



लेखामान बोर्ड

ACCOUNTING STANDARDS BOARD

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

ANNUAL REPORT
Financial Year 2079/80
(2022/23)

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About Us

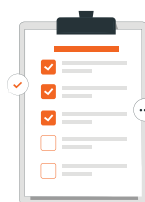
Introduction

Accounting Standards Board (ASB or the Board) Nepal was formed by the Government of Nepal on July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) 15ka incorporating the provision to systematize and regulate the accountancy & financial reports. The ASB Nepal has been formed with the responsibility to formulate accounting standards for the preparation and presentation of financial statements in Nepal. The ASB Nepal is primarily responsible for setting accounting standards for business enterprises in line with the International Financial Reporting Standards (IFRSs). The Board is also responsible to issue interpretations of NFRSs.



Since 2007, the Government of Nepal has also entrusted ASB Nepal with the responsibility to develop accounting standards for the public sector in line with the International Public Sector Accounting Standards (IPSAS) and the ASB Nepal prepared the Nepal Public Sector Accounting Standards (NPSAS) 2007, which was implemented from 2066 Bhadra 30 (August 15, 2009) as per the decision of Government of Nepal.

Similarly, on the request of the Financial Comptroller of General Office (FCGO), ASB Nepal Revised the Nepal Public Sector Accounting Standards (NPSAS) 2007 for the public sector in line with IPSAS 2017 cash basis Revised Nepal Public Sector Accounting Standards (NPSAS) was approved by the Government of Nepal on 2079 Mangsir 20 (December 06, 2022).



Accounting Standards Board, Nepal has so far set and issued following standards & guideline/guidance notes.

- Nepal Financial Reporting Standards (NFRSs) 2018 [NEW]
- Nepal Financial Reporting Standards (NFRSs) 2013
- Nepal Financial Reporting Standards for Small and Medium-sized Entities (NFRSs for SMEs) 2017
- Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018
- Nepal Accounting Standards for Not for Profit Organization (NAS for NPOs) 2018
- Implementation Guidelines of NFRS 2013 on Impacts of COVID-19
- Application Guidance Notes based on NFRS 2013

Objectives of the Board

The objective of the Board is to formulate accounting standards in line with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The Board has full discretion in developing and pursuing the technical agenda for setting Accounting Standards in Nepal.



Board Formation by Government of Nepal

Government of Nepal formed Accounting Standards Board, Nepal in July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants of Nepal Act 1997 incorporating the provision for its establishment and operation. ASB Nepal consists of following 13 members comprising a Chairman & Members:

Chairman : Fellow Chartered Accountant (FCA) [Appointed by the Government of Nepal]

Member : Representative of the Ministry of Finance

Member : Representative of Office of the Auditor General

Member : Representative of Financial Comptroller General Office

Member : Company Registrar of Office of the Company Registrar

Member : Director General of Inland Revenue Department

Member : Chairman of the Securities Board of Nepal

Members : Five Chartered Accountants (CA) & One Registered Auditor (RA)

[Nominated by the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal's Council].

Current Board



MR. PRAKASH JUNG THAPA, FCA
Chairman
(Appointed by the Government of Nepal)



MR. GYANENDRA RAJ OJHA
Member
Representative, Ministry of Finance



MR. CHANDRA KANTA BHANDARI, FCA, CPFA
Member
Representative, Office of the Auditor General



MR. GAYATRI RAMANA KHANAL
Member
Representative, Financial Comptroller General Office



MR. DIPAK KUMAR PAHADI
Member
Company Registrar, Office of the Company Registrar



MR. DIRGHA RAJ MAINALI
Member
Director General, Inland Revenue Department



MR. RAMESH KUMAR HAMAL
Member
Chairman, Securities Board of Nepal (SEBON)



MR. PRABHIN D. JOSHI, FCA
Member
Nominated by the Government of Nepal on the recommendation of ICAN's Council



MR. SANJAY KUMAR SINHA, FCA
Member
Nominated by the Government of Nepal on the recommendation of ICAN's Council



MR. MANISH RAJ UPRETI, FCA
Member
Nominated by the Government of Nepal on the recommendation of ICAN's Council



MR. BADRI KUMAR GURAGAIN, FCA
Member
Nominated by the Government of Nepal on the recommendation of ICAN's Council



MR. ARUN RAUT, FCA
Member
Nominated by the Government of Nepal on the recommendation of ICAN's Council



MR. DOL PRASAD DAHAL, RA
Member
Nominated by the Government of Nepal on the recommendation of ICAN's Council



MR. SUSHIL POUDEL, CA
Chief Executive Officer/Secretary

Past Chairmans and Tenure



LATE TIRTHA RAJ UPADHYAY, FCA
Chairman
From 2059/11/26 to 2062/11/25



MR. MADAN KRISHNA SHARMA, FCA
Chairman
From 2063/04/08 to 2066/04/07



MR. PRADEEP KUMAR SHRESTHA, FCA
Chairman
From 2066/04/28 to 2069/04/27



MR. NARAYAN BAJAJ, FCA
Chairman
From 2069/06/12 to 2072/06/11



MR. NARENDRA BHATTARAI, FCA
Chairman
From 2072/06/15 to 2075/06/14



MR. MAHESH KHANAL, FCA
Chairman
From 2075/06/16 to 2078/06/15

Message from Chairman



Dear Colleagues,

As you know the Accounting Standards Board (ASB or the Board) Nepal was formed by the Government of Nepal on July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) incorporating the provision for its establishment and operation. The ASB Nepal has been formed with the responsibility to formulate accounting standards for the preparation and presentation of financial statements in Nepal. The ASB Nepal is primarily responsible for setting accounting standards for business enterprises in line with the International Financial Reporting Standards (IFRSs).

Accounting Standards are the set of basic principles and procedures covering various aspects of accounting transactions for their recognition, measurement, treatment and disclosure in the financial statements. This provides a basis for numerous types of business or entities in the preparation of the financial statements providing a standardized way of presenting the entity's financial position and financial performance. Therefore, these standards are also a means of reducing or even eliminating the diverse practices of the generally followed accounting practices and thus enhancing the principles of transparency, consistency, comparability and reliability.

With a view of achieving these objectives, the International Accounting Standards Board (IASB) initiated efforts toward harmonization of the Accounting Standards and Accounting Practices across the international boundaries. This effort is directed towards making all the users and the stakeholders have a common understanding of the financial statements in all jurisdictions. Further, in the scenario of globalization, Nepal cannot isolate itself from the developments taking place worldwide and therefore guided by the aim of having its own standards in line with International Accounting Standards

Prakash Jung Thapa, FCA

Chairman

Accounting Standards Board, Nepal

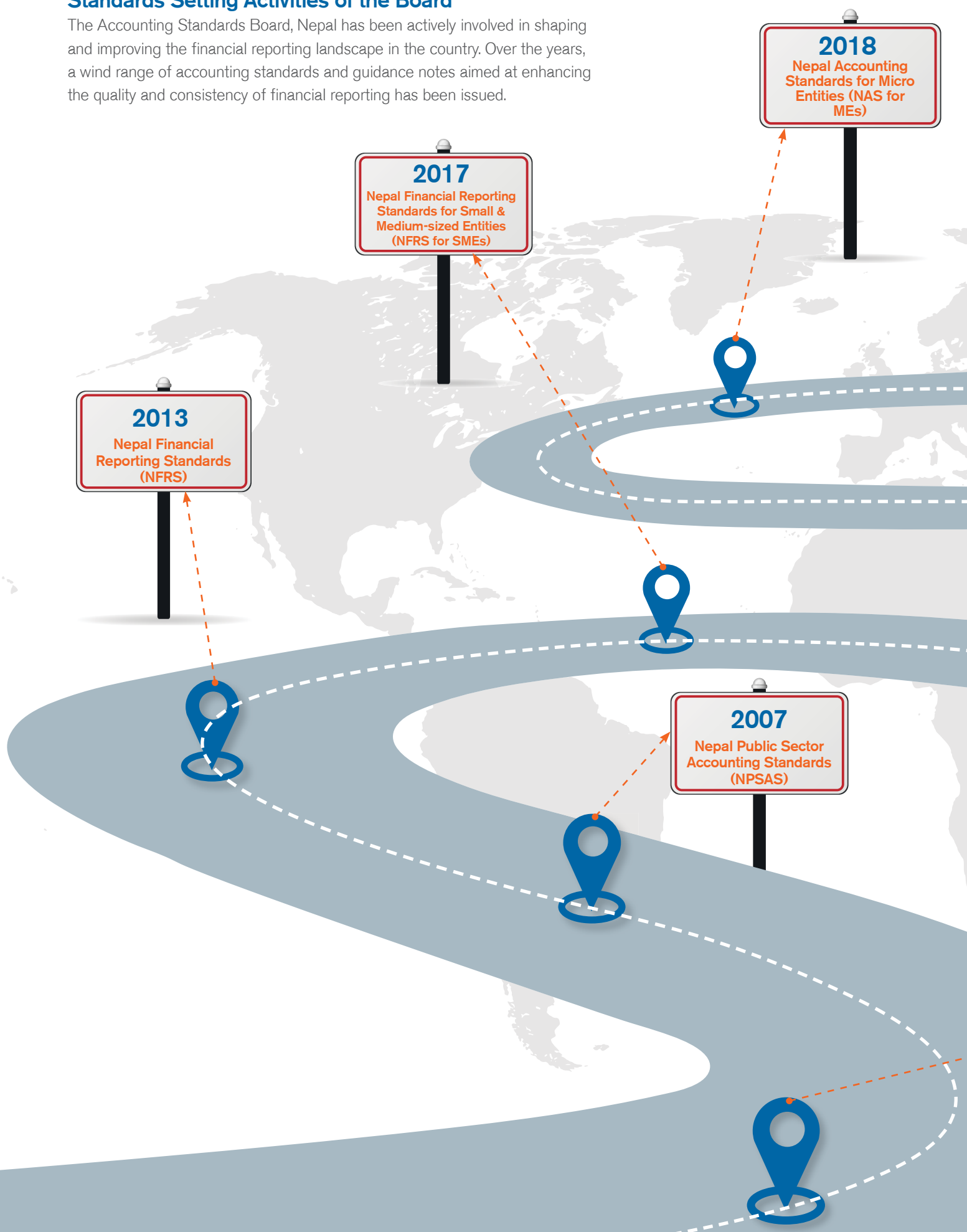
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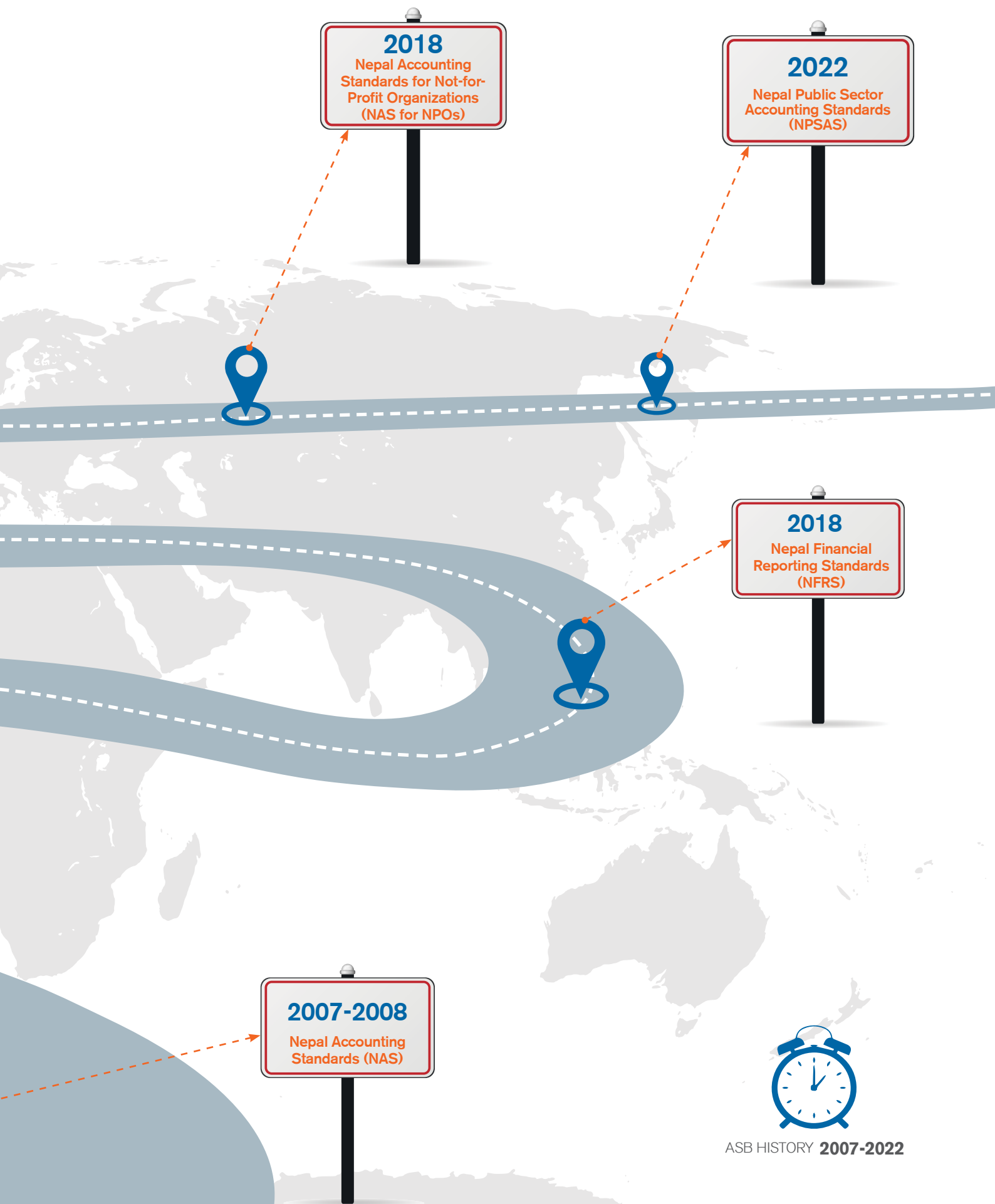
Accounting Standards are the set of basic principles and procedures covering various aspects of accounting transactions for their recognition, measurement, treatment and disclosure in the financial statements.

Board Activities

Standards Setting Activities of the Board

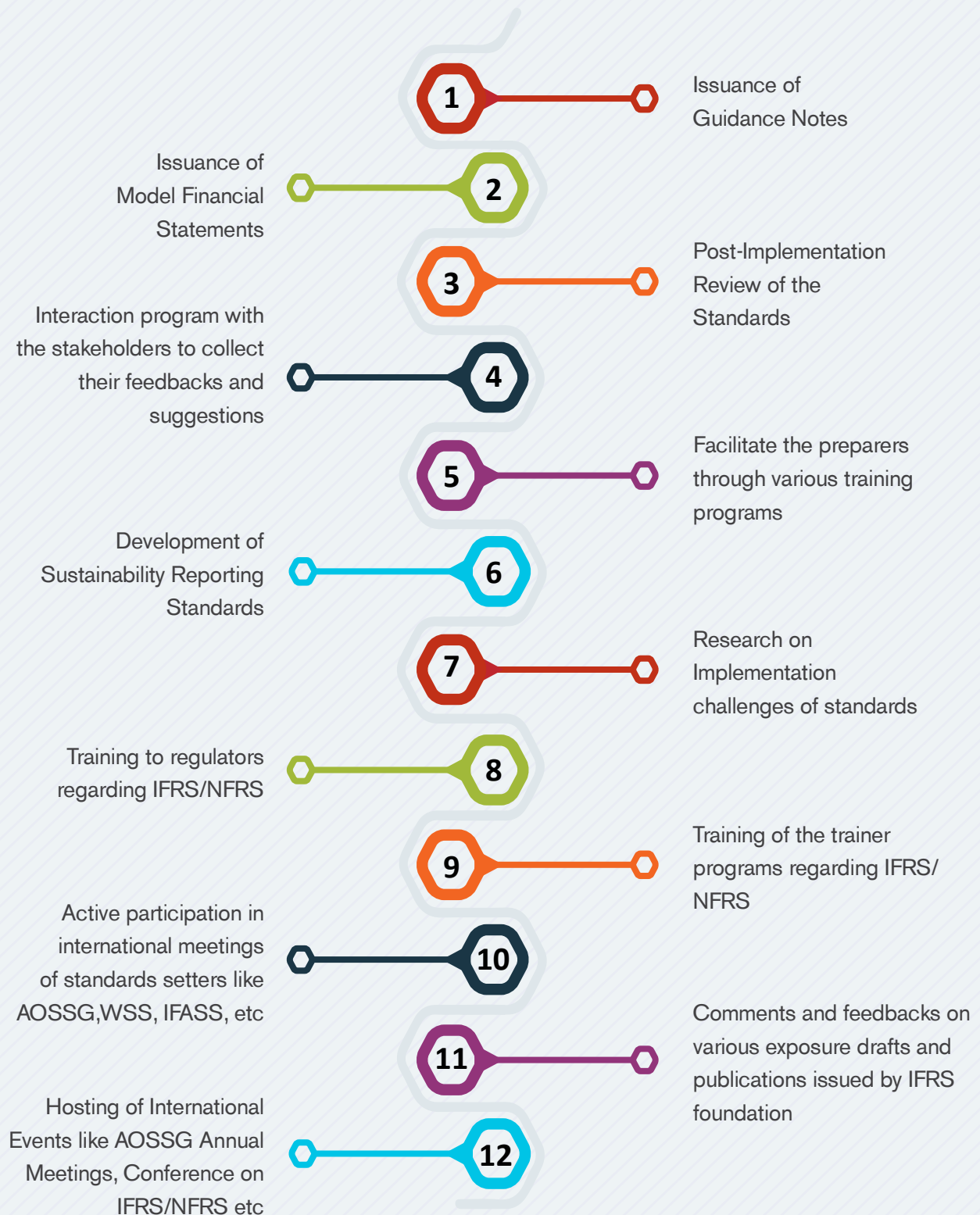
The Accounting Standards Board, Nepal has been actively involved in shaping and improving the financial reporting landscape in the country. Over the years, a wide range of accounting standards and guidance notes aimed at enhancing the quality and consistency of financial reporting has been issued.





ASB HISTORY **2007-2022**

The Board goes beyond setting standards. ASB Nepal issues guidance notes, conducts post-implementation reviews, Implementation Guidelines of NFRS 2013 on Impacts of COVID-19 and interacts with stakeholders. Accounting Standards Board is regularly involved in facilitating training and addressing implementation challenges. The Board imparts the training to regulators, participates in international meetings, offers feedback on exposure drafts and hosts global events.



Management

Human Resources

Human Resources is the set of people who make up the workforce of an organization and they will help to gain an achievement of ASB Nepal. Currently, the following are the details of the human resources of ASB Nepal.

Designation	No.
Chief Executive Officer	1
Administrative Assistant	1
Office Helper	1

The Board promotes continues learning and development for employees. The Board has made the provision for the budget for Human Resource Development.

Committees & Sub-Committees

As per the decision made by the Board's different meetings, the following committees have been formed to achieve its duties and responsibilities.

1. Advisory Committee

S. No	Name	Role
1	CA. Prakash Jung Thapa (Chairman)	Coordinator
2	CA. Madan Krishna Sharma (Past Chairman)	Member
3	CA. Pradeep Kumar Shrestha (Past Chairman)	Member
4	CA. Narayan Bajaj (Past Chairman)	Member
5	CA. Narendra Bhattarai (Past Chairman)	Member
6	CA. Mahesh Khanal (Past Chairman)	Member

2. Standard Development and Revision Technical Committee

S. No	Name	Role
1	CA. Shashi Satyal (Past Board Member)	Coordinator
2	CA. Chandra Kanta Bhandari	Member
3	Mr. Ramesh Kumar Hamal	Member
4	CA. Manish Raj Upreti	Member
5	CA. Badri Kumar Guragain	Member
6	CA. Binay Prakash Shrestha (Past Board Member)	Member
7	CA. Bikesh Madhikarmi	Member

3. NAS/NFRS Interpretation Committee

S. No	Name	Role
1	CA. Pradeep Kumar Shrestha (Past Chairman)	Coordinator
2	Mr. Dirgha Raj Mainali	Member
3	CA. Prabin D. Joshi	Member
4	CA. Arun Raut	Member
5	CA. Man Mohan Raj Kafle	Member
6	CA. Aman Upreti	Member
7	CA. Nirdesh Shrestha	Member

4. Nepal Sustainability Reporting Standards Development Committee

S. No	Name	Role
1	CA. Prakash Jung Thapa (Chairman, ASB Nepal)	Coordinator
2	CA. Manish Raj Upreti (Board Member, ASB Nepal)	Member
3	Mr. Keshab Kumar Upreti (Deputy Secretary, Ministry of Finance)	Member
4	Mrs. Nirmala Thapa (Deputy Secretary, Ministry of Forest & Environment)	Member
5	Mr. Prabin Kumar Jha (Vice President, ICAN)	Member
6	Mr. Rajan Dev Bhattarai (Directory, Nepal Rastra Bank)	Member
7	Mr. Muktinath Shrestha (Executive Director, SEBON)	Member
8	Mr. Deepak Kumar Pahadi (Company Registrar, Office of the Company Registrar)	Member
9	Mr. Gokarna Raj Pantha (Secretary, Electricity Regulatory Commission)	Member
10	Mr. Raju Raman Poudel (Executive Director, Nepal Insurance Authority)	Member
11	Dr. Ram Prasad Dhital (Expert)	Member

5. Capacity Development Committee

S. No	Name	Role
1	CA. Arun Raut	Coordinator
2	Mr. Gayatri Raman Khanal	Member
3	Mr. Deepak Kumar Pahadi	Member
4	RA. Dol Prasad Dahal	Member
5	CA. Kiran Kumar Khatri (Representative, ICAN)	Member

6. Audit Committee

S. No	Name	Role
1	Mr. Gayatri Raman Khanal	Coordinator
2	CA. Manish Raj Upreti	Member
3	RA. Dol Prasad Dahal	Member

7. Study and Research Committee

S. No	Name	Role
1	CA. Prabin D. Joshi	Coordinator
2	Mr. Gyanendra Raj Ojha	Member
3	CA. Sanjay Kumar Sinha	Member
4	RA. Dol Prasad Dahal	Member
5	CA. Jiban Shakya	Member
6	CA. Dipendra Subedi	Member
7	Dr. Achyut Gyawali (Representative, Tribhuvan University)	Member

8. Budget Preparation Committee

S. No	Name	Role
1	Mr. Gayatri Raman Khanal	Coordinator
2	CA. Manish Raj Upreti	Member
3	CA. Badri Kumar Guragain	Member

9. Strategy Plan Preparation Task Force

S. No	Name	Role
1	CA. Prakash Jung Thapa	Coordinator
2	CA. Chandra Kanta Bhandari	Member
3	CA. Arun Raut	Member

10. Editorial Committee

S. No	Name	Role
1	CA. Prakash Jung Thapa	Coordinator
2	CA. Sanjay Kumar Sinha	Member
3	CA. Arun Raut	Member

11. Policy and Bylaws Preparation Committee

S. No	Name	Role
1	CA. Sanjay K. Sinha	Coordinator
2	Mr. Gyanendra Raj Ojha	Member
3	CA. Badri Kumar Guragain	Member

12. NFRS for SMEs 2017 Revision and Amendment Sub-Committee

S. No	Name	Role
1	CA. Binay Prakash Shrestha	Coordinator
2	CA. Roshan Dahal	Member
3	CA. Yechu Ratna Shakya	Member

13. NAS for MEs 2018 Revision and Amendment Sub-Committee




S. No	Name	Role
1	CA. Manish Raj Upreti	Coordinator
2	CA. Saugat Parajuli	Member
3	RA. Shekhar Sitaula	Member

14. NAS for NPOs 2018 Revision and Amendment Sub-Committee

S. No	Name	Role
1	CA. Bikesh Madhikarmi	Coordinator
2	CA. Shankar Thapa	Member
3	CA. Rakshya Shrestha	Member
4	CA. Kishan Thapa	Member

International Network

The ASB Nepal has an International Network in the following Bodies:

<p>IASB ISSB</p> 	<p>The IFRS Foundation is a not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards.</p> <p>Accounting Standards Board, Nepal (ASB Nepal) has made the copyright agreement to use the standards in Nepal.</p>
 <p>asian-oceanian standard-setters group</p>	<p>The Asian-Oceanian Standard-Setters Group (AOSSG) is a grouping of the 28 Accounting Standard-Setters in the Asian-Oceanian region. The Group has been formed in 2009 to discuss issues and share experiences on the adoption of International Financial Reporting Standards (IFRS) and to contribute to the development of a high-quality set of global accounting standards.</p> <p>ASB Nepal has been a Member of AOSSG since 2009.</p>
	<p>International Forum of Accounting Standard Setters (IFASS) (formerly known as National Standard-setters, NSS) is a grouping of national accounting standard-setters from around the world, plus other organisations that have a close involvement in financial reporting issues.</p> <p>As a national accounting standard-setters of Nepal, ASB Nepal is also a member of IFASS</p>

Participation in the International Programs

ASB Nepal is a national accounting standard-setters of Nepal and in the similar accounting standards setters meeting, ASB Nepal is participating in those programs. The programs are:

- AOSSG Annual Meeting
- AOSSG Interim Meeting (twice a Year)
- International Forum of Accounting Standard Setters (IFASS) Meeting (twice a Year)
- World Standards Setters Conference/Seminar
- "Belt and Road" National Accounting Standards Cooperation Forum

Standard Development Due Process

As per the Board Meeting Conducting Procedure, 2073 ASB Nepal follows the following due process under the section 17, while developing the Standards in Nepal.

17 NFRSs are developed, revised and updated through due process that involves accountants, financial analysts and other users of financial statements, the business community, stock exchange/s, regulatory and legal authorities, academics and other interested individuals and organizations of the country. Due process for projects normally, but not necessarily, involves the following steps (the steps that are required under the present or current terms of the ASB Nepal):

- (a) **Issues associated with the Standards should be initiated from the Technical Committee:** Issues related to Standards should be identified, reviewed and discussed in the Technical Committee. Thereafter, these issues should be brought before the Board only with the appropriate suggestions for the development of the Standards.
- (b) **First Discussion in the Board:** (1) The Standards sent with the suggestion from the Technical Committee shall be included in the Agenda of the Meeting of the Board.
(2) After the first discussion on those standards, the Members of the Board shall be given one-month time to express their comments to the Board.
- (c) **Second Discussion in the Board:** The Technical Committee should review and discuss the received comments and submit it again to the Board for the second discussion along with the suggestions.
- (d) **Publishing an Exposure Draft:** If it is decided to make the proposed Standard public as an Exposure Draft after the second discussion of the Board, such exposure draft shall be made public through the Secretariat of ASB Nepal.
- (e) **Exposure Draft for Public Comment:** (1) The Secretariat shall make public the exposure drafts as decided by the Board using the available resources for comments for a period of at least two months.
(2) If necessary, workshops and seminars may be organized with the approval of the Board.
- (f) **Approval of the Exposure Draft as a Standard:** (1) The Technical Committee shall submit a proposal to recommend the exposure draft as a Standard/s after addressing the comments and suggestions received as mentioned in section (e).
(2) The Members of the Board shall be given 15 days to express their comments on the present proposal of standard.
(3) The Board shall approve the exposure draft, after discussion in case any comments are received within stipulated time as mentioned above, as a final standard and recommend it to the Institute of Chartered Accountants of Nepal (ICAN) to comply with section 11 (da) of the Nepal Chartered Accountants Act, 1997 (first amendment, 2002).
- (g) **To request the Regulators to implement the Standards:** The Board shall also request the concerned Regulatory Bodies for the facilitation of the implementation of the Accounting Standards.



IFRS application around the World

Jurisdictional Profile: Nepal



RELEVANT JURISDICTIONAL AUTHORITY	
Organisation	Accounting Standards Board, Nepal (ASB Nepal)
Role of the organisation	The Accounting Standards Board, Nepal (Nepal) is an independent statutory body formed with the responsibility to formulate accounting standards for preparation and presentation of financial statements in Nepal. The ASB Nepal was formed by Government of Nepal in July 2002 by an amendment to the Nepal Chartered Accountants Act, 1997.
	The objective of the Board is to issue accounting standards for the business enterprises in line with IFRS Accounting Standards issued by International Accounting Standards Board. The Board is also responsible to issue interpretations of NFRSs but to date have not issued any.
Website	http://www.asbnepal.gov.np
Email contact	secretariat@asbnepal.gov.np
COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS	
Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?	Yes.
The objective of the Board, as formed under the Nepal Chartered Accountants Act- 1997, stipulates its function to prepare the accounting standards in line with IAS/IFRS Standards issued by IASB.	
Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?	Yes. See above. Further to this, the Preface to Nepal Financial Reporting Standards states that one of the objectives of the ASB NEPAL is "to develop, on the basis of IFRSs and IASs issued by IASB in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based on clearly articulated principles. These standards should require high quality, transparent and comparable information in financial statements and other financial reporting to help investors, other participants in the capital markets and other users of financial information make economic decisions.
What is the jurisdiction's status of adoption?	Nepal is converging with IFRS Accounting Standards as Nepal Financial Reporting Standards (NFRS) & IFRS for SMEs Accounting Standard as the NFRS for SMEs.

Additional comments provided on the adoption status?	ASB Nepal has published the new set of standards which is converged in-line with the 2018 IFRS Accounting Standards as issued by the IASB. This volume of NFRS 2018 comprises of 25 Nepal Accounting Standards (NASs), 17 Nepal Financial Reporting Standards (NFRSs), 15 IFRICs, 5 SICs, Preface and Conceptual Framework. These standards have completely replaced the earlier issued NFRS 2013.
If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS in your jurisdiction.	Not applicable.
EXTENT OF IFRS APPLICATION	
<i>For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements?	All domestic companies whose securities trade in a public market are required to use NFRS in their consolidated financial statements
If YES, are IFRS REQUIRED or PERMITTED?	Those entities are required to prepare and publish the financial statements based on the Nepal Financial Reporting Standards (NFRS).
Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
Are IFRS also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?	Nepal Financial Reporting Standards (NFRS) converged with IFRS Accounting Standards are required.
For instance, are IFRS required or permitted in separate company financial statements of companies whose securities trade in a public market?	Nepal Financial Reporting Standards (NFRS) are required.
For instance, are IFRS required or permitted for companies whose securities do not trade in a public market?	Corporate Bodies/Entities not defined as SMEs or those entities having economic Significance are required to follow Nepal Financial Reporting Standards (NFRS). For all other entities, Nepal Financial Reporting Standards (NFRS) are permitted but not required.
If the jurisdiction currently does NOT require or permit the use of IFRS for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS for such companies in the future?	Not applicable.
<i>For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:</i>	
Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?	Nepal Financial Reporting Standards (NFRS) converged with IFRS Accounting Standards are required.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?	NFRS are required.
Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?	All.
IFRS ENDORSEMENT	
Which IFRS Accounting Standards are required or permitted for domestic companies?	Listed Companies, Bank & Financial Institutions, Insurance Companies, State owned Enterprises : NFRS
	Corporate Bodies/Entities not defined as SMEs or those entities having economic significance : NFRS
	Entities that falls under the definition of SMEs or MEs: requires to follow NFRS for SMEs or NFRS for MEs, respectively
	Others: GAAP
The auditor's report and/or the basis of presentation footnotes states that financial statements have been prepared in conformity with:	For all the entities specifically covered by the standards requires mentioning conformity of Nepal Financial Reporting Standards (NFRS 2018) otherwise, compliance with GAAP must be stated.
Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?	While 'dual reporting' of conformity with both NFRS and jurisdiction's GAAP is not prohibited, it is not common.
Are IFRS Accounting Standards incorporated into law or regulations?	No, NFRS based on IFRS Standards are required. The Companies Act of Nepal requires the preparation of the financial statements in accordance with the accounting standards enforced by the competent body under the prevailing law. The Institute of Chartered Accountants of Nepal, the regulator being the competent body, has pronounced the implementation of the NFRS and NFRS for SMEs in the country, as applicable on the basis of such standards being issued by the Accounting Standards Board, Nepal.
	As per Section 15B of Nepal Chartered Accountants Act, 2053 (1997). Accounting Standards Board, Nepal shall provide for accounting standards, also based on international accounting standards, in order to systematize and regulate the accountancy and financial reports.
If yes, how does that process work?	The preparers of the financial statements are required to follow the applicable reporting standards while preparing the financial statements which are audited and the auditors are required to report if those have been prepared in conformity with NFRS/NFRS for SMES.
Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place	Yes. The Accounting Standard Board, Nepal follows the formal due process of the board.
If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?	Not applicable.

Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS?	Yes.
	The implementation date of NFRS 17 has been deferred till 16th July 2024
	The implementation of those parts of IFRS 9 Financial Instruments relating to effective interest method and expected credit losses have been deferred until the fiscal year ending 15 July 2024. Details of these changes are available on the ASB Nepal website.
APPLICATION OF THE IFRS FOR SMEs Accounting Standard	
Has the jurisdiction adopted the IFRS for SMEs Accounting Standard for at least some SMEs?	Yes. The NFRSs for SMEs has been developed and approved by The Accounting Standards Board, Nepal and its implementation has been pronounced by The Institute of Chartered Accountants of Nepal making it effective mandatorily from July 17, 2023.
If no, is the adoption of the IFRS for SMEs Accounting Standard under consideration?	Not applicable.
Which SMEs use the IFRS for SMEs in the jurisdiction, and are they required or permitted to do so?	Those NOT having public accountability and falling under SME definition are required to prepare financial statements under NFRS for SMEs.
For those SMEs that are not required to use the IFRS for SMEs, what other accounting framework do they use?	Local GAAP.

International Conference on NFRS/IFRS

Chief Guest



CA. Maha Prasad Adhikari
Governor, Nepal Rastra Bank

Key Note Speech



Dr. Jianqiao Lu
Board Member, IASB



Mr. Nishan Fernando,
Chair, AOSSG

SESSION

Technical Session 1

IFRS/NFRS 9 Financial Instruments- Impairment: Application Practices and Challenges

Session Chair



Mr. Bam Bahadur Mishra
Deputy Governor, Nepal Rastra Bank

Presenters



CA Jagdish Kumar
Deputy Director
Nepal Rastra Bank



Ms. Vidya Kumar
Chief Finance Officer
Standard Chartered Bank,
Nepal

Panel



Mr. Nishan Fernando
Chair, AOSSG



Mr. Rana Usman Khan
Vice Chair, AOSSG

Technical Session 2

Sustainability Reporting-A need and challenges

Session Chair



Mr. Nishan Fernando,
Chair, AOSSG

Presenters



Mr. Sohail Malik
Senior Director Technical
Institute of CA Pakistan



Ms. Carolyn Cordery,
Chair of New Zealand ASB



Mr. Dede Rusli
Member
DSAL IAI, Indonesia



Mr. Abdulla Alhomaidda
Member
ASB Soudi Arabia



Mr. Patrick kabuya
The World Bank

Panel

Technical Session 3A

IFRS/NFRS 17 Insurance Contracts

Session Chair



Mr. Ramesh Kumar Hamal
Chairman
Securities Board of Nepal

Presenters



Dr. Jianqiao Lu
IASB Board Member



Mr. Nuwan Withanage
Council Member of Institute of
CA of Sri Lanka



CA Vijaya Bahadur Shah
Immediate Past President, Nepal
Insurers' Association/CEO
Himalayan Everest Insurance



Mr. Pravin Raman Parajuli
Treasurer, Jeevan Bimak
Sangh Nepal /CEO, Nepal Life
Insurance

Panel

Technical Session 3B

IFRIC 12: Service Concession Arrangements: Practical expedients

Session Chair



CA Pradeep Kumar Shrestha
Past Chairman, ASB Nepal/
Past President, ICAN

Presenters



CA Arun Raut
Board Member, ASB Nepal



CA. Ashish Garg,
Vice President, IPPAN



CA. Uttam Kumar Shrestha,
CEO Butwal Power Co Ltd



Mr. Dolendra Prasad Sharma,
Director, Policy Analysis Section,
Inland Revenue Department

Panel

Organised By



INTERNATIO

INTERNATIONAL FINANCIAL REPORTING STANDARDS NEPAL FINANCIAL REPORTING STANDARDS

13 NOVEMBER



ANAL CONFERENCE ON

FINANCIAL REPORTING STANDARDS (IFRS)/ L REPORTING STANDARDS (NFRS)

MBER 2022 (27 KARTIK 2079)

Event Partners



Conference Highlights

The conference commenced with the following dignitaries on the dais:

- Chairman of the program, CA Prakash Jung Thapa, Chairman, ASB Nepal
- Chief Guest, CA Maha Prasad Adhikari, Governor, Nepal Rastra Bank
- Mr. Rameshwor Dangal, Secretary (Revenue), Ministry of Finance
- Mr. Nishan Fernando, AOSSG Chair
- CA Bhaskar Singh Lala, President, The Institute of Chartered Accountants of Nepal (ICAN)
- Dr. Jianqiao Lu, Board Member, International Accounting Standards Board (IASB)
- CA Anup Kumar Shrestha, Chairman, Auditing Standards Board, Nepal



Welcome Speech by the Chairman of the program, Mr. Prakash Jung Thapa, FCA

The Chairman of the program, Mr. Prakash Jung Thapa, FCA welcomed the guests and all the participants of the program and extended his special thanks for their presence. He highlighted the significance of NFRS to bring transparency by enhancing the international comparability and quality of financial information and informed the participants regarding the actions taken by ASB Nepal to achieve its goal. Further he extended the special thanks to AOSSG & IASB for supporting this event.



After the welcome speech by the Chair, Chief Guest, CA Maha Prasad Adhikari formally inaugurated the conference by lighting the traditional Panas (Oil Lampstand).



Speech by CA Anup Kumar Shrestha, Chairman, Auditing Standards Board, Nepal

CA Anup Kumar Shrestha, Chairman of the Auditing Standards Board, Nepal gave a brief background of the auditing standards issued by the Auditing Standards Board, Nepal. He elaborated how important this conference is highlighting the programs being organized by various accounting bodies on the World Accounting Day.

Speech by CA Bhaskar Singh Lala, President (IMM), The Institute of Chartered Accountants of Nepal (ICAN)

CA Bhaskar Singh Lala, Chairman, The Institute of Nepal Chartered Accountants of Nepal (ICAN), described that Sustainability Reporting is an emerging and significant concept in the present context. The International Sustainability Standards Board (ISSB) of the IFRS Foundation has issued an exposure draft of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. So, he mentioned how ICAN, the Accounting Standards Board, Nepal, the Government of Nepal & other regulatory bodies should work jointly for a way forward of sustainability reporting.



Speech by Mr. Rameshwor Dangal, Secretary (Revenue), Ministry of Finance

Mr. Rameshwor Dangal, Secretary (Revenue), Ministry of Finance informed that the Government of Nepal acknowledges the importance of effective implementation of IFRS/NFRS which is inevitable to attract foreign investment without which the economic development of the country cannot be achieved and the Government of Nepal fully supports the implementation of the Accounting & Financial Reporting Standard/s in Nepal.



Keynote Speech on Standards Setting Process and its Implementation by Dr. Jianqiao Lu, Board Member, International Accounting Standards Board (IASB)

Dr. Jianqiao Lu, Board Member, International Accounting Standards Board (IASB) highlighted how the due process is important for the overall development and implementation of accounting standards. He explained the governance and due process followed by IASB to ensure the transparency and efficiency. He hoped the ASB, Nepal and other standard setters will take notes of the standards-setting process of IASB to learn and implement the important areas of the process.



Commentary on the keynote on Sri Lankan perspective (Accounting Standards Adoption Process and Implementation Challenges – Sri Lanka Perspective) by Mr. Nishan Fernando, AOSSG Chair

Mr. Nishan Fernando, AOSSG Chair provided the background on the various accounting standards being implemented in Sri Lanka and that all IFRS accounting standards is being adopted by Sri Lanka since 2012 without any modification. He elaborated on standard setting process in CA Sri Lanka before the standard is issued and after standard is issued.



Speech by Chief Guest, CA Maha Prasad Adhikari, Governor, Nepal Rastra Bank

CA Maha Prasad Adhikari, Governor, Nepal Rastra Bank signified that IASB & AOSSG has a very important role to play in the region in providing expertise and encouraging on the adoption/convergence of International Financial Reporting Standards (IFRS) developed by the International Accounting Standards Board (IASB). He thanked ASB Nepal for the technical capabilities of the ASB, Nepal's contribution to the development of the accounting standards is commendable. He wished all the international guests a memorable stay in Kathmandu, Nepal and every success of desired objectives through attendance at this International Conference and the 14th annual meeting of AOSSG.

Outcome of the International Conference



The Accounting Standards Board, Nepal, organized an International Conference on IFRS/NFRS to initiate the discussion regarding the difficulties and challenges in the full implementation of standards. So, throughout the conference, the discussion focused primarily on the sharing of practices and experiences of representatives from various sectors and regulatory bodies about the implementation of NFRS.

We received an overwhelming response for the registration for the program. The total participation details of the event are as follows:

Particulars	No of participation
Chief Guest/Special Guest	7
Paper Presenter/Panellist	18
Invitees-Government of Nepal, Regulatory bodies & Others	32
International Participants	10
National Participants	230
Technical & Other Support Staffs/Press/Security Guards	28
Total	325

The main objective of this conference was not only to provide training on various NFRS, rather to focus on discussion among the financial statement preparers, regulators and other stakeholders regarding the implementation of NFRS. Though various challenges discussed in the event may not get conclusive resolution, these matters as a preamble for further detailed discussion in the future which will be facilitated by the Accounting Standards Board, Nepal.

When we analyze the participants of the program, a significant number of representatives of regulatory bodies, banks and financial institutions, Insurance companies, hydro companies, corporate companies, professionals etc. participated in the program.



14th Annual AOSSG Meeting



From left: Special Guest CA. Bhaskar Singh Lala, President, ICAN; CA. Nishan Fernando, Chair-AOSSG, Chief Guest Honorable Tanka Mani Sharma Dangal, Auditor General, Office of the Auditor General; Mr. Prakash Jung Thapa, FCA, Chairman, ASB Nepal; Mr. Andreas Barckow, Chairman, IASB & CA. Rana M Usman Khan, Vice-Chair, AOSSG

ASB Nepal hosted the 14th Annual Meeting of Asian-Oceanian Standard-Setters Group (AOSSG) on 14-16, November 2022 at The Soaltee Kathmandu (Tahachal, Kathmandu, Nepal). Due to the outbreak of the global pandemic (COVID-19), the Group mutually agreed to hold a hybrid meeting. The meeting was attended by 21 AOSSG member jurisdictions and representatives of the International Accounting Standards Board (IASB). The participating jurisdictions were Australia, Brunei, China, Dubai, Hong Kong, India, Indonesia, Japan, Korea, Macao, Malaysia, Maldives, Nepal, New Zealand, Pakistan, Philippines, Saudi Arabia, Singapore, Thailand, Sri Lanka and Vietnam.

The IASB was represented at the meeting by the Chair – Dr. Andreas Barckow, Board member – Dr. Jianqiao Lu and Associate Director of the IFRS Foundation – Michelle Sansom in person. Further, ISSB Vice-Chair Sue Lloyd, ISSB Member – Bing Leng, Director of Regulatory Affairs Americas (ISSB) – Granville Martin, ISSB Technical Staff – Roberta Ravelli, IASB Member – Ann Tarca participated as participants capacity and Office Director Asia-Oceania Office – Makoto Takahashi, IASB Technical Staff – Roanne Hasegawa and IASB Technical Staff – Yoshiki Kashioka participated as observer capacity in virtual mode.

The inauguration of the 14th AOSSG Annual Meeting officially started with welcome speech by Chairman of ASB Nepal Mr. Prakash Jung Thapa, FCA and then, Mr. Nishan Fernando welcome the AOSSG members and Members from IASB for 14th AOSSG Annual Meeting. The Chief Guest Honorable IMM. Auditor General Mr. Tanka Mani Sharma Dangal provided the Keynote Address and Dr. Andreas Barckow addressed the meeting with keynote speech.



Awareness Program on “Accounting Standards” for Tax Officials

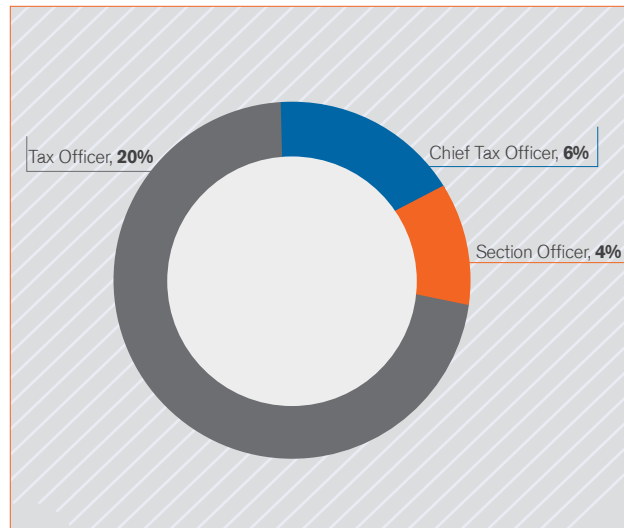
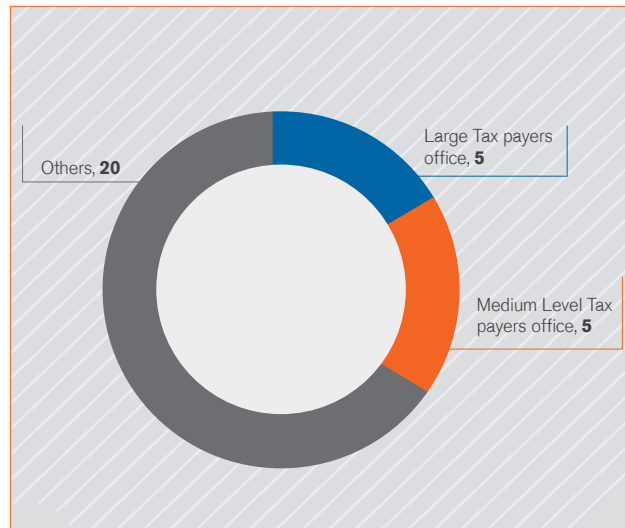
Awareness Program on “Accounting Standards” was held for Inland Revenue Department officials during the fiscal year 2079-80. ASB Nepal and Inland Revenue Department (IRD) jointly coordinated the program, which took place over four days, from Tuesday, 9 May 2080 to Friday, 12 May 2080, at the Hall of Inland Revenue Department in Lazimpat, Kathmandu.

The primary goal of the program is to provide a comprehensive understanding of NFRS and tax laws applicable in Nepal. It also emphasizes the benefits of adopting NFRS, such as transparent reporting. The

program aims to improve the understanding and skills of tax officials regarding accounting principles and financial reporting standards. They will be trained to analyze financial statements and identify any errors or inconsistencies in financial reports. Furthermore, the program aims to enhance the communication skills of tax officials when explaining financial reporting requirements and tax obligations to taxpayers. Ultimately, this will lead to more robust and fair tax compliance among individuals and businesses, resulting in a more efficient and effective tax administration and better revenue collection.

Participants

Excluding the support and organizer staff, a total of 30 tax officials took part in the program. The breakdown of participant composition is as follows:



Program Methodology

The program included a pre-assessment stage, followed by lectures, case studies, and discussions, and a post-assessment at the end of the program. The sessions were designed to provide practical inputs and increase awareness of accounting standards. The program allowed ample opportunities for the participants to ask questions and cite examples to better understand the material presented. Overall, the program aimed to increase awareness and provide practical knowledge to the participants through interactive and engaging sessions.

Topics of the Program & Resource Persons

The topics were as mentioned below. Each topic had addressed the implementation of Accounting Standards in relation to Tax.

Date	Topic	Resource Person
2080 Baishakh 26 Tuesday (09 May 2023)	Opening	Mr. Arun Raut, FCA
	NAS 16 Property, Plant and Equipment	
	NAS 40 Investment Property	
	NAS 38 Intangible Assets	
	NAS 41 Agriculture	
	NFRS 5 Non-current Assets Held for Sale and Discontinued Operations	
2080 Baishakh 27 Wednesday (10 May 2023)	NFRS 9 Financial Instruments (Amortized cost, Fair value through OCI/ P&L) (Equity, Debenture, Loan)	Mr. Manish Raj Upreti, FCA
2080 Baishakh 28 Thursday (11 May 2023)	NAS 23 Borrowing Costs	Mr. Kshitij Sharma, CA
	NFRS 16 Leases	
	NAS 12 Taxes	
2080 Baishakh 29 Friday (12 May 2023)	NAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Mr. Arun Raut, FCA
	NAS 36 Impairment of Assets	
	NAS 37 Provisions, Contingent Liabilities and Contingent Assets	
	IFRIC 12 Service Concession Arrangements	
	Program Feedback & Closing Remarks	

Sessions

The program was conducted in the morning with each session of 2.5 hours duration every day for 4 days.

Day 1: Tuesday, 2080 Baishakh 26 (09 May 2023)



The program began with a welcome address from Mr. Sushil Poudel, CA followed by a short speech from Mr. Dirgha Raj Mainali, the Director General of Inland Revenue Department, officially commencing the program. The session was then carried out by Mr. Arun Raut, FCA Board Members, (ASB Nepal), Chief Executive officer, ASB Nepal with the pre-assessment test at the beginning. The presentation focused on understanding the impact of NFRS on tax matters. The presentation explained the applicability conditions of NFRS based on factors such as company type, economic significance, turnover, employees, and fund in fiduciary capacity. The presentation also mentioned the differences between NFRS and NAS, with NFRS being principle-based rather than rule-based. During the presentation, Mr. Arun Raut, FCA provided several examples of elements of financial statements to help illustrate his points. In addition, he went on to discuss several key concepts from NAS 16 Property, Plant and Equipment, NAS 40 Investment Property, NAS 38 Intangible Assets, and NAS 41 Agriculture. Throughout the session, participants actively engaged with the presenter and raised several questions regarding the standards discussed and its tax implication.

Day 2: Wednesday, 2080 Baishakh 27 (10 May 2023)



During the second session of the day, Mr. Manish Raj Upreti, FCA Board Members, (ASB Nepal) discussed NFRS 9 Financial Instruments. He began by presenting the history and development of the current standard and focused on the definition, classification, and measurement of financial instruments. Additionally, he compared the old standard, NAS 39, Financial Institutions Recognition and Measurements with the current NFRS 9. Under NAS 39, assets were generally classified to determine the basis for their measurement, whereas under NFRS 9, the classification is based on both the entity's business model and the contractual cash flow characteristics of the financial asset. He explained the Business Model test and solely payments of principal and interest (SPPI) test in detail and elaborated on the expected credit loss model of new standard along with comparison of amortized cost method of previous standard.

Day 3: Thursday, 2080 Baishakh 28 (11 May 2023)



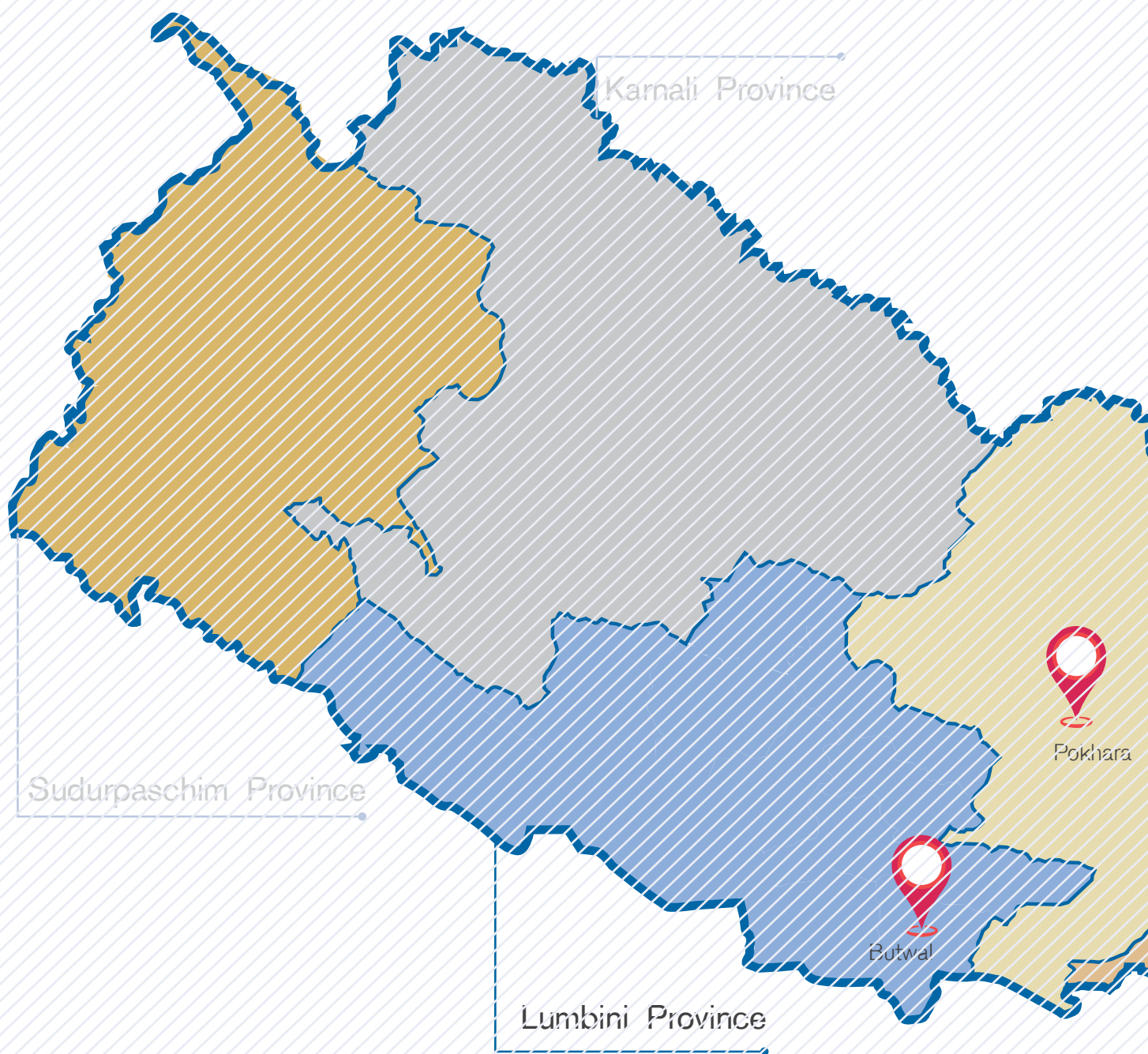
On the third day of the program, CA Kshitij Sharma led the session and focused on the key concepts of NAS 23 Borrowing Cost, NFRS 16 Lease, and NAS 12 Income Tax, along with their income tax implications. He drew attention to the differences between accounting standards and income tax provisions, and discussed recent changes in the standards, particularly NFRS 16 leases using an illustrative example. With the aid of illustrations, he provided a comprehensive explanation of the topics, emphasizing the existing income tax provision.

Day 4: Friday, 2080 Baishakh 29 (12 May 2023)



The final day of the program began with Mr. Arun Raut, FCA providing brief summary of the previous sessions, followed by a discussion on several accounting standards. These included NAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, NAS 36 Impairment of Assets, NAS 37 Provisions, Contingent Liabilities and Contingent Assets, and IFRIC 12 Service Concession Arrangements. Mr. Raut provided practical examples to illustrate these topics. In the latter part of the session, he conducted a post-assessment to evaluate the participants' understanding of the various standards discussed during the program.

The program concluded with Mr. Dinesh Pandey, Director of Inland Revenue Department expressing his gratitude and appreciation to the organizers, participants, and speakers for their contributions and efforts towards the program's success.



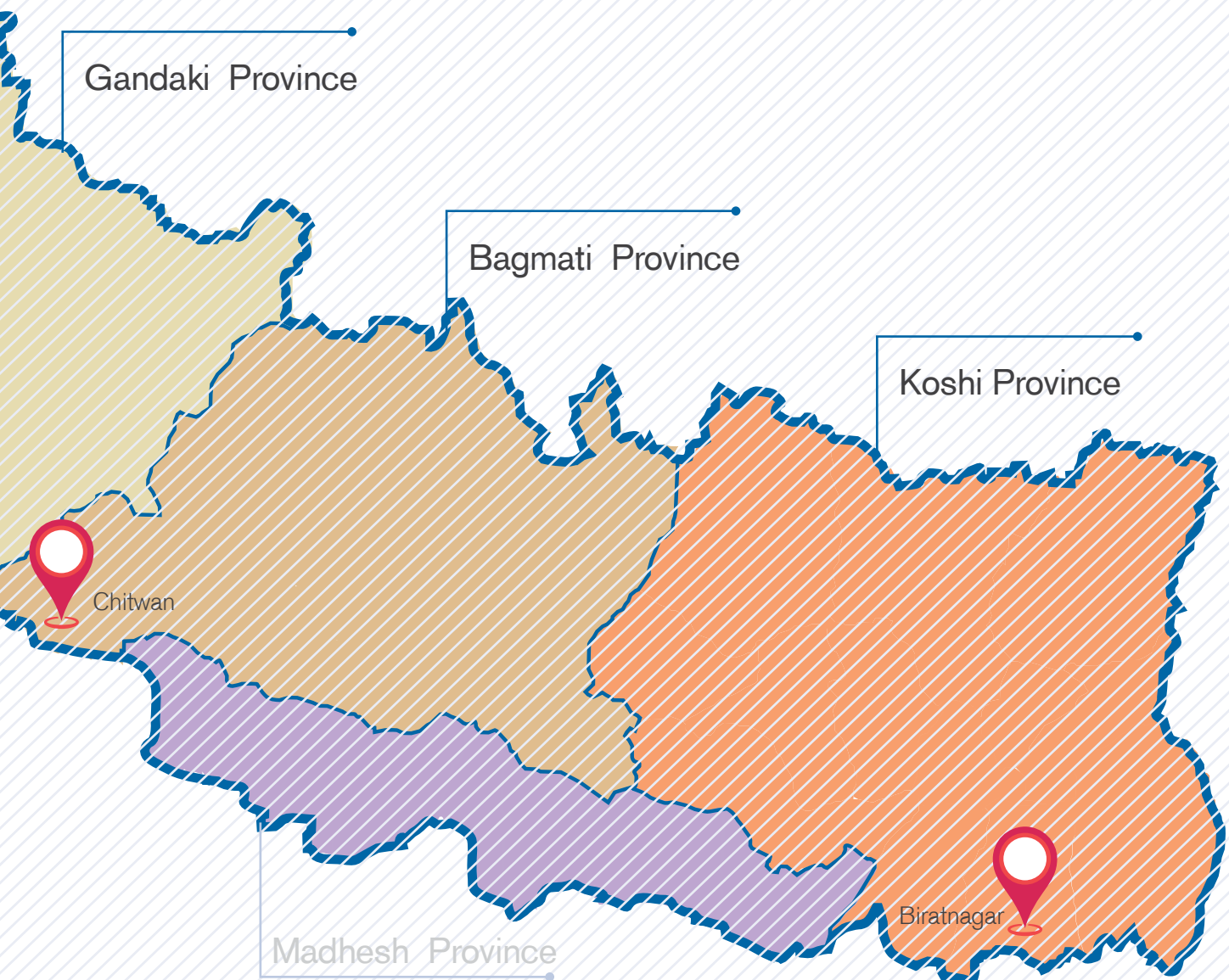
INTERACTION PROGRAMS

4

Provinces

184

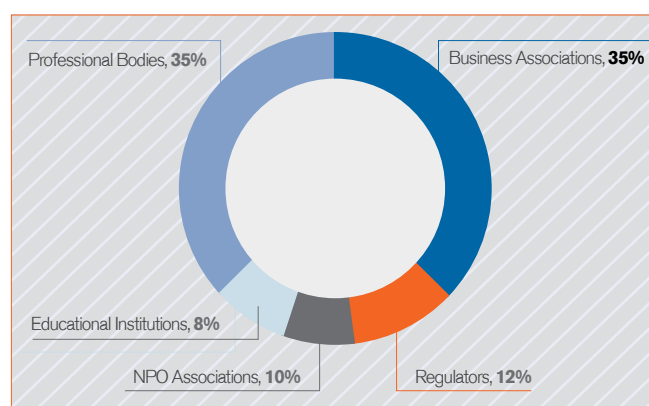
Participants



Interaction Program on "Implementation of Reporting Standards"

During this fiscal year (2079-80), insightful Interaction Program on "Implementation of Reporting Standards" was conducted in four provinces of Nepal. This program aimed to highlight brief introduction of reporting standards and address the crucial aspect of implementing reporting standards. The event received support from esteemed organizations such as The Institute of Chartered Accountants of Nepal (ICAN), The Association of Chartered Accountants of Nepal (ACAN), Auditor's Association (AUDAN), and influential business associations including the Federation of Nepalese Chambers of Commerce and Industry (FNCCI), Confederation of Nepalese Industries (CNI), NGO Federations, etc. Also, there was participation from Inland Revenue Offices, Nepal Rastra Bank province office, educational sector and other various business organisations & associations. With the collective expertise and resources of these organizations, the program sought to enhance the understanding and application of reporting standards among professionals, entrepreneurs, and stakeholders, thus fostering transparency and accountability in the business environment. This report provides an overview of the program, its objectives, key participants, and highlights from the interactive sessions, shedding light on the significance of implementing reporting standards for the sustainable growth of Nepal's economy.

The programs aimed to evaluate the participants' comprehension of reporting standards and their implementation. It sought to assess the preparedness of the participants and the challenges they faced in adopting reporting standards. Also, the program aimed to gauge the overall understanding of the benefits of reporting standards and the role of the accounting standard board among preparers and stakeholders. Furthermore, it provided a platform for stakeholders to discuss and provide feedback on the challenges they encountered in implementing specific reporting standards. By addressing these objectives, the program aimed to enhance understanding, foster transparency, and contribute to the ongoing improvement of reporting standards in the business community.



Participants

The program was participated by 184 participants. Where majority were the representatives from business associations.

KOSHI PROVINCE: BIRATNAGAR



On 26 May 2023, an insightful Interaction Program on "Implementation of Reporting Standards" was conducted in Koshi Province, Nepal. The program began with a welcome address from Mr. Sushil Poudel, CA, Chief Executive Officer, ASB Nepal, followed by a short introduction about the program from Mr. Sanjay Sinha CA, Board Member, ASB Nepal, officially commencing the program. He highlighted importance of the reporting standards and elaborated the role of The Institute of Chartered Accountants of Nepal (ICAN) and ASB Nepal regarding the same.



Presentation:

During the program, Mr. Sushil Poudel, CA delivered a concise presentation that focused on the formation of the board and highlighted the representation of board members from various government and regulatory bodies. He provided a brief introduction to the functions and activities undertaken by the board since its inception. Following this, Mr. Arun Raut, FCA, Board Member of ASB Nepal, provided a detailed explanation of accounting and reporting standards. He emphasized the importance of these standards for achieving consistency, comparability, transparency, trust, regulatory compliance, and effective governance. He further delved into the enforcement of accounting standards in Nepal through various acts. He proceeded to present detailed information regarding the applicability, major provisions, and differences of key standards, namely the Nepal Financial Reporting Standards (NFRS) 2018, Nepal Financial Reporting Standards for Small and Medium-sized Entities (NFRS for SMEs) 2017, Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018, and Nepal Accounting Standards for Not-for-Profit Organizations (NAS for NPOs) 2018. His comprehensive presentation provided attendees with a thorough understanding of these standards and their relevance in the Nepalese context.



Feedback from Participants on the standards:

Next, the floor was made available for participants to ask questions, seek clarification, share experiences, and offer feedback on the implementation of reporting standards. Representatives from different organizations shared their thoughts on the topic. Additionally, an online survey was conducted to gather the participants' feedback.



LUMBINI PROVINCE: BUTWAL



On 02 June 2023, an insightful Interaction Program on “Implementation of Reporting Standards” was conducted in Lumbini Province, Butwal, Nepal.

The program commenced with participant registration and a warm welcome from Mr. Sushil Poudel, CA, the CEO of ASB Nepal, who delivered an opening address. Mr. Prakash Jung Thapa, FCA, Chairman of ASB Nepal, then officially initiated the proceedings by providing a concise introduction to the program. He shared valuable insights about ASB Nepal, including its establishment, board structure, standard development process, and implementation procedures. The program's three main objectives—raising awareness, conducting a Post Implementation Review, and gathering feedback—were emphasized, with Mr. Thapa highlighting ASB Nepal's dedication to maintaining and interpreting the standards. Acknowledging the challenging economic situation, Mr. Thapa assured the participants that the forthcoming NFRS for SMEs, NAS for MEs, and NAS for NPOs standards, to be fully implemented next fiscal year (2080/81), have limited content. To visually demonstrate this, he showcased the compact size of these books in comparison to the comprehensive NFRS. He welcomed feedback on these standards and reassured the audience that any technical difficulties could be addressed by the board without compromising the essence of the standards. Mr. Shankar Gyawali, a Council Member of the Institute of Chartered





Accountants of Nepal, emphasized the upcoming standards that will be implemented next year. He expressed appreciation for ASB Nepal's proactive role in their implementation and appealed to all professional organizations for collaboration in executing these standards. Finally, Mr. Dol Prasad Dahal, RA Board Member of ASB Nepal, underscored the program's significance in targeting all stakeholders, highlighting its importance.

Presentation:

During the program, Mr. Sushil Poudel, CA delivered a concise presentation that focused on the formation of the board and highlighted the representation of board members from various government and regulatory bodies. He provided a brief introduction to the functions and activities undertaken by the board since its inception. Following this, Mr. Arun Raut, FCA, Board Member of ASB Nepal, provided a detailed explanation of accounting and reporting standards. He emphasized the importance of these standards for achieving consistency, comparability, transparency, trust, regulatory compliance, and effective governance. He further delved into the enforcement of accounting standards in Nepal through various acts. He proceeded to present detailed information regarding the applicability, major provisions, and differences of key standards, namely the Nepal Financial Reporting Standards (NFRS) 2018, Nepal Financial Reporting Standards for Small and Medium-sized Entities (NFRS for SMEs) 2017, Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018, and Nepal Accounting Standards for Not-for-Profit Organizations (NAS for NPOs) 2018. His comprehensive presentation provided attendees with a thorough understanding of these standards and their relevance in the Nepalese context.

Feedback from Participants:

During the program, participants were provided the opportunity to provide feedback on the implementation of reporting standards. They were encouraged to ask questions, seek clarification, share their experiences, and offer their thoughts on the topic. Representatives from various organizations shared their concerns and suggestions, and ASB Nepal responded accordingly.

Mr. Prakash Jung Thapa, FCA, Chairman of ASB Nepal & Mr. Arun Raut, FCA, Board Member of ASB Nepal, addressed the questions and concerns that were raised by the participants during the program. Their response to the participants' inquiries demonstrated ASB Nepal's commitment to addressing the challenges and suggestions put forward during the interactive sessions. They acknowledged the valuable input provided by the participants and expressed their gratitude for their active engagement and participation throughout the event.

BAGMATI PROVINCE: CHITWAN



On 09 June 2023, an insightful Interaction Program on "Implementation of Reporting Standards" was conducted in Bagmati Province, Chitwan, Nepal. Excluding Board representatives and support staff, a total of 48 individuals took part in the program. Among these participants, more than 70% were representatives from regulators, business associations, NGOs, and educational institutes.

Program commenced with a welcome address delivered by Mr. Sushil Poudel, CA, the Chief Executive Officer of ASB Nepal. Following the welcome address, Mr. Manish Raj Upreti, FCA Board Member of ASB Nepal, provided a concise introduction to the program, officially launching the proceedings. Mr. Upreti offered insights into ASB Nepal, explaining its formation & shed light on the board's structure, the process of developing standards, and the implementation procedures. Additionally, he provided information about the roles played by various committees, including the Capacity Development Committee and the Standard Development and Revision Technical Committee. Moreover, he emphasized that the program was being conducted on a province-wise basis to engage with a wide range of stakeholders.

Subsequently, Mr. Arun Raut, FCA, Board Member of ASB Nepal mentioned that the program was designed for a post-implementation review of the standards' implementation. He clarified that there would be no formal opening session. He addressed potential questions that could arise during the program such as challenges related to capacity for implementing the standards and the availability of resources.





Presentation:

During the program, Mr. Sushil Poudel, CA -CEO of ASB Nepal delivered a concise presentation that focused on the formation of the Board and highlighted the representation of board members from various government and regulatory bodies. He provided a brief introduction to the functions and activities undertaken by the board since its inception. Following this, Mr. Arun Raut, FCA Board Member of ASB Nepal, provided a detailed explanation of accounting and reporting standards. He emphasized the importance of these standards for achieving consistency, comparability, transparency, trust, regulatory compliance, and effective governance. He further delved into the enforcement of accounting standards in Nepal through various acts. He proceeded to present detailed information regarding the applicability, major provisions, and differences of key standards, namely the Nepal Financial Reporting Standards (NFRS) 2018, Nepal Financial Reporting Standards for Small and Medium-sized Entities (NFRS for SMEs) 2017, Nepal Accounting Standards for Micro



Entities (NAS for MEs) 2018, and Nepal Accounting Standards for Not-for-Profit Organizations (NAS for NPOs) 2018. His comprehensive presentation provided attendees with a thorough understanding of these standards and their relevance in the Nepalese context.



Feedback from Participants:

During the program, participants were provided the opportunity to provide feedback on the implementation of reporting standards. They were encouraged to ask questions, seek clarification, share their experiences, and offer their thoughts on the topic. Representatives from various organizations shared their concerns and suggestions, and ASB Nepal responded accordingly. Mr. Manish Raj Upreti, FCA and Mr. Arun Raut, FCA, Board Members of ASB Nepal, addressed the questions and concerns that were raised by the participants during the program. Their response to the participants' inquiries demonstrated ASB Nepal's commitment to addressing the challenges and suggestions put forward during the interactive sessions. They acknowledged the valuable input provided by the participants and expressed their gratitude for their active engagement and participation throughout the event.



GANDAKI PROVINCE: POKHARA



On 16 June 2023, an insightful Interaction Program on "Implementation of Reporting Standards" was conducted in Gandaki Province, Pokhara, Nepal. Excluding Board representatives and support staff, a total of 42 individuals took part in the program. Among these participants, more than 70% were representatives from regulators, business associations, NGOs, and educational institutes.

The program commenced with a welcome address delivered by Mr. Sushil Poudel, CA, the Chief Executive Officer of ASB Nepal. Following the welcome address, Mr. Manish Raj Upreti, FCA, Board Member of ASB Nepal, provided a concise introduction to the program, officially launching the proceedings. Mr. Upreti offered insights into ASB Nepal, explaining its formation & shed light on the board's structure, the process of developing standards, and the implementation procedures. Additionally, he provided information about the roles played by various committees, including the Capacity Development Committee and the Standard Development and Revision Technical Committee. Moreover, he emphasized that the program was being conducted on a province-wise basis to engage with a wide range of stakeholders.

Subsequently, Mr. Arun Raut, FCA, Board Member of ASB Nepal mentioned that the program was designed for a post-implementation review of the standards' implementation. He clarified that there would be no formal opening session. He addressed potential questions that could arise during the program such as challenges related to capacity for implementing the standards and the availability of resources.





Presentation:

During the program, Mr. Manish Raj Upreti, FCA, Board Member of ASB Nepal delivered a concise presentation that focused on the formation of the board and highlighted the representation of board members from various government and regulatory bodies. He provided a brief introduction to the functions and activities undertaken by the board since its inception. Following this, Mr. Arun Raut, FCA Board Member of ASB Nepal, provided a detailed explanation of accounting and reporting standards. He emphasized the importance of these standards for achieving consistency, comparability, transparency, trust, regulatory compliance, and effective governance. He further delved into the enforcement of accounting standards in Nepal through various acts. He proceeded to present detailed information regarding the applicability, major provisions, and differences of key standards, namely the Nepal Financial Reporting Standards (NFRS) 2018, Nepal Financial Reporting Standards for Small and Medium-sized Entities (NFRS for SMEs) 2017, Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018, and Nepal Accounting Standards for Not-for-Profit Organizations (NAS for NPOs) 2018. His comprehensive presentation provided attendees with a thorough understanding of these standards and their relevance in the Nepalese context.

Participants were provided the opportunity to provide feedback on the implementation of reporting standards. They were encouraged to ask questions, seek clarification, share their experiences, and offer their thoughts on the topic. Representatives from various organizations shared their concerns and suggestions, and ASB Nepal responded accordingly. Mr. Manish Raj Upreti, FCA and Mr. Arun Raut, FCA, Board Members of ASB Nepal, addressed the questions and concerns that were raised by the participants during the program.



INDEPENDENT AUDITOR'S REPORT

To the Members of
Accounting Standards Board, Nepal
Satdobato, Lalitpur, Nepal

Unqualified Opinion

We have performed the financial audit of accompanying financial statements of **Accounting Standards Board, Nepal (ASB, Nepal)** comprising Statement of Financial Position as on July 16, 2023, Statement of Income and Expenditure for the period ended on July 16, 2023, Statement of Cash Flows for the period ended on July 16, 2023, Statement of changes in Reserves for the period ended on July 16, 2023, and related schedules there to.

In our opinion and to the best of our information and explanation given to us, Financial Statement together with significant accounting policy and notes to account forming part of financial statements of ASB, Nepal gives true and fair view of the financial position as of July 16, 2023 (31st Ashad 2080) and the result of its operations for the year in accordance with the applicable reporting framework.

Basis of Unqualified 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 Organization 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAN's Handbook of code of ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Annual Report but does not include the financial statements and our auditor's report thereon.

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.

Key Audit Matters

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



Management's Responsibility for Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Nepal; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 organization's ability to continue as 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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

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

Report on Other Legal and Regulatory Requirements

In our opinion and according to the explanation given to us, on the basis of our examination, we report that,

- We have obtained all the information and explanation, which to best of our knowledge and belief were necessary for the purpose of audit.
- The program income and expenditure have been accounted for under the correct account head and are supported by appropriate and fair supporting documents and in accordance with Double Entry System of keeping the Books of Accounts and the expenses have been made in accordance with the objectives of the program.
- The Fund Accountability Statement, Balance Sheet, Income Expenditure Account and Cash Flow Statement dealt with by this report are in agreement with books of accounts, and
- There are no other material reportable observation that need attention of the members.

Shree Krishna Thapa Magar, FCA

For S.S.A. Associates
Chartered Accountants
Place: Kathmandu, Nepal



UDIN: 231003CA00924BB8VV

STATEMENT OF FINANCIAL POSITION

As of 31 Ashadh 2080 (16 July 2023)

Particulars	Notes	Current Year 31 Ashadh 2080	Previous Year 32 Ashadh 2079
Assets			
Non Current Assets			
Property, Plant and Equipment	3.1	496,838	460,442
Total Non Current Assets		496,838	460,442
Current Assets			
Inventories	3.2	317,825	539,682
Advance and Other Receivables	3.3	579,741	64,000
Financial Assets-Held to Maturity	3.4	17,500,000	16,000,000
Cash and Cash Equivalents	3.5	2,865,063	947,201
Total Current Assets		21,262,630	17,550,883
Total Assets		21,759,468	18,011,325
Funds & Liabilities			
General Fund	3.6.1	19,741,897	17,767,278
Capital Fund	3.6.2	54,035	111,457
Program Fund	3.6.3	1,838,304	-
Total Funds		21,634,237	17,878,735
Non Current Liabilities			
Total Non Current Liabilities		-	-
Current Liabilities			
Trade and Other Payables	3.7	125,232	132,590
Total Current Liabilities		125,232	132,590
Total Liabilities		125,232	132,590
Total Funds and Liabilities		21,759,468	18,011,325

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

Santosh Bhattarai
Administrative Assistant

Sushil Poudel, CA
Chief Executive Officer

As per our report of even date

Gayatri Raman Khanal
Member

Prakash Jung Thapa, FCA
Chairman

Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 Ashadh 2080 (16 July 2023)

Particulars	Notes	Amount in NPR	
		Current Year 2079/080	Previous Year 2078/079
Income			
Government Grants	3.8	5,000,000	5,000,000
Other Income	3.9	3,708,379	1,614,846
Total Income		8,708,379	6,614,846
General Expenses			
Employee Expenses	3.10	3,347,820	1,550,718
Depreciation Expenses	3.1	156,377	118,705
Office Operating Expenses	3.11	597,445	663,924
Other Expenses	3.12	1,017,717	484,327
Standards Development Expenses	3.13	1,614,401	30,870
Total		6,733,760	2,848,543
Surplus /Deficit for the year		1,974,619	3,766,303

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

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Chief Executive Officer

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STATEMENT OF CASH FLOWS

For the year ended 31 Ashadh 2080 (16 July 2023)

Particulars	Notes	Amount in NPR	
		Current Year 2079/080	Previous Year 2078/079
Cash Flows from Operating Activities			
Surplus for the Year		1,974,619	3,766,303
Adjustment for:			
Depreciation	3.1	156,377	118,705
(Increase) / Decrease in Inventories	3.2	221,857	253,255
(Increase) / Decrease in Advance and Other Receivables	3.3	(515,741)	(51,035)
Increase / (Decrease) in Program Fund	3.6	1,838,304	-
Increase / (Decrease) in Trade and Other Payables	3.7	(7,358)	(203,873)
Interest Income	3.9	(1,414,380)	(842,758)
Net Cash Flows from Operating Activities		2,253,677	3,040,597
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	3.1	(250,195)	(167,000)
Financial Assets Held to Maturity	3.4	(1,500,000)	(8,000,000)
Interest Received	3.9		842,758
Net Cash flows From Investing Activities		(1,750,195)	(7,324,242)
Cash Flow from Financing Activities			
Net Cash Flow from Financing Activities		-	-
Net Increase in Cash and Cash Equivalents		503,482	(4,283,645)
Cash and Cash Equivalents at the beginning 01 Shrawan 2080		947,201	5,230,846
Cash and Cash Equivalents at the end 31 Ashadh 2080		1,450,683	947,201

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

Santosh Bhattarai
Administrative Assistant

Sushil Poudel, CA
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Chairman

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STATEMENT OF CHANGES IN RESERVES & FUNDS

For the year ended 31 Ashadh 2080 (16 July 2023)

Particulars	Amount in NPR			
	Capital Fund	Program Fund	General Fund/ Retained Earnings	Total
Balance at 01 Shrawan 2078	168,878	-	14,000,975	14,169,853
Depreciation on Grant Asset	(57,422)	-	-	(57,422)
Surplus (Deficit) for the year	-	-	3,766,303	3,766,303
Balance at 32 Ashadh 2079	111,457	-	17,767,278	17,878,735
Add: Prior year adjustment (Receipt)	-	-	-	-
Opening Balance at 01 Shrawan 2079	111,457	-	17,767,278	17,878,735
Depreciation on Grant Asset	(57,422)	-	-	(57,422)
Surplus (Deficit) for the year	-	-	1,974,619	1,974,619
Contributions Received for the International Seminar & 14th AOSSG Annual Meeting	-	6,302,139	-	6,302,139
International Seminar & AOSSG Annual Meeting Expenses	-	(4,463,835)	-	(4,463,835)
Balance at 31 Ashadh 2080	54,035	1,838,304	19,741,897	21,634,237

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

Santosh Bhattarai
Administrative Assistant

Sushil Poudel, CA
Chief Executive Officer

As per our report of even date

Gayatri Raman Khanal
Member

Prakash Jung Thapa, FCA
Chairman

Shree Krishna Thapa Magar, FCA
S.S.A. Associates
Chartered Accountants

ABOUT THE BOARD

Accounting Standards Board (ASB or the Board) Nepal was formed by the Government of Nepal on July 08, 2002 (2059 Ashad 24) with an amendment to the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) 15ka incorporating the provision for its establishment and operation. The ASB Nepal has been formed with the responsibility to formulate accounting standards for the preparation and presentation of financial statements in Nepal. The ASB Nepal is primarily responsible for setting accounting standards for business enterprises in line with the International Financial Reporting Standards (IFRSs). The Board has following Members:

(a) Nominated by the Government of Nepal among FCA Members	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 the Government of Nepal on the recommendation of the Institute of Chartered Accountants of Nepal (ICAN)'s Council	Institute of Member

The rights and duties of Accounting Standards Board, Nepal as stipulated in the Nepal Chartered Accountants Act, 1997 (first amendment, 2002) include followings:

- To develop accounting standards, on the basis of relevant International Accounting Standards, in order to govern and regulate financial reporting and accounting profession
- To evolve appropriate process of development of accounting standards and publish material related to accounting standards
- To redraft, improvise and revise standards,
- To interpret the standards
- To undertake other related tasks related to accounting standards. etc.

Financial statements for the year ended on Ashadh 31, 2080 (July 16 2023) were approved by the Board in its 154th Meeting held on Ashoj 5, 2080 (22 September 2023) . The meeting has also authorized Chairman, Member & Chief Executive Officer and Administrative Assistant from the Secretariat to sign these financial statements on behalf of the Board.

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 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 Board's functional currency and presentation currency. All the financial information presented in Nepalese Rupees has been rounded to the nearest rupees.

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)

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 Advance and Other Receivables

Advance and other receivables are stated at 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, Bank deposits, call deposits and other short term highly liquid investments having a original maturity period less than ninety (90) days from the date of deposit.

2.4.6 Funds

The general fund includes the surplus from the operation of the board. Capital Fund encompasses assets initially recorded as project expenditures and later capitalized as Property, Plant, and Equipment. Depreciation is charged to the Capital Fund, offset by corresponding Property, Plant, and Equipment credits. Program Fund includes contributions for specific events and their as-

sociated expenses, with the resulting balance reserved for future programs.

2.4.7 Revenue Recognition

2.4.7.1 Unconditional and restricted grants

a. Unconditional Grants

General grants received from the Government of Nepal, Ministry of Finance are unconditional grant for administrative expenses without any specific condition 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 grant received in kind are valued at their fair value on the date of receipt and accounted for as income accordingly.

2.4.8 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.

2.4.9 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. Hence the income derived by the Board through it's core objectives like conducting programmes and selling books is tax exempt. In the case of bank interest income, withholding tax has been considered a final tax with no further income tax liabilities.

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.

GENERAL ASSETS

Particulars	Amount in NPR				
	Furniture	Computers & Peripheral	Office Equipment	Office Partition	Total
Balance at 32 Ashad 2079	214,560	294,063	299,163		807,786
Additions during the year	22,148	-	153,975	74,072	250,195
Balance at 31 Ashad 2080	236,708	294,063	453,138	74,072	1,057,981
Acc. Depreciation on 32 Ashad 2079	162,826	65,188	230,786	-	458,801
Depreciation charge for current year	39,445	69,250	46,139	1,543	156,377
Acc. Depreciation on 31 Ashad 2080	202,271	134,438	276,925	1,543	615,177
Carrying Amount as on 32 Ashad 2079	51,734	228,875	68,376	-	348,985
Carrying Amount as on 31 Ashad 2080	34,437	159,625	176,213	72,529	442,803

GRANT ASSET

Particulars	Amount in RS.				
	Furniture	Computers & Peripheral	Office Equipment	Office Partition	Total
Balance at 32 Ashad 2079	1,137,443	229,687	150,916	-	1,518,046
Additions during the year	-	-	-	-	-
Balance at 31 Ashad 2080	1,137,443	229,687	150,916	-	1,518,046
Acc. Depreciation on 32 Ashad 2079	1,137,443	118,230	150,916	-	1,406,590
Depreciation charge for current year	-	57,422	-	-	57,422
Acc. Depreciation on 31 Ashad 2080	1,137,443	175,652	150,916	-	1,464,012
Carrying Amount as on 32 Ashad 2079	-	111,457	-	-	111,457
Carrying Amount as on 31 Ashad 2080	-	54,035	-	-	54,035
Total Asset					
Carrying Amount of Property, Plant and Equipment as on 32 Ashadh 2079					460,442
Carrying Amount of Property, Plant and Equipment as on 31 Ashadh 2080					496,838

Inventories

Inventories are stated at cost and comprises followings:

Inventories	Amount in NPR	
	Current Year	Previous Year
NFRS 2018 Books	265,709	401,763
NFRS for SMEs 2017 Books	22,180	76,403
NAS for MEs 2018 Books	18,234	33,452
NAS for NPOs 2018 Books	7,346	22,427
Stationary	4,357	5,637
Total Inventories	317,825	539,682

Advance and Other Receivables

Advance and other receivables are stated at cost less possible allowance for impairment & comprise followings:

Particulars	Amount in NPR	
	Current Year Current	Previous Year Current
Advance to Staffs	2,285	64,000
Prepaid Expenses	490,007	-
Interest Receivables	87,449	-
Total Advance and Other Receivables	579,741	64,000

Financial Assets -Held to Maturity

Particulars	Amount in NPR	
	Current Year	Previous Year
Fixed Deposit		
Everest Bank	5,000,000	5,000,000
Laxmi Sunrise Bank	3,000,000	3,000,000
Nabil Bank	7,500,000	6,000,000
Kumari Bank	2,000,000	2,000,000
Total Financial Assets-Held to Maturity	17,500,000	16,000,000

Cash and Cash Equivalents:

Cash and cash equivalents include following balances:

Particulars	Amount in NPR	
	Current Year	Previous Year
Cash at Bank		
Everest Bank Ltd.	2,865,063	947,201
Total Cash and Cash Equivalent	2,865,063	947,201

3.6 General Fund

3.6.1 General Reserve

General Fund includes surplus form the operation of the Board. These are free funds and available for the use of all general purposes of ASB Nepal related activities and operations.

Particulars	Amount in NPR	
	Current Year	Previous Year
Balance from previous year	17,767,278	14,000,975
Add: Surplus during the year	1,974,619	3,766,303
General Reserve Balance	19,741,897	17,767,278

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 Equipment.

Particulars	Amount in NPR	
	Current Year	Previous Year
Opening balance	111,457	168,879
Less: Depreciation on Grant Asset	(57,422)	(57,422)
Capital Fund Balance	54,035	111,457

3.6.3 Program Fund

Contributions received for programs like International Conference, AOSSG Annual Meetings and other programs organised by the board are recognized as program fund revenue upon receipt. These fund is utilized to cover event expenses, including venue costs, technical costs and logistical arrangements. The resulting net program fund balance reflects the available resources for future activities related to these types of programs. Refer to the following table for specific amounts and details regarding contributions and expenses for the reporting period:

Particulars	Amount in NPR	
	Current Year	Previous Year
Contributions Received for the International Seminar & 14th AOSSG Annual Meeting	6,302,139	-
Less: International Seminar & AOSSG Annual Meeting Expenses	(4,463,835)	-
Program Fund Balance	1,838,304	-

3.7 Trade and Other Payable

Trade payable and liabilities comprise following:

Particulars	Amount in NPR	
	Current Year	Previous Year
Social security and other taxes	80,632	12,190
Non-trade payables and accrued expenses	44,600	120,400
Carrying Amount	125,232	132,590

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

3.8 Government Grants

Government grant of NPR Five Million was received during the year. This is the grant for covering administration and operating costs of ASB Nepal without any condition hence an unconditional grant, thus this has been accounted for as income in the year of receipt.

3.9 Other Income

Other income comprises following incomes:

Particulars	Amount in NPR	
	Current Year	Previous Year
Interest Income	1,414,380	842,758
Standard Publication Related Income		
NFRS 2018 Book	538,197	549,020
NFRS 2013 Based Application Guidance Notes Books	3,824	7,100
NFRS For SMEs 2017 Books	159,404	91,088
NAS for MEs 2018 Books	40,100	55,887
NAS for NPOs 2018 Books	52,474	68,994
Fund received for Capacity Development of the board	1,500,000	-
Total Other Income	3,708,379	1,614,846

3.10 Employee Expenses

ASB Nepal engages one chief executive officer, 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:

Particulars	Amount in NPR	
	Current Year	Previous Year
Salary Expenses	2,171,635	1,175,494
Festival Expenses	188,614	88,060
Medical Expenses	188,614	88,060
Leave Encashment Expenses	248,994	123,284
Dearness Allowance	68,000	48,000
Dress Allowance	35,000	25,000
Insurance Expenses (Group Accident)	4,736	2,820
Gratuity	164,612	-
Provident Fund	197,615	-
Additional Incentive	80,000	-
Total Employee Expenses	3,347,820	1,550,718

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

3.11 Office Operating Expenses

Office Operating expenses include following expenses accounted for on accrual basis:

Particulars	Amount in NPR	
	Current Year	Previous Year
Printing & Stationery	82,375	93,321
Communication Expenses	20,272	31,856
Advertisement	-	38,929
Newspaper, Magazine & Journal Expenses	61,451	102,776
Fuel Expenses	44,947	30,186
Water & Electricity	9,330	15,037
Repair & Maintenance	83,650	30,717
Professional Service Expenses	37,290	25,990
Overhead Service Expenses	-	100,000
Postal & Courier Service Expenses	6,258	9,659
Non-durable Items	36,602	4,859
Office Expenses	71,600	39,633
Renewal Expenses	3,675	8,226
Audit Fees and Expenses	47,065	48,090
Banking Expenses	484	-
Cleaning and Gardening Expenses	92,446	84,646
Total Office Operating Expenses	597,445	663,924

3.12 Other Expenses

Other expenses include following expenditures accounted for on accrual basis:

Particulars	Amount in NPR	
	Current Year	Previous Year
Meeting Fees and Expenses	1,017,466	454,095
Publication Related Expenses	251	30,232
Total Other Expenses	1,017,717	484,327

3.13 Standards Development & Program Expenses

Standards Development & Program Expenses	Amount in NPR	
		Current Year
Standard Development Expenses	40,000	-
Frequently Asked Question preparation (FAQ) Expenses	-	6,000
Interaction Program	464,902	24,870
Awareness Program IRD	53,900	-
International Meetings Abroad	1,055,599	-
Total Standards Development Expenses	1,614,401	30,870

3.14 Related Parties Transactions

3.14.1 ASB Nepal Officials

During the year, nine 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.

A. Meeting allowances to the Chairman and Board Members has been paid, no other benefits were paid to them.

					Amount in NPR
S.N.	Name	Designation	Amount	TDS	Net Paid
1	CA. Prakash Jung Thapa	Chairman	54,000	8,100	45,900
2	Mr. Gyanendra Raj Ojha	Member	48,000	7,200	40,800
3	CA. Chandra Kanta Bhandari	Member	44,000	6,600	37,400
4	Mr. Krishna Prasad Pudasaini	Imm. Member	20,000	3,000	17,000
5	Mr. Gayatri Raman Khanal	Member	24,000	3,600	20,400
6	Mr. Mahesh Baral	Member	20,000	3,000	17,000
7	Mr. Ritesh Kumar Shakya	Imm. Member	6,000	900	5,100
8	Mr. Dirgha Raj Mainali	Member	8,000	1,200	6,800
9	Mr. Ramesh Kumar Hamal	Member	16,000	2,400	13,600
10	CA. Prabin Dhoj Joshi	Member	32,000	4,800	27,200
11	CA. Sanjay Kumar Sinha	Member	48,000	7,200	40,800
12	CA. Manish Raj Upreti	Member	66,000	9,900	56,100
13	CA. Arun Raut	Member	38,000	5,700	32,300
14	RA. Dol Prasad Dahal	Member	32,000	4,800	27,200
15	CA. Sushil Poudel	CEO	94,000	14,100	79,900
Total			550,000	82,500	467,500

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

		Amount in NPR	
S.N	Particulars	Numbers of meetings	Total Allowances paid
A	Committees		
1	NAS Development and Revision Technical Committee Meeting Allowance	5	70,000
2	Capacity Development Committee Meeting Allowance	2	22,000
3	Audit Committee Meeting Allowance	3	28,000
4	Budget Preparation Task Force Meeting Allowance	2	12,000
5	NAS for MEs Revision & Amendment Committee Meeting Allowance	7	60,000
6	NAS for NPOs Revision & Amendment Sub-Committee Meeting Allowance	10	98,000
7	NAS for SMEs Revision & Amendment Sub Committee Meeting Allowance	3	22,000
8	Recruitment Committee Meeting Allowance	6	50,000
9	Study Research Committee Meeting Allowance	1	14,000
10	AOSSG Meeting Preparation Committee Meeting Allowance	3	36,000
11	Advisory Committee Meeting Allowance	1	14,000
Total Amount			426,000

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

During the year, ASB Nepal hosted International Conference on IFRS/NFRS along with AOSSG 14th Annual Meeting at The Soaltee Kathmandu. The representatives from Board virtually attended World Standard-Setters (WSS) Conference and International Forum of Accounting Standard Setters (IFASS) held in London. The representatives from Board also participated physically in International Forum of Accounting Standard Setters (IFASS) meeting which was held in America.

3.15 Event after reporting period

There were no events occurred subsequent to the reporting period that would require disclosure and adjustment in the financial statement.

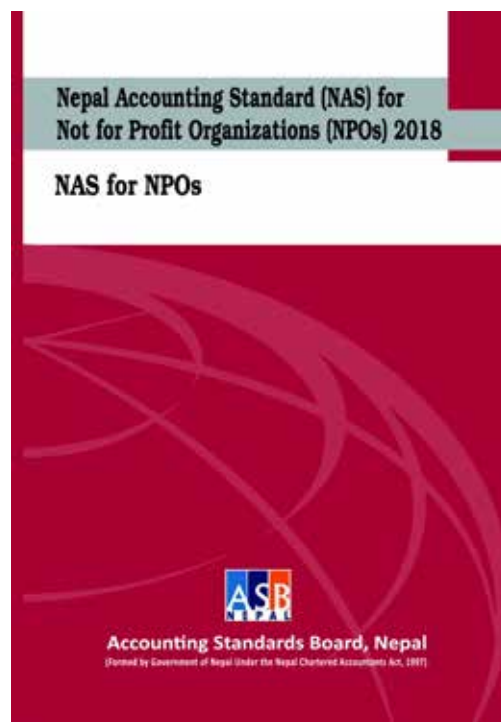
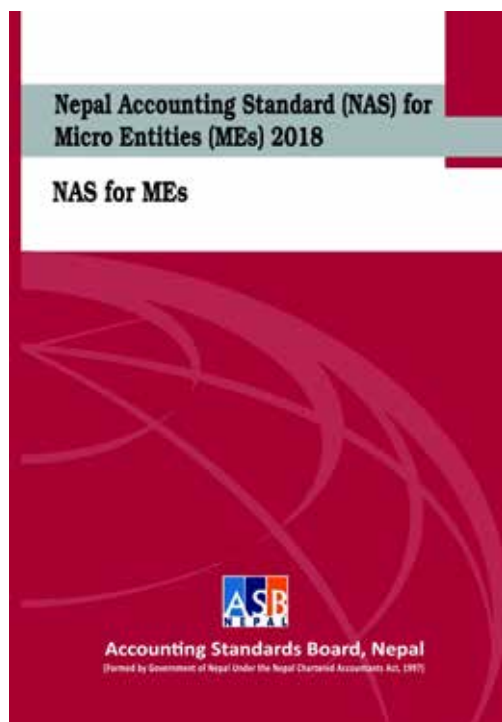
3.16 Contingent Liabilities

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.

Publications





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