

**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, 2078, 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, 2078, 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.

**Other Information**

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.



When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### **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.

#### **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

  
Prabin Raj Kafle, FCA  
Proprietor

Place: Kathmandu, Nepal  
Date: 2078.07.25

UDIN Number: 211112CA00637W0Xg4




**ACCOUNTING STANDARDS BOARD, NEPAL**  
(Formed by Government of Nepal under the Nepal Chartered Accountants Act, 1997)  
**Satdobato, Lalitpur**  
**Statement of Financial Position**  
**As at 31 Ashadh 2078 (15 July 2021)**

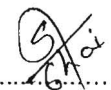
Particulars	Notes	Current Year	Previous Year
		2077/078	2076/077
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3.1	469,568	471,764
<b>Total Non Current Assets</b>		<b>469,568</b>	<b>471,764</b>
<b>Current Assets</b>			
Inventories	3.2	792,937	1,096,515
Trade and Other Receivables	3.3	12,965	321,773
Short Term Investment	3.4	8,000,000	5,000,000
Cash and Cash Equivalents	3.5	5,230,846	5,436,444
<b>Total Current Assets</b>		<b>14,036,748</b>	<b>11,854,732</b>
<b>Total Assets</b>		<b>14,506,316</b>	<b>12,326,496</b>
<b>Funds &amp; Liabilities</b>			
General Fund	3.6.1	14,000,975	10,262,743
Capital Fund	3.6.2	168,878	189,966
Books Reserve		-	642,169
<b>Total Funds</b>		<b>14,169,853</b>	<b>11,094,878</b>
<b>Non Current Liabilities</b>			
<b>Total Non Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Trade and Other Payables	3.7	336,463	1,231,618
<b>Total Current Liabilities</b>		<b>336,463</b>	<b>1,231,618</b>
<b>Total Liabilities</b>		<b>336,463</b>	<b>1,231,618</b>
<b>Total Funds and Liabilities</b>		<b>14,506,316</b>	<b>12,326,496</b>

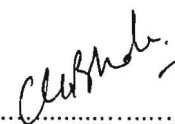
*Significant Accounting Policies and Notes to the Financial*

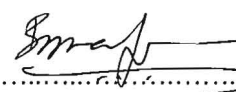
*Statements on pages 1 to 7 are an integral part of these financial statements*


As per our report of even date

  
Karna Raj Palpali  
Finance Assistant  
Accounting Standards Board

  
Santosh Bhattarai  
Administrative Assistant  
Accounting Standards Board

  
CA Chandra Kanta Bhandari  
Member  
Accounting Standards Board

  
CA Prakash Jung Thapa  
Chairman  
Accounting Standards Board

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



Date : 2078/07/15

Place: Satdobato, Lalitpur

**For the year ended 31 Ashadh 2078 (15 July 2021)**

**2,522,608**

As per our report of even date

Accounting Standards Board

Chartered Accountants

Place: Satdobato, Lalitpur

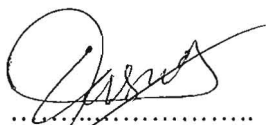


**ACCOUNTING STANDARDS BOARD, NEPAL**  
(Formed by Government of Nepal under the Nepal Chartered Accountants Act, 1997)  
**Satdobato, Lalitpur**  
**Statement of Cash Flows**  
**For the year ended 31 Ashadh 2078 (15 July 2021)**

Particulars	Notes	Current Year 2077/078	Previous Year 2076/077
<b>A Cash Flows from Operating Activities</b>			
Surplus for the Year		3,738,233	2,522,608
Previous Year Profit adjustment		-	-
<b>Adjustment for:</b>			
Depreciation	3.1	110,318	53,242
Receipt relating to prior period			(8,158)
Interest	3.9	(502,029)	(543,703)
Increase / Decrease in Inventories	3.2	303,577	(50,687)
Increase / Decrease in Trade and Other Receivables	3.3	308,808	(262,403)
Increase / Decrease in Trade and Other Payables	3.7	(895,155)	303,184
<b>Net Cash Flows from Operating Activities</b>		<b>3,063,751</b>	<b>2,014,083</b>
<b>B Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant and Equipment	3.1	(129,210)	(169,033)
Short Term Investment	3.4	(3,000,000)	
<b>Net Cash flows From Investing Activities</b>		<b>(3,129,210)</b>	<b>(169,033)</b>
<b>C Cash Flow from Financing Activities</b>			
Interest Received	3.9	502,029	543,703
Net Books Reserve		(642,169)	(6,065)
<b>Net Cash Flow from Financing Activities</b>		<b>(140,139)</b>	<b>537,639</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(205,598)</b>	<b>2,382,689</b>
<b>Cash and Cash Equivalents at the beginning 01 Shrawan 2077</b>		<b>5,436,444</b>	<b>3,053,755</b>
<b>Cash and Cash Equivalents at the end 31 Ashadh 2078</b>		<b>5,230,846</b>	<b>5,436,444</b>

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

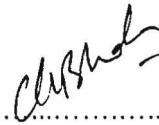
As per our report of even date



Karna Raj Palpali  
Finance Assistant  
Accounting Standards Board



Santosh Bhattarai  
Administrative Assistant  
Accounting Standards Board



CA Chandra Kanta Bhandari  
Member  
Accounting Standards Board



CA Prakash Jung Thapa  
Chairman  
Accounting Standards Board





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



Date : 2078/07/15

Place: Satdobato, Lalitpur

**ACCOUNTING STANDARDS BOARD, NEPAL**  
(Formed by Government of Nepal under the Nepal Chartered Accountants Act, 1997)

**Satdobato, Lalitpur**

**Statement of Changes in Reserves**

**For the year ended 31 Ashadh 2078 (15 July 2021)**


*Amt. in NPR*

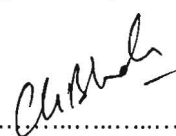
Particulars	Capital Fund	Book Reserve	General Fund/ Retained Earnings	Total
<b>Balance at 1 Shrawan 2076</b>	587,799	648,233	7,748,292	8,984,325
Less : Book reserve deducted		(6,065)		(6,065)
Less : Depreciation of SPFM Project Asset				-
Less : Depreciation on Grant Asset	(397,833)			(397,833)
Less: Prior year adjustment			(8,158)	(8,158)
Surplus (Deficit) for the year			2,522,608	2,522,608
<b>Balance at 31 Ashadh 2077</b>	<u>189,966</u>	<u>642,169</u>	<u>10,262,743</u>	<u>11,094,878</u>
<b>Add: Prior year adjustment (Receipt)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Opening Balance at 1 Shrawan 2077</b>	<u>189,966</u>	<u>642,169</u>	<u>10,262,743</u>	<u>11,094,878</u>
Less : Book reserve deducted		(642,169)		(642,169)
Less : Depreciation on Grant Asset	(21,088)			(21,088)
Add: Prior year adjustment				-
Surplus (Deficit) for the year			3,738,233	3,738,233
<b>Balance at 31 Ashadh 2078</b>	<u>168,878</u>	<u>-</u>	<u>14,000,975</u>	<u>14,169,853</u>


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

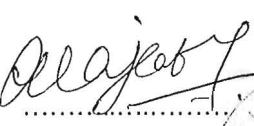
As per our report of even date

  
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P.R.K. Associates  
Chartered Accountants



Date : 2078/07/15  
Place: Satdobato, Lalitpur



# ACCOUNTING STANDARDS BOARD, NEPAL

(Formed by Government of Nepal under the Nepal Chartered Accountants Act, 1997)

Satdobato, Lalitpur

Financial Year 2077-078

## Significant Accounting Policies and Notes to the Financial Statements

### 1 About the Board

Accounting Standards Board, Nepal (ASB Nepal), formed by Government of Nepal in 2002 under the Nepal Chartered Accountants Act, 1997 (first amendment 2002), is the statutory body for setting up Accounting Standards in Nepal in line with the International Financial Reporting Standards (IFRSs). The Board has following Chairman and 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, 2002) 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, 2078 (July 15, 2021) were approved by the Board in its 137<sup>th</sup> Meeting held on 15 Kartik, 2078 (November 01, 2021) the meeting has also authorized Chairman, one Board Member 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 the ASB Nepal and has authority to transfer to designated parties, the 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, in the case of bank interest income, such withholding tax has been considered a final one with no further income tax liabilities on interest income.

### 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
<b>General Assets</b>						
Balance at. 1 Shrawan 2077	214,560	17,063	279,953		867,636	1,379,212
Additions during the year		110,000	19,210			129,210
<b>Balance at 31 Ashadh 2078</b>	<b>214,560</b>	<b>127,063</b>	<b>299,163</b>	<b>-</b>	<b>867,636</b>	<b>1,508,422</b>
Acc. Dep at 1 Shrawan 2077	55,546	8,620	165,612		867,636	1,097,414
Depreciation charge for current year	53,640	24,891	31,787		-	110,318
<b>Accumulated depreciation</b>	<b>109,186</b>	<b>33,511</b>	<b>197,398</b>	<b>-</b>	<b>867,636</b>	<b>1,207,732</b>
Impairment Loss	-	-	-	-	-	-
<b>Carrying Amount as on 31 Ashadh 2078</b>	<b>105,374</b>	<b>93,552</b>	<b>101,764</b>	<b>-</b>	<b>-</b>	<b>300,690</b>
<b>Grant Asset</b>						
Balance at. 1 Shrawan 2077	1,137,443	229,687	150,916	193,900	288,054	2,000,000
Additions during the year	-	-	-	-	-	-
<b>Balance at 31 Ashadh 2078</b>	<b>1,137,443</b>	<b>229,687</b>	<b>150,916</b>	<b>193,900</b>	<b>288,054</b>	<b>2,000,000</b>
Acc. Dep at 1 Shrawan 2077	1,133,248	46,453	148,379	193,900	288,054	1,810,034
Depreciation charge for current year	4,195	14,355	2,538			21,088
<b>Accumulated depreciation</b>	<b>1,137,443</b>	<b>60,809</b>	<b>150,916</b>	<b>193,900</b>	<b>288,054</b>	<b>1,831,122</b>
<b>Carrying Amount as on 31 Ashadh 2078</b>	<b>-</b>	<b>168,878</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,878</b>
<b>Carrying Amount of Property, Plants and Equipment's</b>				<b>Current Year</b> 469,568	<b>Previous Year</b> 471,764	

During the year one Laptop, Light board has been purchased with total sum of Rs. 129,210.00.

#### 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
NFRS 2018 Books	557,436	
NFRS 2013 Books	-	137,580
NFRS 2013 Based Application Guidance Note Books	-	642,169
NFRS for SMEs 2017 Books	112,890	146,843
NAS for MEs 2018 Books	57,582	79,861
NAS for NPOs 2018 Books	44,631	61,772
Stationary	20,399	22,426
<b>Total</b>	<b>792,937</b>	<b>1,096,515</b>

During the year 193 copies of NFRS 2018 books, 268 copies of NFRS for SMEs books, 325 copies of NAS for MEs, 308 copies of NAS for NPOs, 55 copies of NFRS 2013 books and 12 sets of Application Guidance Note books were sold and also include complementary issue.

#### 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	9,000	234,375
Prepaid Expenses	3,965	1,749
Advance & Deposit	-	4,093
TDS on Interest Income (Advance Tax)	-	81,556
<b>Total</b>	<b>12,965</b>	<b>321,773</b>
<b>Carrying Amount</b>	<b>12,965</b>	<b>321,773</b>



### 3.4 Short Term Investment

*Amt. in Rs.*

Particulars	Current Year	Previous Year
	Current	Current
Fixed Deposit	8,000,000	5,000,000
<b>Total Bank Balance</b>	<b>8,000,000</b>	<b>5,000,000</b>

During the year to generate additional income, the Board has invested short term investment by fixed term deposit policy with an interest rate i.e 7% on Rs. 5 million and 6.5% on 3 million 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.	5,230,846	5,436,444
<b>Total Bank Balance</b>	<b>5,230,846</b>	<b>5,436,444</b>

### 3.6 General Fund

#### 3.6.1 General Reserve

General Reserve includes following details :

*Amt. in Rs.*

Particulars	Current Year	Previous Year
Balance from previous year	10,262,743	7,748,293
Less: Prior year adjustment		(8,159)
Surplus during the year	3,738,233	2,522,609
<b>General Reserve Balance</b>	<b>14,000,975</b>	<b>10,262,743</b>

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

#### 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	189,966	587,799
Less: Depreciation on Grant Asset	(21,088)	(397,833)
<b>Capital Fund Balance</b>	<b>168,878</b>	<b>189,966</b>

#### 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.

During the year Application Guidance Note Book 2013 of amount Rs. 6,33,800.48 has been write off.

### 3.7 Trade Payable and Liabilities

Trade payable and liabilities comprise following:

*Amt. in Rs.*

Particulars	Current Year	Previous Year
	Current	Current
<b>Trade Payable</b>		
Social security and other taxes	25,095	61,074
Non-trade payables and accrued expenses	311,368	1,034,618
Provision for Income Tax	-	135,925
<b>Carrying Amount</b>	<b>336,463</b>	<b>1,231,618</b>

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

### 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:

*Amt. in Rs.*

Particulars	Current Year	Previous Year
<b>Interest Income</b>	502,029	543,703
<b>Standard Publication Related Income</b>		
NFRS 2018 Book sales	242,845	-
NFRS 2013 Books	52,311	47,079
NFRS 2013 Bases Application Guidance Notes Books	9,863	13,138
NFRS For SMEs Books	96,666	100,420
NAS for MEs 2018 Books	57,338	129,938
NAS for NPOs 2018 Books	59,082	150,754
Miscellaneous Income	486,943	-
<b>Total</b>	<b>1,507,078</b>	<b>985,033</b>

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. Miscellaneous income refers to sealed quotation form sale of NFRS 2018 Book print.

#### 3.9.1 Miscellaneous Income

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.

Add: Payable	Amount
Krishna Parajuli (F/Y 2070/071)	30,000
Web Hosting (F/Y 2071/72-072-73)	6,780
Man Sarover (F/Y 2071/072)	303,920
KPMG (F/Y 070/071-071/072)	188,235
Income Tax Amount( F/Y 2076/077)	54,370
<b>Total Payable Amount</b>	<b>583,305</b>
<b>Less :Receivables</b>	
AUDAN (F/Y 2076/077)	12,500
NFRS 2013 Books	91,996
Old Books ( An Introduction)	5,866
<b>Total amount to be adusted</b>	<b>472,943</b>

Above maintained amount are the old payable of the Board . Since the payable parties did not follow on the payment of these amount so now as per the decision of the Board all these payable amount has been wright off. All these amount has been adjusted on Misellaneous Income in Income Statement. Since the NFRS 2018 book has been published and now there is no further probability of sale this book so, that this book has been write off.

#### 3.10 Employee Expenses

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

*Amt. in Rs.*

Particulars	Current Year	Previous Year
Salary Expenses	1,164,228	885,330
Festival Expenses	66,140	66,140
Medical Expenses	66,140	66,140
Leave Encashment Expenses	92,596	92,596
Dearness Allowance	48,000	48,000
Other Allowance	-	168,000
Dress Allowance	25,000	25,000
Insurance Expenses (COVID Insurance of Staff)	4,569	71
<b>Total</b>	<b>1,466,673</b>	<b>1,351,277</b>

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	35,362	34,692
Communication Expenses	15,729	21,524
Advertisement/Promotional Expenses	39,664	40,765
Newspaper, Magazine & Journal Expenses	100,219	95,844
Fuel Expenses	13,290	10,467
Water & Electricity	21,261	22,320
Repair & Maintenance	58,146	27,053
Professional Service Expenses	50,850	25,990
Overhead Service Expenses	240,000	240,000
Postal & Courier Service Expenses	1,410	200
Non-durable Items	1,112	8,130
Hospitality Expenses	32,980	30,835
Renewal Expenses	5,993	4,941
Provision of bad debt	-	4,131
Audit Fees and Expenses	33,900	33,900
Miscellaneous Expenses	53,567	72,356
<b>Total</b>	<b>703,483</b>	<b>673,148</b>

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	316,605	304,374
Travel and Transportation Expenses	-	644,458
Publication Related Expenses	30,506	15,860
<b>Total</b>	<b>347,111</b>	<b>964,692</b>

### 3.13 Standards Development Expenses

*Amt. in Rs.*

Standards Development Expenses	Current Year	Previous Year
Standards Development Expenses	-	284,141
NFRS Standards 2018 Preparation Expenses	126,260	-
Frequently Asked Question preparation (FAQ) Expenses	15,000	-
<b>Total</b>	<b>141,260</b>	<b>284,141</b>

During the year NFRS 2018 book has been printed 1500pcs.

### 3.14 Related Parties Transactions

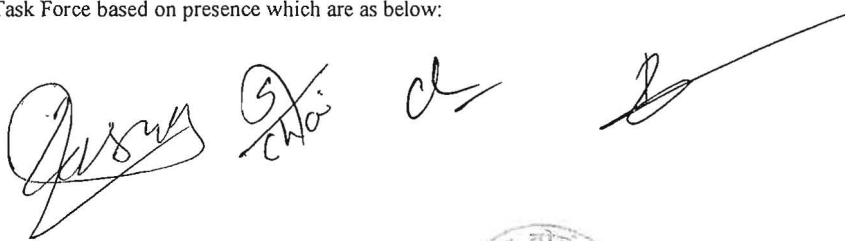

#### 3.14.1 ASB Nepal Officials

During the year, four number of Board meetings were held .

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

#### 3.14.2 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 fees and expenses incurred, that 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. Meeting allowances to the chairman, co-ordinators and members of the Board,/committees, sub-committees and Task Forces has been paid, no other benefits were paid to them.

*Amt. in Rs.*

S.N.	Name	Designation	Amount	TDS	Net Paid
1	CA. Mahesh Khanal	Chairman	37,500	5,629	31,871
2	Mr. Bhimarjun Gnywali	Member	7,500	1,127	6,373
3	Mr. Dila Ram Giri	Imm. Member	3,000	452	2,548
4	CA. Chandra Kanta Bhandari	Member	22,500	3,382	19,118
5	Mr. Niraj KC	Member	4,500	677	3,823
6	Mr. Krishna Prasad Pudasaini	Member	9,000	1,351	7,649
7	Mr. Binod Bahadur Kunwar	Imm. Member	1,500	225	1,275
8	CA. Satish Chandra Lal	Member	36,750	5,518	31,232
9	CA. Prabin Dhoj Joshi	Member	11,250	1,693	9,557
10	CA. Gopal Prasad Pokharel	Member	12,750	1,917	10,833
11	CA. Suresh Devkota	Member	12,750	1,915	10,835
12	CA. Bhoj Raj Pandey	Member	41,250	6,091	35,159
13	RA. Badri Prasad Bhattarai	Member	23,250	3,491	19,759
14	CA. Binay Prakash Shrestha	Technical Committee Member	8,250	1,240	7,010
15	CA. Jitendra Kumar Mishra	Technical Committee Member	5,250	789	4,461
16	Mr. Santosh Bhattarai	From Secretariat	49,500	2,853	46,647
17	Mr. Karna Raj Palpali	From Secretariat	1,500	15	1,485
18	CA. Parakarm Sharma	Expert Group	3,750	563	3,187
19	CA. Amrit Shrestha	Expert Group	3,000	113	2,887
20	Mr. Bidur Luintel	Expert Group	3,000	450	2,550
21	Mr. Pravin Kumar Karn	Expert Group	3,000	450	2,550
	<b>Total</b>		<b>300,750</b>	<b>39,941</b>	<b>260,809</b>

- 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	Total Allowances paid
<b>A</b>	<b>Committees</b>		
1	NAS Development and Revision Technical Committee Meeting Allowance	9	57,750
2	Capacity Development Committee Meeting Allowance	8	59,250
3	Audit Committee Meeting Allowance	3	12,000
<b>B</b>	<b>Sub-committee &amp; Task Force</b>		
1	NPSAS Review Sub- Committee Meeting Allowance	3	16,500
2	Budget Preparation Task Force Meeting Allowance	6	45,000
3	NAS for NPOs Review TF Meeting Allowance	1	7,500
4	NFRs Book Publishing TF Meeting Allowance	5	24,750
5	Sealed Quotation Committee Meeting Allowance	2	3,000
6	Employee Rem. Increment TF Allowance	1	6,000
	<b>Total Amount</b>		<b>231,750</b>

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

Due to the COVID-19 all the International Meetings, Seminars and Conference (AOSSG Interim/Annual Meetings, IFASS and WSS Meetings) has been conducted through virtually (online).

### 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 against ASB Nepal nor has ASB Nepal 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.

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