

INDEPENDENT AUDITOR'S REPORT

To the Members,
ACCOUNTING STANDARDS BOARD, NEPAL
Satdobato, Lalitpur, Nepal

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **M/s Accounting Standards Board, Nepal (the Board)**, which comprise the statement of financial position as at Ashadh 31, 2077, and the statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at Ashadh 31, 2077, and its financial performance and its cash flows for the year then ended in accordance with Nepal Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Nepal Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board 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 the ICAN's *Handbook of The 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.

Responsibilities 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 Financial Reporting Standard, 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists.

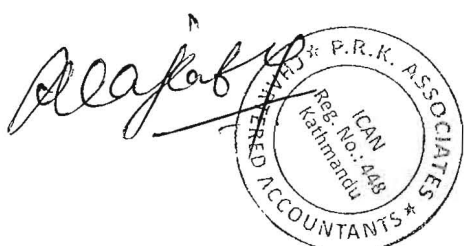
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board'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 Board 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.

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.



The image shows a handwritten signature in black ink over a circular professional stamp. The stamp contains the following text: 'P.R.K. ASSOCIATES' at the top, 'Chartered Accountants' around the bottom edge, 'Reg. No.: 448' in the center, and 'Kathmandu, ICAN' at the bottom center.

Report on Other Legal and Regulatory Requirements

We have audited attached financial statements accordingly and report that:

- 1) We have obtained prompt replies to our queries including satisfactory explanations during the course of the audit.
- 2) In our opinion, proper books of accounts have been maintained by the board.
- 3) The Financial Statements dealt with by this report are in agreement with the books of accounts maintained by the organization.
- 4) We have not come across any fraudulence in the accounts on our sample examination of the books of accounts of the Current Year.
- 5) We have issued a separate management letter comprising of our observations and recommendations.

For P.R.K. Associates
Chartered Accountants

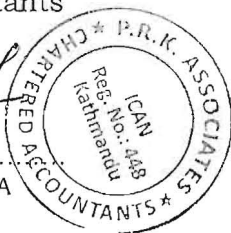

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Prabin Raj Kafle, FCA
Proprietor

Membership No : 637

Place: Kathmandu, Nepal

Date: 2077.08.08

UDIN Number: 201123CA0063700Q66



ACCOUNTING STANDARDS BOARD, NEPAL

Satdobato, Lalitpur




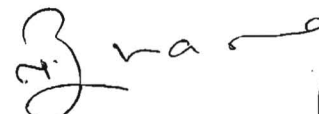


Statement of Financial Position

As at 31 Ashadh 2077 (15 July 2020)

Particulars	Notes	Current Year 2076/077	Previous Year 2075/076
Assets			
Non Current Assets			
Property, Plant and Equipment	3.1	471,764	753,806
Total Non Current Assets		471,764	753,806
Current Assets			
Inventories	3.2	1,096,515	1,045,828
Trade and Other Receivables	3.3	321,773	59,370
Short Term Investment	3.4	5,000,000	5,000,000
Cash and Cash Equivalents	3.5	5,436,444	3,053,755
Total Current Assets		11,854,732	9,158,953
Total Assets		12,326,496	9,912,758
Funds & Liabilities			
General Fund	3.6.1	10,262,743	7,748,292
Capital Fund	3.6.2	189,966	587,799
Books Reserve	3.6.3	642,169	648,233
Total Funds		11,094,878	8,984,324
Non Current Liabilities			
Total Non Current Liabilities		-	-
Current Liabilities			
Trade and Other Payables	3.7	1,231,618	928,434
Total Current Liabilities		1,231,618	928,434
Total Liabilities		1,231,618	928,434
Total Funds and Liabilities		12,326,496	9,912,758

Significant Accounting Policies and Notes to the Financial Statements on pages 1 to 7 are an integral part of these financial statements

As per our report of even date

 Karna Raj Palpali Assistant (Account) Accounting Standards Board	 Santosh Bhattarai Assistant (Admin) Accounting Standards Board	 CA Chandra Kanta Bhandari Co-ordinator, Audit Committee Accounting Standards Board
 CA Mahesh Khanal Chairman Accounting Standards Board	 CA Prabin Raj Kafle P.R.K. Associates Chartered Accountants	

Date : 2077/07/03

Place: Satdobato, Lalitpur


ACCOUNTING STANDARDS BOARD, NEPAL
Satdobato, Lalitpur
Statement of Income And Expenditure
For the year ended 31 Ashadh 2077 (15 July 2020)


Particulars	Notes	Current Year 2076/077	Previous Year 2075/076
Income			
Government Grants	3.8	5,000,000	3,000,000
Other Income	3.9	985,033	1,047,970
Total Income		5,985,033	4,047,970
General Expenses			
Employee Expenses	3.10	1,351,277	1,180,670
Depreciation Expenses	3.1	53,242	126,125
Office Operating Expenses	3.11	673,148	708,271
Other Operating Expenses	3.12	964,692	1,030,691
Workshop/Training Expenses	3.13	-	12,076
Standards Development Expenses	3.14	284,141	377,118
Income Tax for the year		135,925	-
Total		3,462,425	3,434,951
Surplus /Deficit for the year		2,522,608	613,019

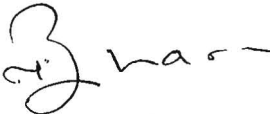
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As per our report of even date


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Karna Raj Palpali
Assistant (Account)
Accounting Standards Board


.....
Santosh Bhattarai
Assistant (Admin)
Accounting Standards Board


.....
CA Chandra Kanta Bhandari
Co-ordinator, Audit Committee
Accounting Standards Board


.....
CA Mahesh Khanal
Chairman
Accounting Standards Board


.....
CA Prabin Raj Kafle
P.R.K. Associates
Chartered Accountants

Date : 2077/07/03
Place: Satdobato, Lalitpur




ACCOUNTING STANDARDS BOARD, NEPAL
Satdobato, Lalitpur
Statement of Cash Flows
For the year ended 31 Ashadh 2077 (15 July 2020)


Particulars	Notes	Current Year 2076/077	Previous Year 2075/076
A Cash Flows from Operating Activities			
Surplus for the Year		2,522,608	613,019
Previous Year Profit adjustment		-	-
Adjustment for:			
Depreciation	3.1	53,242	126,125
Receipt relating to prior period		(8,158)	-
Interest	3.9	(543,703)	(445,886)
Increase / Decrease in Inventories	3.2	(50,687)	(19,878)
Increase / Decrease in Trade and Other Receivables	3.3	(262,403)	(64,930)
Increase / Decrease in Trade and Other Payables	3.7	303,184	118,323
Net Cash Flows from Operating Activities		2,014,083	326,773
B Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	3.1	(169,033)	(159,868)
Short Term Investment	3.4	-	(5,000,000)
Net Cash flows From Investing Activities		(169,033)	(5,159,868)
C Cash Flow from Financing Activities			
Interest Received	3.9	543,703	445,886
Net Books Reserve	3.6.3	(6,065)	(14,023)
Net Cash Flow from Financing Activities		537,639	431,863
Net Increase in Cash and Cash Equivalents		2,382,689	(4,401,232)
Cash and Cash Equivalents at the beginning 01 Shrawan 2076		3,053,755	7,454,987
Cash and Cash Equivalents at the end 31 Ashadh 2077		5,436,444	3,053,755

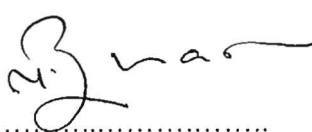
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As per our report of even date



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 Assistant (Account)
 Accounting Standards Board


 Santosh Bhattarai
 Assistant (Admin)
 Accounting Standards Board


 CA Chandra Kanta Bhandari
 Co-ordinator, Audit Committee
 Accounting Standards Board


 CA Mahesh Khanal
 Chairman
 Accounting Standards Board




 CA Prabin Raj Kafle
 P.R.K. Associates
 Chartered Accountants



Date : 2077/07/03
 Place: Satdobato, Lalitpur

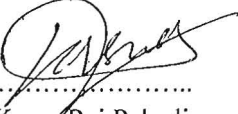
ACCOUNTING STANDARDS BOARD, NEPAL
Satdobato, Lalitpur
Statement of Changes in Reserves
For the year ended 31 Ashadh 2077 (15 July 2020)

Amt. in NPR

Particulars	Capital Fund	Book Reserve	General Fund/ Retained Earnings	Total
Balance at 1 Shrawan 2075	1,096,757	662,256	7,135,273	8,894,286
Less : Book reserve deducted		(14,023)		(14,023)
Less : Depreciation of SPFM Project Asset	(52,024)			(52,024)
Less : Depreciation on Grant Asset	(456,934)			(456,934)
Surplus (Deficit) for the year			613,019	613,019
Balance at 31 Ashadh 2076	587,799	648,233	7,748,292	8,984,324
Add: Prior year adjustment (Receipt)	-	-	-	-
Opening Balance at 1 Shrawan 2076	587,799	648,233	7,748,292	8,984,325
Less : Book reserve deducted		(6,065)		(6,065)
Less : Depreciation on Grant Asset	(397,833)			(397,833)
Less: Prior year adjustment			(8,158)	(8,158)
Surplus (Deficit) for the year			2,522,608	2,522,608
Balance at 31 Ashadh 2077	189,966	642,169	10,262,743	11,094,878

Significant Accounting Policies and Notes to the Financial Statements on pages 1 to 7 are an integral part of these financial statements


As per our report of even date



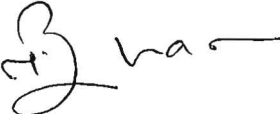
 Karna Raj Palpali
 Assistant (Account)
 Accounting Standards Board



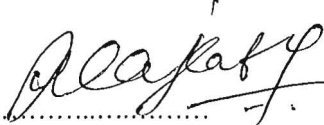
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 Chairman
 Accounting Standards Board



 CA Prabin Raj Kafle
 P.R.K. Associates
 Chartered Accountants



Date : 2077/07/03
 Place: Satdobato, Lalitpur

ACCOUNTING STANDARDS BOARD, NEPAL

Satdobato, Lalitpur

Financial Year 2076-077

Significant Accounting Policies and Notes to the Financial Statements

1 About the Board

Accounting Standards Board, Nepal (ASB Nepal), constituted in 2003 by Government of Nepal under the Nepal Chartered Accountants Act, 1997 (first amendment 2003), 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 Government of Nepal	Chairman
(b) Representative, Ministry of Finance (MoF)	Member
(c) Representative, Office of the Auditor General (OAG)	Member
(d) Representative, Financial Comptroller General Office (FCGO)	Member
(e) Company Registrar, Office of the Company Registrar (OCR)	Member
(f) Director General, Inland Revenue Department (IRD)	Member
(g) Chairman, Securities Board of Nepal (SEBON)	Member
(h) Five Chartered Accountant(CA) members nominated by the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)'s Council	Member
(i) One Registered Auditor(RA) member nominated by Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)'s Council	Member

The rights and duties of Accounting Standards Board, Nepal as stipulated in the Nepal Chartered Accountants Act, 1997 (first amendment, 2003) 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.

Financial statements for the year ended on Ashadh 31, 2077 (July 15, 2020) were approved by the Board in its 133th Meeting held on Kartik 03, 2077 (October 19, 2020) the meeting has also authorized Chairman, Co-ordinator of Audit Committee and Secretariat staff (Admin & Account) 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 & Expenditure, Statement of Cash Flows and Statement of Changes in Reserves (all together referred to as "Financial Statements") together with the Significant Accounting Policies and Notes to the Financial Statements has been prepared in accordance with Nepal Financial Reporting Standards(NFRSs) where applicable.

2.2 Basis of Measurement

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

2.3 Functional and Reporting Currency



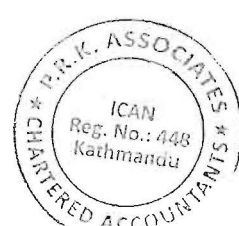
The financial statements are prepared in Nepalese Rupees (NPR), which is also the organization's functional currency and presentation currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest rupees and hence there may not add up and may have rounding difference.

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 recognized 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 life.

Depreciation has been computed on Straight Line Method (SLM). The estimate useful life's 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%
Vehicle	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 comprises 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 ninety (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 from Government of Nepal, Ministry of Finance gives unconditional grant for administrative expenses without any specific condition 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 thereof.

Property, 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 Property, Plant and Equipment with corresponding credit to Capital Fund. Depreciation there on is charged to Capital Fund with corresponding credit the Property, 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 Guidance Notes Book published under SPFM project



Cost of publication of NFRS 2013 based Application Guidance Note books has been shown as project income with corresponding expenditures in the Profit or Loss. Since these books are under the custody of ASB Nepal and has authority to transfer to designated parties, ASB Nepal is the owner of these book. Accordingly, the values of such has been initially recognized as project income and expenditures but subsequently recognized as Book Reserve with corresponding value to inventory of books. The contributory value (sale proceed) received subsequently is transferred to other income in the year of receipt with corresponding debit to books reserve.

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.

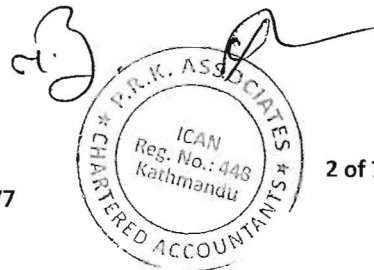
2.4.8 Income Tax

Accounting Standards Board Nepal (ASB Nepal) has received a certificate from the Inland Revenue Department as a tax exempt entity pursuant to the 2 (dha) of the Income-Tax Act, 2058. This implies that the organization is subject to income taxes on revenue generated from other sources unrelated to its exempt purpose. Therefore, interest income earned on fixed deposit is considered as not in accordance with tax exempt purpose and hence income from interest is subject to applicable income tax.







3 Notes to the Accounts and Disclosures

3.1 Property, Plant and Equipment

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 below:

Amt. in Rs.

Particulars	Furniture	Computers & Peripheral	Office Equipment	Vehicles	Office Partition	Total
General Assets						
Balance at. 1 Shrawan 2076	159,868	17,063	165,612		867,636	1,210,179
Additions during the year	54,692	-	114,341			169,033
Balance at 31 Ashadh 2077	214,560	17,063	279,953	-	867,636	1,379,212
Acc. Dep at 1 Shrawan 2076	15,579	4,355	164,101		860,137	1,044,173
Depreciation charge for current year	39,967	4,266	1,510		7,499	53,242
Accumulated depreciation	55,546	8,620	165,612	-	867,636	1,097,414
Impairment Loss	-	-	-	-	-	-
Carrying Amount as on 31 Ashadh 2077	159,014	8,443	114,341	-	-	281,797
Grant Asset						
Balance at. 1 Shrawan 2076	1,137,443	229,687	150,916	193,900	288,054	2,000,000
Additions during the year	-	-	-	-	-	-
Balance at 31 Ashadh 2077	1,137,443	229,687	150,916	193,900	288,054	2,000,000
Acc. Dep at 1 Shrawan 2076	886,128	32,098	110,467	149,465	234,044	1,412,201
Depreciation charge for current year	247,121	14,355	37,912	44,435	54,010	397,833
Accumulated depreciation	1,133,248	46,453	148,379	193,900	288,054	1,810,034
Carrying Amount as on 31 Ashadh 2077	4,195	183,234	2,538	-	-	189,966
Carrying Amount of Property, Plants and Equipment's			Current Year		Previous Year	
			471,764		753,806	

During the year two set of L-shaped table, one printer and one air conditioner has been purchased with total sum of Rs. 169,033.00 from the normal / regular budget of ASB Nepal.

3.2 Inventories

Inventories are stated at cost and comprises followings:

Amt. in Rs.

Inventories	Current Year	Previous Year
An Introduction (Publication of Old Books)	5,866	5,866
NFRS 2013 Books	137,580	178,190
NFRS 2013 Based Application Guidance Note Books	642,169	648,233
NFRS for SMEs 2017 Books	146,842.71	187,257
NAS for MEs 2018 Books	79,861	-
NAS for NPOs 2018 Books	61,772	-
Stationary	22,426	26,283
Total	1,096,515	1,045,828

During the year 45 copies of NFRS 13 books, 269 copies of NFRS for SMEs books, 785 copies of NAS for MEs, 840 copies of NAS for NPOs and 8 sets of Application Guidance Note books were sold.



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	Current
Trade Receivables	234,375	59,370
Prepaid Expenses	1,749	-
Advance & Deposit	4,093	-
TDS on Interest Income (Advance Tax)	81,556	-
Total	321,773	59,370
Carrying Amount	321,773	59,370

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

During the year old Board publications receivable amount from AUDAN of Rs. 4,131 was written-off as per the decision of Board.

During the year on 5 July 2020 Covid Insurance of Secretariat Employee has been done for 283 days (i.e. from 5 July 2020 to 13 April 2021) and up to July 15 expenses has been done i.e. 11 days of only 71 and remaining amount has been booked as prepaid expenses and will adjusted in coming year.

During the year the bank has withheld tax amounting Rs 81,556 from interest earned by ASB Nepal. This withheld tax (TDS) relates to the interest earned from the Fixed Deposits and the Call Account maintained with Everest Bank, New Baneshwor. This is treated as an advance tax and grouped under Trade and Other Receivables and will be adjusted against tax liability for the reporting financial year 2076/077 at the time of filing tax return.

3.4 Short Term Investment

Amt. in Rs.

Particulars	Current Year	Previous Year
	Current	Current
Fixed Deposit	5,000,000	5,000,000
Total Bank Balance	5,000,000	5,000,000

During the year to generate additional income Board has invested short term investment by taking fix deposit policy with an interest rate 9.6% in Everest Bank Ltd, New Baneshwor.

3.5 Cash and Cash Equivalents:

Cash and cash equivalents include following balances:

Amt. in Rs.

Particulars	Current Year	Previous Year
	Current	Current
Cash at Bank		
Everest Bank Ltd.	5,436,444	3,053,755
Total Bank Balance	5,436,444	3,053,755

3.6 General Fund

3.6.1 General Reserve

General reserve has been reclassified. Balance of general fund is as below:

Amt. in Rs.

Particulars	Current Year	Previous Year
Balance from previous year	7,748,292	7,135,273
Less: Prior year adjustment	(8,158)	-
Surplus during the year	2,522,608	613,019
General Reserve Balance	10,262,742	7,748,292

These are free funds and available for the use of all general purposes of ASB Nepal related activities and operations.

3.6.1.1 Prior Period Items

The correction or adjustments of a prior period error is excluded from the Income Statement for the period in which the error is discovered. Any information presented about prior periods, including any historical summaries of financial data, is restated as is practicable and if are considered material.

Accordingly, the Income Tax expenses amount of Rs. 8,158 (i.e. for fiscal year 2074-75 amounting to Rs. 6,458 and Rs. 1,700 for 2075-76) has been directly adjusted against the Retained Earnings or the balance of the General Reserves.

3.6.2 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 Property, 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	587,799	1,096,757
Less: Depreciation on SPFM Asset	-	(52,024)
Less: Depreciation on Grant Asset	(397,833)	(456,934)
Capital Fund Balance	189,966	587,799



3.6.3 Books Reserves

ASB Nepal 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 2013 based Application Guidance Note Books. The adjustment to this account would take place upon contributory sale or scrapping with corresponding credit to inventory.

3.7 Trade Payable and Liabilities

Trade payable and liabilities comprise following:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
	Current	Current
Trade Payable		
Social security and other taxes	61,074	43,109
Non-trade payables and accrued expenses	1,034,618	885,325
Provision for Income Tax	135,925	-
Carrying Amount	1,231,618	928,434

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

Provision for income tax on interest earned has been considered at the rate of 25% and is considered as current obligation.

3.8 Government Grants

Government grant of Rs. 5 million was received during the year. This is the grant for generally covering administration costs of ASB Nepal without any condition hence a free grant. Accordingly, since this is under the sub-heading number 305000113 Government Body Committee and Board Unconditional Government Grant for Government body, Committee and Board of Office code 305003501 Ministry of Finance, Government of Nepal on Expenses heading 26411 under budget, this has been accounted for as income in the year of receipt.

3.9 Other Income

Other income comprises following incomes:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
Interest Income	543,703	445,886
Standard Publication Related Income		
NFRS 2013 Books	47,079	139,262
NFRS 2013 Bases Application Guidance Notes Books (Contributory sale proceed)	13,138	26,700
NFRS For SMEs Books	100,420	136,111
NAS for MEs 2018 Books	129,938	-
NAS for NPOs 2018 Books	150,754	-
An Introduction (Old Publications)	-	11
Miscellaneous Income	-	300,000
Total	985,033	1,047,970

During the year, the Gross Interest Income (inclusive of the TDS deducted amounting to Rs. 81,566) has been shown under the Other Income.

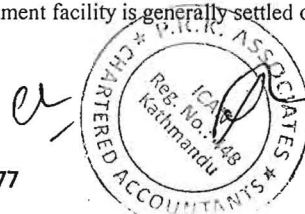
During the year, the total contributory sale proceeds of NFRS 2013 based Application Guidance Note book has been recognized as income on accrual basis i.e. when the constructive transfer of such books has incurred.

3.10 Employee Expenses

ASB Nepal presently engages two employees for Administration and Finance Department and one employee (Helper) under joint expenses sharing with Auditing Standards Board Nepal (AuSB Nepal). The total employee expenses of Board are as below:

Particulars	Amt. in Rs.	
	Current Year	Previous Year
Salary Expenses	885,330	920,084
Festival Expenses	66,140	77,615
Medical Expenses	66,140	69,310
Leave Encashment Expenses	92,596	105,161
Dearness Allowance	48,000	-
Other Allowance	168,000	-
Dress Allowance	25,000	-
Insurance Expenses (COVID Insurance of Staff)	71	-
Human Resource Expenses	-	8,500
Total	1,351,277	1,180,670

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



3.11 Office Operating Expenses

Office Operating expenses included following expenditures accounted for on accrual basis:

Amt. in Rs.		
Particulars	Current Year	Previous Year
Printing & Stationery	34,692	83,744
Communication Expenses	21,524	32,476
Advertisement/Promotional Expenses	40,765	14,238
Newspaper, Magazine & Journal Expenses	95,844	96,811
Fuel Expenses	10,467	38,187
Water & Electricity	22,320	25,745
Repair & Maintenance	27,053	12,596
Professional Service Expenses	25,990	20,340
Overhead Service Expenses	240,000	240,000
Postal & Courier Service Expenses	200	1,150
Non-durable Items	8,130	3,840
Hospitality Expenses	30,835	33,782
Renewal Expenses	4,941	7,917
Provision of bad debt	4,131	-
Audit Fees and Expenses	33,900	33,900
Miscellaneous Expenses	72,356	63,546
Total	673,148	708,271

Miscellaneous expenses consist expenses such as cleaning, cleaning utilities, gardening, banking clearing expenses, etc.

3.12 Other Operating Expenses

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

Amt. in Rs.		
Particulars	Current Year	Previous Year
Meeting Fees and Expenses	304,374	454,183
Travel and Transportation Expenses	644,458	572,358
Publication Related Expenses	15,860	4,150
Total	964,692	1,030,691

3.13 Workshop/ Training Expenses

Workshop training expenses are general expenditures incurred in connection with workshop and training and comprises of expenses on stationary printing and general supplies. These are as below :

Amt. in Rs.		
Workshop Training Expenses	Current Year	Previous Year
ICAN/AUDAN CPE Program Awareness on NFRS for SMEs	-	12,076
Total	-	12,076

During the year no any workshops, training, awareness program and interaction program were done.

3.14 Standards Development Expenses

Amt. in Rs.		
Standards Development Expenses	Current Year	Previous Year
Standards Development Expenses	284,141	62,118
NPSAS Standards Preparation Expenses	-	300,000
NFRS for SMEs Training Material (Nepali) Expenses	-	15,000
Total	284,141	377,118

During the year Implementation Guidelines for NFRS 2013 on Impact of COVID-19 and NFRS 2018 Standards review and prepared.

3.15 Related Parties Transactions

3.15.1 ASB Nepal Officials

During the year, six number of Board meetings were held and the total Board Allowances paid amounted to Rs. 93,000.00.

The expenses has been shown under other operating expenses of ASB Nepal.

3.15.2 Fees paid for Board, Committee, Sub-Committee & Task Force Meetings

During the reporting period, numbers of Board, 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, Committee, Sub-Committee & Task Force based on presence which are 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. Mahesh Khanal	Chairman	27,750	4,175	23,575
2	Mr. Dila Ram Giri	Member	12,750	1,917	10,833
3	CA. Chandra Kanta Bhandari	Member	1,500	225	1,275
4	Mr. Niraj KC	Member	3,750	563	3,187
5	Mr. Pradip Raj Adhikari	Member	1,500	225	1,275
6	Mr. Binod Bahadur Kunwar	Member	4,500	675	3,825
7	Mr. Bhishma Raj Dhungana	Member	1,500	225	1,275
8	CA. Satish Chandra Lal	Member	23,250	3,498	19,752
9	CA. Prabin Dhoj Joshi	Member	20,250	3,048	17,202
10	CA. Gopal Prasad Pokharel	Member	20,250	3,047	17,203
11	CA. Suresh Devkota	Member	21,000	3,158	17,842
12	CA. Bhoj Raj Pandey	Member	24,750	3,725	21,025
13	RA. Badri Prasad Bhattarai	Member	12,000	1,803	10,197
14	CA. Binay Prakash Shrestha	Technical Committee Member	8,250	1,243	7,007
15	CA. Jitendra Kumar Mishra	Technical Committee Member	12,000	1,808	10,192
16	Mr. Santosh Bhattarai	From Secretariat	31,500	4,740	26,760
17	Mr. Bishnu Prasad Rijal	Imm.Member	12,750	1,916	10,834
18	Mr. Bhuwan Hari Aryal	Imm.Member	3,000	450	2,550
19	Mr. Arjun Prasad Khanal	Imm.Member	3,000	450	2,550
20	Mr. Babu Ram Subedi	Imm.Member	750	113	637
21	Mr. Bishnu Prasad Nepal	Imm.Member	1,500	225	1,275
22	Mr. Santosh Kumar Dahal	Imm.Member	1,500	225	1,275
	Total		249,000	37,454	211,546

- B Total number of Committee, Sub-Committee and Task Forces Meetings and those Meeting Allowances were paid as given below

Amt. in Rs.				
S.N	Particulars	Numbers of meetings	Allowance Rate	Total Allowances paid
A	Committees			
1	NAS Development and Revision Technical Committee Meeting Allowance	9	750	52,500
2	Capacity Development Committee Meeting Allowance	4	750	24,000
3	Audit Committee Meeting Allowance	3	750	9,000
B	Sub-committee & Task Force			
1	NPSAS Review Sub- Committee Meeting Allowance	1	750	3,750
2	Budget Preparation Task Force Meeting Allowance	3	750	9,750
3	ICAN Act & Regulation Amendment Task Force Meeting Allowance	2	750	8,250
4	COVID-19 Effect on NFRS Implementation Study Task Force Meeting Allowance	7	750	48,750
	Total Amount		750	156,000

3.15.3 Accounting Standards Board, Nepal (ASB Nepal) Board Members' Travelling for Meetings & Seminars Abroad

Travelling expenses of Chairman & Board Members has been borne by ASB Nepal as per the Board decision. During the reporting period, total 2 no's travelling for AOSSG Interim Meeting, World Standards Setters (WSS) Meeting, International Forum of Accounting Standards Setters (IFASS) Meeting held on London with expenses four lakh eighteen thousand six hundred fifty and 11th AOSSG Meeting held on Goa, India with expenses one lakh eighty nine thousand eight rupees.

Further, International Forum of Accounting Standards Setters (IFASS) meeting was going to be held in USA in 2020 however, due to the COVID-19 the meeting was cancelled but visa processing expenses for two participants amounting to Rs thirty six thousand eight hundred only has been borne as per the decision made by the Board.

3.16 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.

3.17 Contingent Liabilities

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

3.18 Re-arrangement or regrouping:

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

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