

**Independent Auditor's Report
On the Financial Statements of
Accounting Standards Board**

Dear Members,

We have audited the accompanying financial statements of Accounting Standard Board comprising of Statement of Financial Position as at Ashad 31, 2072 (16th July 2015), and related statements of Income, Changes in Funds and Cash Flows for the year then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Nepal Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with notes thereto give a true and fair view in conformity with Nepal Accounting Standards:

- [a] in the case of the Statement of Financial Position, of the state of affairs of the board as at Ashad 31, 2072 (16th July 2015);
- [b] in the case of the Statement of Income, of the surplus for the year ended on that date; and
- [c] in the case of the Statement of Cash Flows, of the cash flows for the year ended on that date.



[Signature]
CA. Bijaya Raj Ghimire
G&G Associates
Chartered Accountants

Date: 2072 /09 /17

Place: Kathmandu, Nepal

ACCOUNTING STANDARDS BOARD

Satdobato, Lalitpur


Statement of Financial Position

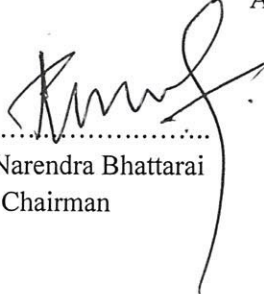
As at 31 Asadh 2072 (July 16, 2015)

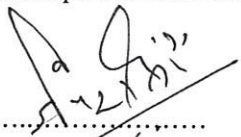
Particulars	Note	Current Year 2071/072	Amt. in NPR Previous year 2070/071
Assets			
Non Current Assets			
Property, Plant and Equipment	3.1	1,125,416	720,898
Total Non Current Assets		1,125,416	720,898
Current Assets			
Inventories	3.2	1,842,261	35,166
Trade and Other Receivables	3.3	355,547	336,637
SPFM Project Receivable	3.7	-	1,026,819
Cash and Cash Equivalents	3.4	4,604,840	3,819,938
Total Current Assets		6,802,648	5,218,560
Total Assets		7,928,064	5,939,458
Funds & Liabilities			
General Reserve	3.5.1	1,757,701	1,757,701
Retained Earning	3.5.2	3,199,467	1,075,703
Capital Fund	3.5.3	429,074	285,874
Books Reserve	3.5.4	1,818,001	-
Total Funds		7,204,243	3,119,278
Non Current Liabilities			
Total Non Current Liabilities		-	-
Current Liabilities			
Trade and Other Payables	3.6	723,821	2,820,181
SPFM Project Deferred revenue	3.7	-	-
Total Current Liabilities		723,821	2,820,181
Total Liabilities		723,821	2,820,181
Total Funds and Liabilities		7,928,064	5,939,458

The notes on pages 1 to 7 are an integral part of these financial statements

As per our report of even date


.....
Ramu Prasad Dotel
Co-ordinator
Audit Committee


.....
CA Narendra Bhattarai
Chairman


.....
CA Bijaya Raj Ghimire
G&G Associates
Chartered Accountant


.....
Sushil Kumar Ojha
Chief Executive Officer



Date : 2072/09/17


Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD
Satdobato, Lalitpur
Statement of Income
For the year ended 31 Asadh 2072 (July 16, 2015)

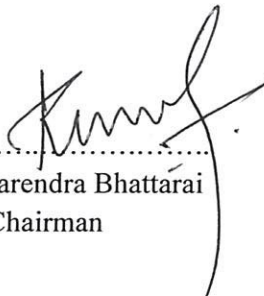
Particulars	Note	<i>Amt. in NPR</i>	
		Current Year 2071/072	Previous year 2070/071
SPFM Project Milestone Income	3.7	6,527,962	4,574,243
Government Grants	3.8	2,000,000	2,000,000
Workshop Training Income	3.9	-	1,775,700
Other Income	3.10	1,155,741	212,173
Total Income		9,683,702	8,562,116
SPFM Project Milestone Expenses	3.7	6,527,962	4,574,243
General Expenses:			
Staff Costs/Expenses	3.11	818,658	614,910
Depreciation	3.1	161,817	168,358
Administrative Expenses	3.12	767,149	2,135,702
Other Operating Expenses	3.13	482,058	549,849
Workshop Training Expenses	3.14	-	980,624
Total		8,757,644	9,023,686
Net Surplus (Deficit) for the year		926,058	(461,570)

The notes on pages 1 to 7 are an integral part of these financial statements


As per our report of even date



 Ramu Prasad Dotel
 Co-ordinator
 Audit Committee



 CA Narendra Bhattarai
 Chairman



 CA Bijaya Raj Ghimire
 G&G Associates
 Chartered Accountant



 Sushil Kumar Ojha
 Chief Executive Officer



Date : 2072/09/17


Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD
Satdobato, Lalitpur
Statement of Cash Flows
For the year ended 31 Asadh 2072 (July 16, 2015)

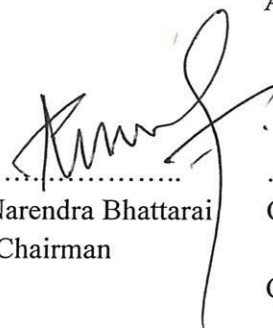
		Current Year	<i>Amt. in NPR</i> Previous year
Particulars	Note	2071/072	2070/071
A Cash Flows from Operating Activities			
Surplus for the Year		926,058	(461,570)
Adjustment for:			
Depreciation	3.1	161,817	168,358
Receipt relating to prior period		1,197,706	
Increase / Decrease in Trade and other Receivables	3.3	1,007,910	(707,899)
Increase / Decrease in Inventories	3.2	(1,807,095)	91,814
Increase / Decrease in other Liabilities	3.6	(2,096,359)	898,618
Net Cash Flows from Operating Activities		(609,963)	(10,679)
B Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	3.1	(735,285)	(122,045)
Net Cash flows from Investing Activities		(735,285)	(122,045)
C Cash flow from financing activities			
Increase in capital fund	3.1	312,150	-
Net Books reserve		1,818,001	
Net Cash Flow from Financing Activities		2,130,151	-
Net Increase in Cash and Cash Equivalents		784,902	(132,724)
Cash and Cash Equivalents at the beginning 32 Asadh 2071		3,819,938	3,952,661
Cash and Cash Equivalents at the end 31 Asadh 2072		4,604,840	3,819,938

The notes on pages 1 to 7 are an integral part of these financial statements


As per our report of even date



 Ramu Prasad Dotel
 Co-ordinator
 Audit Committee



 CA Narendra Bhattarai
 Chairman



 CA Bijaya Raj Ghimire
 G&G Associates
 Chartered Accountant



 Sushil Kumar Ojha
 Chief Executive Officer



Date : 2072/09/17

Place: Satdobato, Lalitpur


ACCOUNTING STANDARDS BOARD
Satdobato, Lalitpur
Statement of Changes in Funds
For the year ended 31 Asadh 2072 (July 16, 2015)

Amt. in NPR

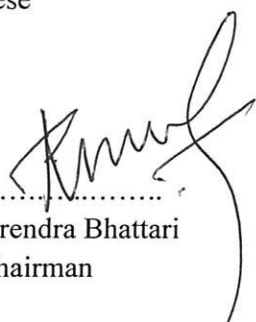
Particulars	General Reserve Fund	Capital Fund	Book Reserve	Retained Earnings	Total
Balance at 1 Shrawan 2070	1,757,701	428,811		1,537,273	3,723,785
Depreciation of SPFM Project		(142,937)		-	(142,937)
Surplus for the year	-	-		(461,570)	(461,570)
Balance at 31 Asadh 2071	1,757,701	285,874	-	1,075,703	3,119,278
Add: Prior year adjustment (receipt)	-	-	-	1,197,706	1,197,706
Restated balance	1,757,701	285,874	-	2,273,409	4,316,984
Addition (Capitalisation of PPE relating to SPFM Project)		312,150			312,150
Addition (Transfers of publication under SPFM Project)			2,551,431		2,551,431
Depreciation of SPFM Project asset		(168,950)			(168,950)
Value of books transferred			(733,430)		(733,430)
Add: Prior year adjustment					-
Surplus (Deficit) for the year				926,058	926,058
Balance at 31 Asadh 2072	1,757,701	429,074	1,818,001	3,199,467	7,204,243

The notes on pages 1 to 7 are an integral part of these financial statements

As per our report of even date



 Ramu Prasad Dotel
 Co-ordinator
 Audit Committee



 CA Narendra Bhattari
 Chairman



 CA. Bijaya Raj Ghimire
 G&G Associates
 Chartered Accountant



 Sushil Kumar Ojha
 Chief Executive Officer



Date : 2072/09/17
 Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD

satdobato, Lalitpur

Financial Year 2071-072

Significant Accounting Policies and Notes to the Financial Statements

1 General Information

Accounting Standards Board (ASB), constituted in 2003 under the Nepal Chartered Accountants Act (with amendments) 1997, is the statutory body for setting up Accounting Standards in Nepal in line with the International Financial Reporting Standards (IFRSs). The Board has following members:

(a) One FCA member nominated by Nepal Government	Chairman
(b) Representative, Ministry of Finance	Member
(c) Representative, Office of the Auditor General	Member
(d) Representative, Financial Comptroller General Office	Member
(e) Company Registrar, Office of the Company Registrar	Member
(f) Director General, Inland Revenue Department	Member
(g) Chairman, Securities Board of Nepal	Member
(h) Five Chartered Accountants nominated by Nepal Government on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)	Member
(i) One Registered Auditor nominated by Nepal Government on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)	Member

The rights and duties of Accounting Standards Board as stipulated in the Nepal Chartered Accountants Act include followings: (a) To develop accounting standards, on the basis of relevant International Accounting Standards, in order to govern and regulate financial reporting and accounting profession, (b) To evolve appropriate process of development of accounting standards and publish material related to accounting standards, (c) To redraft, improvise and revise standards, (d) To interpret the standards, (e) To undertake other related tasks related to accounting standards. etc.

The Board is also a member of Asian-Oceanic Standard-Setters Group (AOSSG) comprising of 26 countries and also IFASS. Previously the Board had memorandum of understanding with AOSSG relating to Center of Excellence (CoE) in Nepal with two year tenure. Under such understanding AOSSG provided technical supports for two training of trainers for IFRS/NFRS. The training was geared towards creating a pool of experts for training NFRS/IFRS. The ASB has signed Memorandum of Understanding (MoU) with prospective trainers to be available as expert trainers for the period of at least two years when called upon to be available for resource persons for training of Nepalese professionals, accountants etc. The MOU with AOSSG has expired and is under consideration for future cooperation.

The tenure of previous Board headed by CA Narayan Bajaj has expired and Government of Nepal (GoN) has reconstituted new Board under the chairmanship of CA Narendra Bhattarai (Also Past president of ICAN) with three year tenure.

Financial statements for the year ended on Asadh 31, 2072 (July 16, 2015) were approved by the Board in its meeting held on 2072.09.17 (January 01, 2015) the meeting has also authorised Chairman and Audit Committee Co-ordinator to sign these financial statements on behalf of the Board as well.

2 Significant Accounting Policies

2.1 Basis of preparation

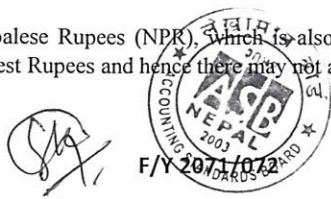
The Statement of Financial Position, Statement of Income, Statement of Cash Flows and Statement of Changes in Funds (all together referred to as "Financial Statements") together with the accounting policies and notes to the Financial Statements have been prepared in accordance with Nepal Accounting Standards where applicable.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis and under accrual basis of accounting except otherwise stated.

2.3 Functional and Reporting Currency

The financial statements are prepared in Nepalese Rupees (NPR), which is also the functional currency. All financial information presented in Nepalese Rupees has been rounded to the nearest Rupees and hence there may not add up and may have rounding difference.



2.4 Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

2.4.1 Property, Plant and Equipment (PPE)

Items of property, plant and equipment are initially recognised at cost. Cost includes the purchase price and other directly attributable costs as well as the estimated present value of any future unavoidable costs of dismantling and removing items.

2.4.2 Depreciation

Depreciation is provided on all items of property, plant and equipment so as to write-off their carrying value over the expected useful economic lives.

Depreciation has been computed on straight line method (SLM). The estimated useful lives for the assets along with depreciation rates are as follows:

Particulars of Assets	Useful Life (Years)	Rate
Furniture and Fixtures	4	25%
Computer Accessories	4	25%
Office Equipment	4	25%
Vehicles	4	25%
Office Partition	4	25%

2.4.3 Trade and Other Receivables

Trade and other receivables are stated at their cost less possible allowance for impairment.

2.4.4 Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the variable selling expenses.

The cost is determined on first-in first-out (FIFO) method and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition.

2.4.5 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, current deposit, saving account balance call deposits and other short term highly liquid investments having a maturity period less than equal to the 90 days from the date of deposit.

2.4.6 Revenue Recognition

2.4.6.1 Unconditional and restricted grants

a Unconditional Grants

General grants received including that of Government grants without any specific condition for their specific purpose or utilization are accounted for as income in the year of receipt.

b Restricted Grants and Deferred Revenue

Project receipts for the specific project activities (under restricted condition for use) are accounted for as income to the extent of the project expenditures incurred during the reporting period. Balance of such receipt is considered as deferred revenue in the liabilities side considering the fact that these are refundable in the event of none expenditures or completion of the project or premature termination of the project activities.

c Capitalization policy for assets purchased under project fund and depreciation there of.

Properties, plant and equipment purchased under project specific fund is initially charged off as project expenditure with corresponding income. Subsequently, an equivalent amount for such assets are transferred to properties plant and equipment with corresponding credit to Capital Fund. Depreciation there on is charged to Capital Fund with corresponding credit the properties plant and equipment purchased under project specific fund.

d Grants in kind

All grants received in kind are valued at their fair value on the date of receipt and accounted for as income accordingly.

e Receipt from transfer proceed of books and guidance Notes published under SPFM project

Cost of publication of Nepal Financial Reporting Standards (NFRS) and Guidance Notes amounting to Rs. 2,551,430.70 has been shown as project income with corresponding expenditures in the Statement of Income. Since these books are under the custody of ASB and has authority to transfer to designated parties, ASB is the owner of these book. Accordingly, the values of such books has been initially recognised as project income and expenditures but subsequently recognised as Book Reserve with corresponding value to inventory of books. The contributory value received subsequently is transferred to other income in the year of receipt with corresponding debit to books reserve.

2.4.6.2 Other Income

Incomes from workshop and training imparted by the Board are recognised on accrual basis.

2.4.7 Trade and Other Payables

Trade and other payables are stated at initial value at the time of recognition. All trade payable that are required to be settled after one year from the date of reporting period is classified as non current liabilities including all employees related liabilities reasonably estimated at reporting date where required.

2.4.8 Income Tax

2.4.8.1 Current Tax

Accounting Standards Board (ASB) has obtained tax exemption status from Inland Revenue Department. Accordingly, its income is not taxable. However ASB is required to comply with withholding tax provisions of Income-tax Act.

Interest income is generally credited with gross amount with corresponding debit of withholding tax on such interest earned by banks and accounted for as interest income net off of such withholding tax in the books of account. In case of interest income, such withholding tax has been considered a final one with no further income tax liabilities on interest income.

2.4.8.2 Deferred Tax

In the view of its tax exempt status deferred income tax calculation is not required and hence not considered.

3 Notes to Accounts and Disclosures

3.1 Property, Plant and Equipment

The property, plant and equipment are stated at cost less depreciation. The depreciation has been considered at straight-line method (SLM) at the depreciation rate determined considering useful life of assets or property plant equipment as stated in the policies above:

Amt. in Rs.

Particulars	Furniture	Computers & Peripheral	Office Equipment	Vehicles	Office Partition	Total
General Assets						
Balance at. 1 Shrawan 2071	207,410.93	144,060.00	158,361.50	59,124.53	414,505.00	983,461.96
Additions during the year		-		-	423,135.00	423,135.00
Balance at 31 Asadh 2072	207,410.93	144,060.00	158,361.50	59,124.53	837,640.00	1,406,596.96
Acc. Dep at 1 Shrawan 2071	124,211.10	144,060.00	117,416.00	59,124.53	103,626.25	548,437.88
Depreciation charge for current year	31,796.89	-	17,578.86	-	112,441.56	161,817.31
Accumulated depreciation	156,007.99	144,060.00	134,994.86	59,124.53	216,067.81	710,255.19
Impairment Loss	-	-	-	-	-	-
Carrying Amount as on 31 Asadh 2072	51,402.94	-	23,366.64	-	621,572.19	696,341.768
SPFM Project Property, Plant & Equipment						
Balance at. 1 Shrawan 2071	169,928.13	401,820.00	-	-	-	571,748.13
Additions during the year	-	312,150.00	-	-	-	312,150.00
Balance at 32 Asadh 2072	169,928.13	713,970.00	-	-	-	883,898.13
Acc. Dep at 1 Shrawan 2071	84,964.03	200,910.00	-	-	-	285,874.03
Depreciation charge for current year	42,482.00	126,467.50	-	-	-	168,949.50
Accumulated depreciation	127,446.03	327,377.50	-	-	-	454,823.53
Carrying Amount as on 32 Asadh 2072	42,482.10	386,592.50	-	-	-	429,074.60
Carrying Amount of Properties, Plants and Equipments:				Current Year		Previous Year
				1,125,416.37		720,898.180

Since the addition was made around end of the month, depreciation has been considered for the period of one in case of addition made. In case of addition made under project assets which ends in December 2014, six month depreciation has been considered.

3.2 Inventories

Inventories are stated at cost and comprises followings:

Amt. in Rs.

Inventories	Current Year		Previous Year	
	Current	Non current	Current	Non current
Books	5,932	-	5,932	-
NFRS Book	1,103,663	-	-	-
Guidance Note Books	714,338	-	-	-
Note Pad	16,595	-	19,543	-
Stationeries	1,733	-	9,691	-
Total	1,842,261	-	35,166	-

During the year 1000 copies NFRS books costing Rs. 1,836,378 and 14,000 Guidance notes books costing Rs. 715,052.7 were published under SPFM project cost. Those books were shown on inventory and other income. During the year 399 copies of NFRS books and 14 copies guidance notes were sold off accordingly the inventory of these have been adjusted.

3.3 Trade and Other Receivables

Trade and other receivables are stated at their cost less possible allowance for impairment & comprises followings:

Amt. in Rs.

Particulars	Current Year		Previous Year	
	Current	Non current	Current	Non current
Trade Receivables (Net)	344,071	-	322,629	-
Other Receivable(Net)	11,476	-	6,500	-
Advance	-	-	7,509	-
	355,547	-	336,637	-
Less: Allowance for impairment	-	-	-	-
Carrying Amount	355,547	-	336,637	-

Management considers all these recoverable and hence treated as good and recoverable within one year.

3.4 Cash and Cash Equivalents:

Cash and cash equivalents include following balances:

Amt. in Rs.

Particulars	Current Year		Previous Year	
	Current	Non current	Current	Non current
Cash at Bank				
Everest Bank (ASB)	4,604,840	-	1,911,601	-
NMB Bank (SPFM project)	-	-	1,908,337	-
Total Bank Balance	4,604,840	-	3,819,938	-

3.5 General Fund and Reserves

3.5.1 General Fund comprises followings:

Amt. in Rs.

Particulars	Current Year	Previous Year
Balance from previous year	1,757,701	1,757,701
General fund balance	1,757,701	1,757,701

These are free fund and available for the use of all general purpose of ASB related activities and operations.

3.5.2 Retaining Earning

Balance of retaining earning is as below:

Amt. in Rs.

Particulars	Current Year	Previous Year
Balance from previous year	1,075,703	1,537,273
Add : Receipt relating to previous year expense	1,197,706	-
Surplus during the year	926,058	(461,570)
General fund balance	3,199,467	1,075,703

Expenses which were charged off during the previous year as regular expenditures were claimed under SPFM Project with the Public Expenditure and Financial Accountability (PEFA) Secretariat after the finalisation of the previous year audit. The claim was honoured by PEFA Secretariat and was recovered during the year. Accordingly such amount receipt were directly adjusted to retained earning.

3.5.3 Capital Fund

Property, Plant and Equipment purchased under the specific grant fund of restricted nature are initially charged off as project expenditures. Subsequently such assets are capitalized as properties plant and equipment with corresponding credit to capital fund. Depreciation charged on such assets is debited to capital fund with corresponding credit to respective property plant and equipments. The status of such capital fund is as below:

Amt. in Rs.

Particulars	Current Year	Previous Year
Opening balance	285,873.94	428,811
Adjustment	-	-
PPE of SPFM Project	312,150	-
Less: Depreciation	(168,949.50)	(142,937)
Capital fund balance	429,074.44	285,874

3.5.4 Books Reserve

During the year cost of Nepal Financial Reporting Standards (NFRS) and Guidance Notes were published under SPFM project and considered as income and expenditure under the same project. However since ASB has the ownership authority, value initially recognized as publication has been transferred to Books Reserve with corresponding value to Inventory. The cost of contributory transfer of book has been debited to this account with corresponding credit to inventory. Accordingly the balance of Books Reserve represents the initially recognized cost of remaining balance of NFRS books and Guideline notes. The adjustment to this account would take place upon contributory sale or scrapping with corresponding credit to inventory.

3.6 Trade Payable and Liabilities

Trade payable and liabilities comprise following:

Amt. in Rs.

Particulars	Current Year		Previous Year	
	Current	Non current	Current	Non current
Trade Payable				
Social security and other taxes	8,955.00	-	315	-
Non-trade payables and accrued expenses	645,220.15	-	2,724,924	-
Staff related liabilities	69,646.00	-	28,942	-
Outstanding Income	-	-	66,000	-
Carrying Amount	723,821	-	2,820,181	-

All these liabilities are current in nature and obliged to be settled within a year.

3.7 SPFM Project Deferred Revenue (Conclusion of SPFM project)

Accounting Standards Board (ASB) was implementing Nepal Financial Reporting Standards (NFRS) development and publication project activities as per Memorandum of Understanding (MoU) signed with Public Expenditure and Financial Accountability (PEFA) Secretariat, Government of Nepal. The project MOU had been entered into on March 19, 2012 with a tenure of 2 years expiring on July 16, 2014 which was extended upto December 31, 2014. The agreed funding under the project was initially budgetted for USD 300,000 was later revised to USD 298,200 (exchange rate considered Rs. 75) as as result of revisions of projected activities

The Board has incurred expenses of Rs. 6,527,962 as below for the SPFM project for the reporting year. This resulted in total project expenditures of Rs 19,760,092 for entire project. As per accounting policy followed, an equivalent amount of Rs. 6,527,962 incurred during the reporting year is credited as SPFM project income for the fiscal year 2071/072 with corresponding amount of expenses for Public Expenditure and Financial Accountability (PEFA) Secretariat, SPFM Project has been reflected as expenditure in the Statement of Income.

Amt. in Rs.

Particulars	Till previous year	Current Period	Till end of project
	(1)	(2)	3=(1+2)
Opening Balance		(1,026,819)	
Cash receipt from PEFA	12,205,311	7,909,860	20,115,171
Refund		(355,079)	(355,079)
Total Available fund	12,205,311	6,527,962	19,760,092
Expenditures			
2.1 IFRS books and Magazine Purchase	192,555	13,881	206,436
2.3 Development of NASs/NFRSs	1,387,190	-	1,387,190
2.4 Status of NAS Preparedness Status Study	300,000	-	300,000
2.5 Development of Guidance Note	311,552	6,899	318,451
2.6 Development of Training Material	9,153	-	9,153
2.7 NFRS Based Model Financial Statement	131,102	3,460	134,562
3.1 Training for SOE's Prepare	1,562,779	-	1,562,779
3.2 Train the Trainer	304,324	781,604	1,085,928
3.3 International Training Courses on IFRS	1,655,432	2,437,872	4,093,303
4.1 Awareness Programme for Stakeholders	139,115	-	139,115
4.2 National Seminar & Workshop	108,264	-	108,264
4.3 International Seminar in Nepal & Abroad	1,531,956	-	1,531,956
4.4 International Seminar Abroad	1,060,563	-	1,060,563
4.5 Promotional Activities	226,161	95,118	321,279
5.1 Translation	1,643,011	325,456	1,968,467
6.1 Publication	468,093	1,065,894	1,533,987
7.1 Operating Cost	1,629,133	1,485,628	3,114,761
Total	12,660,382	6,215,812	18,876,194
1.1 Capital expenditures	571,748	312,150	883,898
Total project expenditures	13,232,130	6,527,962	19,760,092
Balance of Fund	(1,026,819)	-	-

The project is concluded and final balance of fund of Rs.355,079 has been refunded.

3.8 Government Grants

Government grant of Rs. 2 million was received during the year. This is the grant for generally covering administration costs of ASB without any condition hence a free grant. Accordingly since this is under th head 3.03 Social Service Unconditional Government Grant of heading 35.3.110 as per red book of Nepal Government budget, this has been accounted for as income in the year of receipt.

3.9 Training Income

During the year no income generating training programmes were held and there is no income from Training & workshops .

Amt. in Rs.

Particulars	Current Year	Previous Year
Income from Training		1,775,700
Total		1,775,700

3.10 Other Income

Other income comprises following incomes:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
Interest Income	34,626	92,158
Standard Publication Related Income		
NFRS Books (contributory sale proceed)	923,750	-
Guidance Notes (contributory sale proceed)	2,300	-
IFRS News Letter	170,300	-
Others publications	-	744
Other Income	24,765	119,270
Total	1,155,741	212,173

The interest income is net of withholding tax deducted at source by commercial banks

During the year, the total contributory sale proceed of NFRS Books and Guidance note has been recognised as income on accrual basis i.e. when the constructive transfer of such books has incurred. Total of 399 NFRS books and has been 14 Guidelines notes have been depleted for which above proceed has been accrued.

3.11 Staff Cost and Expenses

ASB presently engages on contract basis two employees and two other employees under joint cost sharing with Auditing Standard Board (AuSB). The total staff cost of Board and expenses are as below:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
Salary Expenses	712,900	532,889
Medical Allowance	46,000	33,000
Leave Encashment	59,758	49,021
Total	818,658	614,910

ASB does not have any long term liability in respect of employees gratuity. Liability for leave encashment facility is generally settled on yearly basis.

3.12 Administrative Expenses

Administration expenses included following expenditures accounted for on accrual basis:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
Communication Expenses	46,714	49,289
Printing, Stationery and Reproduction costs	59,395	37,954
Travel and Transportation costs	289,358	1,365,262
Advertisement/Promotional Expenses	44,569	51,980
Audit Fees and Expenses	29,998	26,300
Meeting fees and Expenses	269,115	438,682
Publication related expenses	10,000	97,955
Professional Expenses	18,000	68,280
Total	767,149	2,135,702

3.13 Other Operating Expenses

Other operating expenses include following expenditures accounted for on accrual basis:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
House rent	192,000	264,000
Hospitality Expenses	22,731	20,789
Newspaper, Magazine & Journal Expenses	8,050	14,535
Renewal Expenses	1,739	6,633
Water & Electricity	32,680	49,556
Fuel Expenses	28,725	27,425
Repair & Maintenance	59,349	46,609
Office Renovation	2,073	55,326
Ceremonial Expenses	690	10,320
Cleaning Expenses	14,732	8,670
Insurance	-	2,026
Non-Durable Items	23,745	43,860
Office Transfer Expenses	95,544	-
Miscellaneous Expenses	-	100
Total	482,058	549,849

The Board has shifted its office from Anam Nagar, Kathmandu, Nepal to the space provided in new building of Institute of Chartered Accountants of Nepal (ICAN). Arrangement is being made to cover general expenses such as electricity, water and maintenance. This is in the process of negotiation. It is expected that no cost would incur for the current financial year since during the year Board has relocated the office in the building of ICAN.

3.14 Related Parties Transactions

3.14.1 ASB members

Except for the Board meeting fee paid to members of ASB under project activities, there has not been any related parties transactions. During the year 6 number of ASB Board meeting has been held where board allowance was Rs. 99,000.00.

The cost has been shown under administration cost of ASB

3.14.2 Fees paid for committee and sub committee meeting

During the reporting period, numbers of Board meeting, committee, sub committee and task force meetings were held and fee and expenses incurred for are shown in Meeting fees and expenses. Such meeting fee and expenses included meeting fees paid to members of the board, committees and sub committee based on attendance as below:

- A. Except for following total fees to members of Board for board meeting, committee, sub committee and task force meetings, no other benefits were paid:

Amt. in Rs.

S.N.	Name	Designation	Amount	TDS	Net Paid
1	CA Narayan Bajaj	Chairman	12,000	1,802	10,198
2	Mr. Baburam Subedi	Member	6,000	900	5,100
3	Mr. Iswar Raj Shrestha	Member	15,750	2,368	13,382
4	Mr. Shaligram Sharma Paudel	Member	3,000	450	2,550
5	Mr. Baburam Gywali	Member	6,000	900	5,100
6	Mr. Shanker Aryal	Member	3,750	563	3,187
7	Mr. Prem Kumar Shrestha	Member	3,000	450	2,550
8	Mr. Chudamani Sharma	Member	1,500	225	1,275
9	Mr. Bal Krishna Ghimire	Member	1,500	225	1,275
10	Mr. Baburam Shrestha	Member	9,000	1,350	7,650
11	CA Prabin D. Josh	Member	15,000	2,255	12,745
12	CA Rajesh Poudel	Member	10,500	1,579	8,921
13	CA Mahesh Khanal	Member	24,750	3,725	21,025
14	CA Parakarm Sharma	Member	15,000	2,255	12,745
15	CA Jagannath Updhayay	Member	24,000	3,609	20,391
16	RA Mohan Raj Regmi	Member	9,000	1,351	7,649
17	CMA Lok Man Maskey	Chief Executive Officer	9,000	1,350	7,650
	Total		168,750	25,357	143,393

- B Total numbers of Committees, sub committees, and task forces meetings as below and total fees paid were as as below

Amt. in Rs.

S.N	Particulars	Numbers of meetings	Fee rate	Total meeting fee paid
A	Committees			
1	NSA Revision & Development Committee	7	750	9,000
2	Capacity Development Committee	3	750	3,000
3	Audit Committee	5	750	15,750
4	Newsletter Committee	2	750	1,500
5	ASB Recruitment Committee Meeting	4	750	1,500
6	ASB / AuSB Recruitment Committee Meeting	4	750	6,000
7	NASB IFRS News letter Committee	1	750	1,500
8	Translation Review Committee	6	750	2,250
B	Sub-committee & Task Force			
1	NFRS Book Publishing & Translation Task Force	6	750	1,500
3	Model Financial Statement for Insurance	4	750	3,000
4	Model Financial Statement for Banks & Financial Statements	3	750	3,000
	Total Amount	45	750	48,000

3.14.3 ASB Board Members' Travelling for Meetings & Seminars Abroad

Cost of travelling of Board members have been borne by ASB on actual costs reimbursement basis. No fee has been paid for such travelling. During the reporting period, total one travelling for International Forum of Accounting Standards Setters (IFASS) meeting has taken place with total cost of Rs. 2.89 lakhs where three members of the Board have participated. The amount has been shown under administration cost of ASB

3.15 Event after reporting period

There were no adjusting event that incurred subsequent to the reporting period that would require consideration and adjustment in the financial statement.

3.16 Contingent Liabilities

There were no claim againsts ASB nor has ASB made any capital commitment or guarantee or has legal case pending against/for it.

3.17 Re-arrangement or regrouping:

Figures have been rearranged to reflect appropriate presentation of operational result including that of previous year.