicle	144,900		144,900	47,481		47,481	20%	97,418	9,496	106,914		37,985	37,985
Grand Total	1,540,341	29,625	1,569,966	631,533	29,625	661,158		908,808	161,636	1,070,443		499,523	499,523

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MUSIC ROYALTY COLLECTION SOCIETY NEPAL
Anamnagar, Kathmandu

Schedules annexed to and forming part of Statement of Income and Expenditure for the period from July 2015 to 15 July 2016

Schedule-6

Particulars	Current Year	Previous Year
Income	969	1,322
Service charge	66,450	35,000
Membership fee	34,247	39,977
Bank Interest	9,450	77,000
Card Charge	21,000	25,000
MIS Income	132,116	178,298
Total		

Schedule-7

Particulars	Current Year	Previous Year
Employee Cost		
Salaries and Allowances	1,732,521	1,924,637
Training expenses	-	13,646
Recruitment expenses	40,500	
Total	1,773,021	1,938,283

Schedule-8

Particulars	Current Year	Previous Year
Administrative Cost		
Electricity Expenses	17,969	29,012
Telephone and Internet Expenses	70,168	57,704
House Rent	327,273	313,636
Stationary and Printing	51,112	165,631
Audit Fee	83,500	83,500
Refreshment & Hospitality	217,899	209,801
Website and maintenance	72,680	17,590
Fuel and Maintenance	23,924	27,172
Awareness Program Expenses	746,118	375,811
Licensing Program	10,000	4,950
Communication and Transportation	12,065	36,555
Meeting Allowance and Expenditure	105,000	180,000
Miscellaneous Expenses	25,791	18,513
Guest Hospitality	94,322	88,690
Advertisement Expenses	63,721	66,033
Postage and Courier	2,036	6,955
Bank Charges	30	1,200
Special Event Expenses	10,895	12,040
Renew Charges	75,928	112,421
AGM Expenses	190,453	-
Office Accessories	10,374	-
Total	2,211,258	1,807,213

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Music Royalty Collection Society Nepal (MRCSN)
Kathmandu, Nepal

Schedule 9: Significant Accounting Policies & Notes to Accounts

1) Significant Accounting Policies

i) General Information

MRCSN is registered with the Copyright Registration Office, Nepal Government on 2064.2.2 with certificate no 01/063/064.

The main objective of the organization is to protect and administer the rights of authors and composers. It is administered by people like authors and composers, whose sole interest is to collectively ensure that copyright owners receive every benefit provided by law. MRCSN monitor the use of the works concerned, negotiate with the prospective users, provide them licenses against appropriate fees and under appropriate conditions collect such fees and distribute among the owners of rights.

ii) Basis of accounting

Financial statements are prepared under the historical cost convention, in accordance with Nepal Accounting Standards and Generally Accepted Accounting Principles as applicable in Nepal and the requirements of Company Act 2063.

The organization follows the mercantile system of accounting and recognizes expenditure on accrual basis.

iii) Use of estimates

The preparation of financial statements in conformity with Nepal Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and expenses during the reporting period. The organization management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates.

iv) Financial Period and Comparative Information

The financials are prepared for the period from 17th July 2015 to 15th July 2016. The accounting policies have been consistently applied by the organization. All figures are rounded off to the nearest rupee. Previous period's figures have been regrouped/rearranged wherever necessary.

v) Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation. All direct costs relating to the acquisition and installation of Fixed Assets are capitalized and depreciated using Written Down Method (WDV) of depreciation using the rates and method given by Income Tax Act, 2002.

vi) Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and deposits held in bank in current accounts.

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SUMMARY OF SHARES PER ORGANIZATION

29/10/2015

RADIO NEPAL - PERIOD: 15/07/2013-14/07/2014

DISTRIBUTION OF 12/12/2015

NAME OR CORPORATE NAME	IPI name/ number	AMOUNT (NPR) Radio Nepal 070/71	Total	Radio nepal 069/70	Total	Grand Total	Admin Cost	Tax	Payable
BAURA BIJU (I-003824555-3 / A10677)	0722 58 74 34	79	88.76	46.11	51.80	140.57	15.46	21.09	104.02
BASKOTA DAMODAR (I-003825215-0 / A1054)	0722 69 10 51	84	94.38	40.98	46.05	140.43	15.45	21.06	103.92
BHATTARAI DEEPAK (I-003900652-3 / A30756)	0734 19 75 29	84	94.38	25.61	28.78	123.16	13.55	18.47	91.14
BHATTARAI NARESH (I-003825824-9 / A1022)	0722 78 46 29	90	101.12	46.11	51.80	152.93	16.82	22.94	113.17
DHUNDEL SUBASH CHANDRA (I-003826157-1 / A10245)	0722 83 47 42	79	88.76	33.29	37.40	126.17	13.88	18.93	93.36
DONG CHANDRA KUMAR (I-003826160-6 / A10318)	0722 83 51 51	90	101.12	46.10	51.80	152.92	16.82	22.94	113.16
GAUTAM CHANDRA PRAKASH (I-003934740-3 / A10867)	0739 55 99 82	63	70.79	35.85	40.28	111.07	12.22	16.66	82.19
GHIMIRE MADHAV PRASAD (I-003826497-8 / A10690)	0722 88 52 29	63	70.79	64.03	71.94	142.73	15.70	21.41	105.62
KOIRALA SP (I-003827774-4 / A1043)	0723 08 85 48	95	106.74	5.12	5.75	112.49	12.37	16.87	83.25
LIMBU TARA PRAKASH (I-004116478-5 / A101484)	0768 16 59 95	63	70.79	133.19	149.65	220.44	24.25	33.07	163.12
PATHAK DEEPAK (I-00328633-6 / A10720)	0723 21 74 71	74	83.15	25.61	28.78	111.92	12.31	16.79	82.82
PAUDEL BIPIN KIRAN (I-003828663-2 / A1058)	0723 22 15 83	95	106.74	43.54	48.92	155.66	17.12	23.35	115.19
RAYAMAJHI NARAYAN (I-003829031-0 / A10484)	0723 27 35 57	69	77.53	61.47	69.07	146.60	16.13	21.99	108.48
RIJAL RAJENDRA PRASAD (I-003829312-6 / A10361)	0723 31 89 53	42	47.19	138.31	155.40	202.60	22.29	30.39	149.92
SHAHI THAKURI ROSHAN (I-003829397-7 / A10480)	0723 33 02 83	95	106.74	5.12	5.75	112.49	12.37	16.87	83.25
SHARMA DIPAK (I-003829449-2 / A10368)	0723 33 78 50	95	106.74	5.12	5.75	112.49	12.37	16.87	83.25
SHRESTHA LITAM LAL (I-003829768-4 / A1056)	0723 39 22 53	63	70.79	240.77	270.53	341.31	37.54	51.20	252.57
SJAPATI RAM BIKRAM (I-003830092-2 / A10519)	0723 44 47 52	53	59.55	443.13	497.90	557.45	61.32	83.62	412.51
SOTANG UDAY (I-003830106-1 / A101227)	0723 44 61 58	42	47.19	609.33	684.64	731.83	80.50	109.77	541.56
THAPA NANIBABU (I-003830142-5 / A101004)	0723 45 02 70	95	106.74	10.24	11.51	118.25	13.01	17.74	87.50
UPRETI KUMAR (I-003830347-6 / A10117)	0723 47 95 29	84	94.38	30.73	34.53	128.91	14.18	19.34	95.39
YONZON VARMA (I-003830369-2 / A10747)	0723 48 25 46	95	106.74	17.92	20.13	126.88	13.96	19.03	93.89
		30620	1901.17	2107.68	2368.18	4269.30	469.62	640.40	315.21

Number of beneficiaries

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 K. S. Ghosh & Co. P.A.
 275
 Regd. Auditor
 Kathmandu

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