



# N.K. JOSHI & CO.

Chartered Accountants

**Auditor's Report**  
**To the Auditing Standards Board**  
**For the Financial Year 2075-76**

**1) Audit Opinion**

We have audited the accompanying balance sheet of **Auditing Standards Board** as of Ashad 31, 2076, and the related statements of income and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the board as of Ashad 31, 2076, and of the results of its operations for the year then ended in accordance with Nepal Accounting Standards so far as applicable in compliance with the prevailing laws.

**2) Basis of opinion**

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

**3) Responsibility of Management & Those charged with governance**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with NAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Organization's Financial reporting process.

*N. K. Joshi*



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01-4444251-52



NAXAL, KATHMANDU  
P.O. BOX #20583



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Chartered Accountants

#### 4) Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### 5) Report on Other Legal and Regulatory Requirements

We have audited attached financial statements accordingly and report that:

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



Date: 2076/09/15  
Place: Kathmandu.

UDIN: 200113CA00073vEevY

FCA Narayan K. Joshi  
N. K. Joshi & Co.

Chartered Accountants



[nkj@nkjoshi.com.np](mailto:nkj@nkjoshi.com.np)



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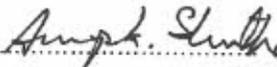
**AUDITING STANDARDS BOARD**  
Satdobato, Lalitpur  
**STATEMENT OF FINANCIAL POSITION AS AT 31st ASHADH, 2076**

Particulars	Schedule No.	Amount (NRs.)	
		Current Year	Previous Year
<b>I. Assets</b>			
<b>Non Current Assets</b>			
Property Plant and Equipment	1	345,516	398,320
<b>Total Non Current Assets</b>		<b>345,516</b>	<b>398,320</b>
<b>Current Assets</b>			
Inventories	2	1,693,450	1,113,782
Trade and Other Receivable	3	152,594	30,748
Cash and Cash Equivalent	4	610,080	712,802
<b>Total Current Assets</b>		<b>2,456,124</b>	<b>1,857,332</b>
<b>Total Assets</b>		<b>2,801,640</b>	<b>2,255,652</b>
<b>II. Funds and Liabilities</b>			
General Reserve	5	1,892,752	1,892,752
Retained Earning	6	360,976	(154,308)
<b>Total Funds</b>		<b>2,253,728</b>	<b>1,738,444</b>
<b>Non Current Liabilities</b>			
Capital Grants	7	332,578	479,151
<b>Total Non Current Liabilities</b>		<b>332,578</b>	<b>479,151</b>
<b>Current Liabilities</b>			
Trade and other Payables	8	215,334	38,057
<b>Total current liabilities</b>		<b>215,334</b>	<b>38,057</b>
<b>Total Funds and liabilities</b>		<b>2,801,640</b>	<b>2,255,652</b>

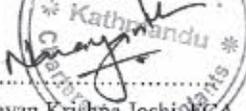
Significant Accounting Policies & Notes to Accounts 18

Schedules 1 to 17 are an integral part of the Financial Statements.

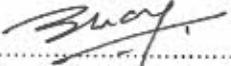
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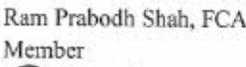
  
Anup Kumar Shrestha, FCA  
Chairman

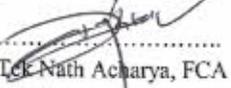
  
Bhim Prasad Regmi  
Member

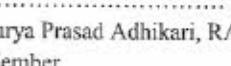
  
Narayan Krishna Joshi, FCA  
N.K. Joshi & Co.  
Chartered Accountants

  
Maheshwor Kapile  
Member

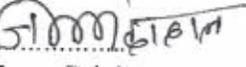
  
Binay Prakash Shrestha, FCA  
Member

  
Ram Prabodh Shah, FCA  
Member

  
Tej Nath Acharya, FCA  
Member

  
Surya Prasad Adhikari, RA  
Member

  
Manoj Bhattarai  
Administrative Officer

  
Jeevan Dahal  
Accountant

Date: 2076-09-15

Place : Lalitpur, Nepal

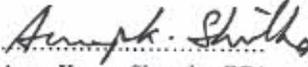
**AUDITING STANDARDS BOARD**  
Saddobato, Lalitpur

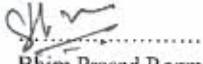
**INCOME STATEMENT FOR THE YEAR ENDED 31st ASHADH, 2076**

	Particulars	Schedule No.	Amount (NRs.)	
			Current Year	Previous Year
<b>A</b>	<b>INCOME</b>			
	Government Grants	9	2,500,000	2,500,000
	Training Income	10	320,000	-
	Other Income	11	638,672	221,466
	<b>TOTAL A</b>		<b>3,458,672</b>	<b>2,721,466</b>
<b>B</b>	<b>EXPENDITURE</b>			
	Staff costs/Expenses	12	1,334,089	1,169,296
	Administrative Expenses	13	487,292	694,788
	Training Expenses	14	310,789	-
	Other Operating Expenses	15	621,938	438,821
	Depreciation Expenses	16	189,280	373,390
	<b>TOTAL B</b>		<b>2,943,388</b>	<b>2,302,905</b>
	<b>Net Surplus/(Deficit) for the year</b>		<b>515,284</b>	<b>418,561</b>

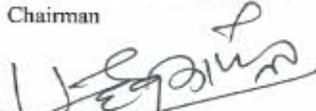
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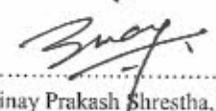
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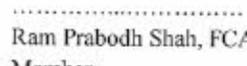
  
Anup Kumar Shrestha, FCA  
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Bhim Prasad Regmi  
Member

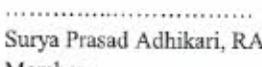
  
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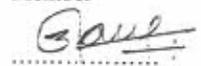
  
Maheshwor Kaphle  
Member

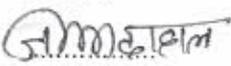
  
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Tek Nath Acharya, FCA  
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Surya Prasad Adhikari, RA  
Member

  
Manoj Bhattarai  
Administrative Officer

  
Jeevan Dahal  
Accountant

Date: 2076-09-15  
Place : Lalitpur, Nepal

**AUDITING STANDARDS BOARD**

Sardobato, Lalitpur

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st ASHADH, 2076**

	Particulars	Amount (NRs.)	
		Period Ended 31st Ashadh 2076	Period Ended 32nd Ashadh 2075
A)	<b>Cash Flow from Operating Activities</b>		
	Net Profit before Tax & Extraordinary Items	515,284	418,561
	<i>Adjustments for:</i>		
	Depreciation	189,280	373,390
	Interest and financial charges	(15,536)	(6,906)
	Capital Grant Reserve Written Back	(146,573)	(146,573)
	<b>Operating Profit Before Working Capital Changes</b>	<b>542,455</b>	<b>638,472</b>
	Increase/(Decrease) in Current Liabilities	177,277	(267,238)
	Decrease/(Increase) in Current Assets	(701,514)	119,534
	<b>Cash Generation from Operation</b>	<b>18,217</b>	<b>490,768</b>
	Tax Paid	-	-
	<b>Cash Flow from Operating Activities</b>	<b>18,217</b>	<b>490,768</b>
B)	<b>Cash Flow from Investing Activities</b>		
	Purchase/sale of Property, Plant and Equipment	(136,476)	-
	Decrease/(Increase) in Investments	-	-
	<b>Cash Flow from Investing Activities</b>	<b>(136,476)</b>	<b>-</b>
C)	<b>Cash Flow from Financing Activities</b>		
	Capital Fund Received	-	-
	Financial charges paid	15,536	6,906
	<b>Cash Flow from Financing Activities</b>	<b>15,536</b>	<b>6,906</b>
	<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(102,722)</b>	<b>497,674</b>
	<b>Cash &amp; Cash Equivalents at Beginning of the Period</b>	<b>1,086,192</b>	<b>588,518</b>
	<b>Cash &amp; Cash Equivalents at End of Period</b>	<b>983,470</b>	<b>1,086,192</b>

Significant Accounting Policies & Notes to Accounts 18  
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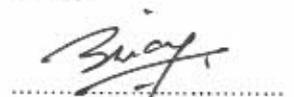
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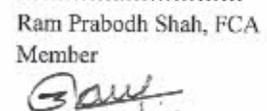
  
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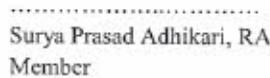
  
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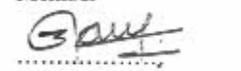
  
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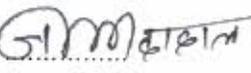
  
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Manoj Bhattarai  
Administrative Officer

  
Jeevan Dahal  
Accountant

Date: 2076-09-15

Place : Lalitpur, Nepal

**AUDITING STANDARDS BOARD**

Saddobato, Lalitpur

**STATEMENT OF CHANGES IN FUND FOR THE YEAR ENDED 31st ASHADH, 2076**

Particular	Amount in NRs.			
	General Reserve	Retained Earnings	Revaluation Reserve	Total
Opening Balance As On 01/04/2074				
Changes In Accounting Policies	1,892,752	(199,479)	-	1,693,273
<b>Balance As On 32/03/2075</b>	<b>1,892,752</b>	<b>(199,479)</b>	<b>-</b>	<b>1,693,273</b>
Opening Balance As On 01/04/2075				
Net Surplus/(Deficit) for the year	1,892,752	(154,308)	-	1,738,444
Prior Year Adjustment	-	515,284	-	515,284
<b>Balance As On 31/03/2076</b>	<b>1,892,752</b>	<b>360,976</b>	<b>-</b>	<b>2,253,728</b>

Significant Accounting Policies & Notes to Accounts 18  
Schedules 1 to 17 are an integral part of the Financial Statements.

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Anup Kumar Shrestha, FCA  
Chairman

*Maheshwor Kaphle*  
Maheshwor Kaphle  
Member

*Tek Nath Acharya*  
Tek Nath Acharya, FCA  
Member  
*Jeevan Dahal*  
Jeevan Dahal  
Accountant

*Bhim Prasad Regmi*  
Bhim Prasad Regmi  
Member

*Binay Prakash Shrestha*  
Binay Prakash Shrestha, FCA  
Member

*Surya Prasad Adhikari*  
Surya Prasad Adhikari, RA  
Member

As per our attached report of even date.

*Narayan Krishna Joshi*  
Narayan Krishna Joshi, FCA  
N.K. Joshi & Co.  
Chartered Accountants

*Ram Prabodh Shah*  
Ram Prabodh Shah, FCA  
Member

*Manoj Bhattarai*  
Manoj Bhattarai  
Administrative Officer

Date: 2076-09-15  
Place : Lalitpur, Nepal

**Auditing Standards Board**

Satdobato, Lalitpur

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st ASHADH 2076**

**Schedule-1**

SN	Properties Plant and Equipment	This Year	Previous Year
1	Property, Plant and Equipment	126,646	32,878
2	Capital Grant Assets	218,870	365,442
	<b>Total (NRs.)</b>	<b>345,516</b>	<b>398,320</b>

**Schedule-2**

SN	Inventories	This Year	Previous Year
1	Inventories	1,693,450	1,113,782
	<b>Total (NRs.)</b>	<b>1,693,450</b>	<b>1,113,782</b>

**Schedule-3**

SN	Trade and Other Receivable	This Year	Previous Year
1	Trade Receivable	84,723	6,137
2	Other Receivable	43,260	24,611
3	Other Current Assets	24,611	-
	<b>Total (NRs.)</b>	<b>152,594</b>	<b>30,748</b>

**Schedule-4**

SN	Cash and Cash Equivalents	This Year	Previous Year
1	Cash at bank (Everest Bank Limited)	610,080	712,802
	<b>Total (NRs.)</b>	<b>610,080</b>	<b>712,802</b>

**Schedule-5**

SN	General Reserves	This Year	Previous Year
1	Balance from previous year	1,892,752	1,892,752
	<b>Total (NRs.)</b>	<b>1,892,752</b>	<b>1,892,752</b>

**Schedule-6**

SN	Retained Earning	This Year	Previous Year
1	Balance from Previous year	(154,308)	(199,479)
2	Surplus During the year	515,284	45,171
	<b>Total (NRs.)</b>	<b>360,976</b>	<b>(154,308)</b>

**Schedule-7**

SN	Capital Grants	This Year	Previous Year
1	Opening Balance	479,151	625,724
	Less: Depreciation	(146,573)	(146,573)
	<b>Total (NRs.)</b>	<b>332,578</b>	<b>479,151</b>

**Schedule-8**

SN	Trade and Other Payables	This Year	Previous Year
1	Trade Payable	12,750	-
2	Social Security and Other Taxes	16,684	2,780
3	A/C payable to ICAN	152,450	-
4	Non Trade Payables and Accured Expenses	33,450	35,277
	<b>Total (NRs.)</b>	<b>215,334</b>	<b>38,057</b>



*3 Prof. GIDON ET ETM*  
*Prof.*

*Prof*

*[Signature]*



**Auditing Standards Board**

Saddobato, Lalitpur

**SCHEDULES FORMING PART OF INCOME STATEMENT AS AT 31st ASHADH 2076**

**Schedule-9**

SN	Government Grants	Current Year	Previous Year
1	Government Grants	2,500,000	2,500,000
	<b>Total (NRs.)</b>	<b>2,500,000</b>	<b>2,500,000</b>

**Schedule-10**

SN	Training Income	This Year	Previous Year
1	Training Income Bhaktapur	34,000	-
2	Training Income Biratnagar	44,000	-
3	Training Income Butwal	31,000	-
4	Training Income Chitwan	37,000	-
5	Training Income Dhangadhi	27,000	-
6	Training Income Janakpur	32,500	-
7	Training Income Kathmandu	29,000	-
8	Training Income Lalitpur	34,000	-
9	Training Income Pokhara	29,500	-
10	Training Income Surkhet	22,000	-
	<b>Total (NRs.)</b>	<b>320,000</b>	<b>-</b>

**Schedule-11**

SN	Other Income	Current Year	Previous Year
1	Capital grants assets depreciation written back	146,573	146,573
2	Bank Interest	15,516	6,906
3	Other Income	20	-
4	Publication Related Income	476,563	67,987
5	Income From Sale of Books	-	-
6	Scrap	-	-
	<b>Total (NRs.)</b>	<b>638,672</b>	<b>221,466</b>

**Schedule-12**

SN	Staff Costs/Expenses	Current Year	Previous Year
1	Salary Expenses	947,780	910,550
2	Medical Allowance	69,615	76,615
3	Leave Encashment	114,961	98,261
4	Dashain Allowance	84,615	67,290
5	Board Allowance	27,500	-
6	Fuel Expenses	27,552	-
7	Medical Expenses	6,695	-
8	Incentive	30,500	-
9	Overtime Expenses	24,871	16,580
	<b>Total (NRs.)</b>	<b>1,334,089</b>	<b>1,169,296</b>



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*अनुपम शर्मा*





Schedule-13

SN	Administrative Expenses	Current Year	Previous Year
1	Communication Expenses	-	24,537
2	Printing and Stationery	-	18,371
3	Travel and Transportation cost	-	276,561
4	Office Expenses	-	13,275
5	Audit Fees and Expenses	37,279	28,250
6	Standard Development and Research Expenses	135,996	133,531
7	Publication Expenses	113,070	-
8	Professional Service Expenses	-	32,770
9	Board Meeting Allowance	-	76,500
10	Committee and Sub Committee Meeting Allowance	-	51,000
11	Board Meeting Expenses	12,000	25,447
12	Committee and Sub Committee Meeting Expenses	188,947	14,546
	<b>Total (NRs.)</b>	<b>487,292</b>	<b>694,788</b>

Schedule-14

SN	Training Expenses	Current Year	Previous Year
1	Report Preparation Expenses	20,000	-
2	Training Expenses Bhaktapur	10,138	-
3	Training Expenses Biratnagar	4,635	-
4	Training Expenses Butwal	14,210	-
5	Training Expenses Chitwan	55,231	-
6	Training Expenses Dhangadhi	2,400	-
7	Training Expenses Janakpur	21,256	-
8	Training Expenses Kathmandu	16,494	-
9	Training Expenses Lalitpur	92,112	-
10	Training Expenses Pokhara	2,000	-
11	Stake Holder Expectation Programme Expenses	15,000	-
12	Notice Expenses	50,714	-
13	Training Expenses Surkhet	6,599	-
	<b>Total (NRs.)</b>	<b>310,789</b>	



3/2/21 G.M. Bhattarai Sup

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Sup





Schedule-15

SN	Other Operating Expenses	Current Year	Previous Year
1	Communication Expenses	12,459	-
2	Printing and Stationery	54,745	-
3	Office Expenses	6,722	-
4	Transportation	4,445	-
5	Travelling Expenses	50,950	-
6	Hospitality Expenses	44,436	33,373
7	Professional Service Expenses	27,120	-
8	Newspaper, Magazine and Journal Expenses	11,500	14,760
9	Renewal Expenses	4,375	375
10	Bank Charge	325	-
11	Wages for Gardening	28,236	-
12	Gardening Expenses	1,791	-
13	Water and Electricity	25,745	22,953
14	Fuel Expenses	9,682	43,569
15	Promotional Expenses	-	14,238
16	Repairs and Maintenance	25,788	12,476
17	Overhead Sharing Expenses	-	240,000
18	Cleaning Expenses	30,320	48,975
19	Ceremonial Expenses	12,726	-
20	Low value capital item	5,600	4,940
21	Kitchen Expenses	2,890	-
22	Other Meeting Expenses	4,512	-
23	Other Operating Expenses (Service Charge)	240,000	-
24	Miscellaneous Expenses	-	3,162
25	TDS on Bank Interest	1,176	-
26	TDS Expenses	1,125	-
27	Publication Related Expenses	990	-
28	Other Expenses	500	-
29	Postal and Courier Expenses	2,095	-
30	Written off Expenses	11,685	-
	<b>Total (NRs.)</b>	<b>621,938</b>	<b>438,821</b>

Schedule-16

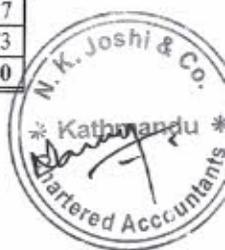
SN	Depreciation	Current Year	Previous Year
1	Depreciation on PPE	42,707	226,817
2	Depreciation on Capital Grant Assets	146,573	146,573
	<b>Total (NRs.)</b>	<b>189,280</b>	<b>373,390</b>



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**AUDITING STANDARDS BOARD**

Satdobato, Lalitpur

**PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION**

Schedule-17

PARTICULARS	FURNITURE	COMPUTERS & PERIPHERALS	OFFICE EQUIPMENT	OFFICE PARTITION	VEHICLES	OTHER ASSETS	TOTAL
Balance at 1st Shrawan, 2075 (At Cost)	324,393.00	96,022.00	413,313	907,270	76,450	8,600	1,826,048
Balance at 1st Shrawan, 2075 (At WDV)	-	-	-	32,878	-	-	32,878
Additions (+)	-	-	-	-	-	136,476	136,476
Shrawan - Poush End	-	-	-	-	-	30,058	30,058
Magh - Chaitra End	-	-	-	-	-	-	-
Baishak - Ashadh End	-	-	-	-	-	-	-
Balance at 31st Ashad, 2076 (At Cost)	324,393.00	96,022.00	413,313	907,270	76,450	145,076	1,962,524
Depreciation Base	-	-	-	32,878	-	65,531	98,409
Rate of Depreciation	25%	25%	25%	25%	20%	15%	-
Acc. Depreciation upto 2074/75	324,393	96,022	413,313	874,393	76,450	8,600	1,793,171
Depreciation for the year (Dep. Base*Dep. Rate)	-	-	-	32,877	-	9,830	42,707
Total Depreciation upto 2075/76	324,393	96,022	413,313	907,270	76,450	18,430	1,835,878
Balance at 31st Ashad, 2076 (At WDV)	-	-	-	-	-	126,646	126,646
Balance at 1st Shrawan, 2075 (At WDV)	-	-	-	32,878	-	-	32,878
<b>Capital Grant Assets</b>							
Balance at 01 Shrawan 2075	-	-	127,213.00	459,079.00	-	-	586,292.00
Additions during the year	-	-	-	-	-	-	-
Balance at 31st Ashadh 2076	-	-	127,213.00	459,079.00	-	-	586,292.00
Accumulated Balance	-	-	48,694.00	172,155.00	-	-	220,849.00
Depreciation charged during the year	-	-	31,803.25	114,769.75	-	-	146,573.00
Accumulated Depreciation	-	-	80,497.25	286,924.75	-	-	367,422.00
Impairment Loss	-	-	-	-	-	-	-
<b>Carrying amount as 31st Ashadh 2076</b>	-	-	<b>46,715.75</b>	<b>172,154.25</b>	-	-	<b>218,870.00</b>



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**AUDITING STANDARDS BOARD**  
Saddobato, Lalitpur  
For the year ended 31st Ashadh 2076 (16th July 2019)  
**Significant Accounting Policies and Notes to the financial statements**

**Schedule 18**

**1. General Information**

Auditing Standards Board (AuSB) has been constituted by the Government of Nepal on 26 Falgun 2059 corresponding to 10th March, 2003 under Nepal Chartered Accountants Act, 1997 (first amendment 2002). The AuSB consists of 7 members comprising a Chairman appointed by the Government of Nepal from Fellow Chartered Accountants and other members are representative of Ministry of Finance (MoF), representative of Office of the Auditor General (OAG), Three Chartered Accountants and One Registered Auditor nominated by the Government of Nepal on the recommendation of Institute of Chartered Accountants of Nepal (ICAN).

The rights and duties of Auditing Standards Board as stipulated in the Nepal Chartered Accountants Act include: (a) development of auditing standards, (b) redrafting, improvement and revising standards, (c) to interpreting the standards, (d) undertaking other tasks related to auditing standards.

The financial statements for the year ended on Ashadh 31st, 2076 (16 July, 2019) were approved by the board in its meeting held on 2076/09/15.

**2. Significant Accounting Policies**

**2.1 Basis of Preparation**

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

**2.2 Basis of Measurement**

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

**2.3 Functional and Presentation Reporting Currency**

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

**2.4 Significant Accounting Policies**

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



*Prof. G. M. Ghoshal*  
*Prof. S. M. Ghoshal*



*[Signature]*

#### 2.4.1 Property Plant and Equipment

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

#### 2.4.2 Depreciation

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

Depreciation has been computed on Straight Line Method. The estimate useful life for the assets and effective rates for depreciation are as follows:

Particulars of Assets	Useful life (Years)	Rate
Furniture and Fixtures	4	25%
Computer and Accessories	4	25%
Office Equipment	4	25%
Vehicles	5	20%
Other Assets	6.67	15%

#### 2.4.3 Trade and Other Receivables

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

#### 2.4.4 Inventories

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

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

#### 2.4.5 Cash and Cash equivalents

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

#### 2.4.6 Revenue Recognition

##### 2.4.6.1 Unconditional and Restricted Grants

###### a) Unconditional Grants

General grants received from Government without any specific condition are accounted for as income in the year of receipt.

###### b) Grants in kind

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

##### 2.4.6.2 Other Income

Income from workshop and training imparted by the Board are recognized on accrual basis.



3/2/21 G.M. B. P. S.

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Signature



#### 2.4.7 Trade and Other Payables

Trade and other payables are stated at their amortized cost. 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 are reflected as non-current liabilities.

#### 2.4.8 Income Tax

##### 2.4.8.1 Current Tax

AuSB has obtained tax exempt status from Inland Revenue Department as per the provisions of Income Tax Act, 2058. Accordingly, its income is not taxable. AuSB is however is required to comply with submission of Income Tax Returns and also the withholding tax provisions of Income Tax Act.

All its interest income is recorded after withholding tax and accounted for as income net off such withholding tax as well.

##### 2.4.8.2 Deferred Tax

In view of its tax-exempt status deferred tax calculation is not required.

### 3. Notes to Accounts and Disclosures

#### 3.1 Properties Plant and Equipment

The properties, plant and equipment's 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 and equipment. The cost less depreciation value (carrying amount) of property, plant and equipment as on 31st Ashadh, 2076 is NRs. 345,516.

#### 3.2 Inventory

Inventory stated at cost comprises the total amount of NRs. 1,693,450 as on 31st Ashadh 2076. Management considers all inventory to be in good conditions and requires no allowance for possible loss.

#### 3.3 Trade and Other Receivables

Trade and other receivables stated at their cost less possible allowance for impairment is NRs. 152,134 as on 31st Ashadh 2076.

#### 3.4 Cash and Cash Equivalent

Cash and cash equivalent included a bank account with balance of NRs. 610,080 as on 31st Ashadh 2076.

#### 3.5 General Fund and Reserves

##### 3.5.1 General Fund

General Fund of the organization as on 31st Ashadh 2076 is NRs. 1,892,752.



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### 3.5.2 Retained Earnings

Balance of the retained earnings as on 31st Ashadh 2076 is NRs. 360,976.

### 3.5.3 Capital Fund

Assets purchase under the grant fund is initially recognized into Property, plant and equipment with corresponding credit to capital reserve account. Government grant relating to the purchase of property, plant and equipment are included in non-current liabilities, as other liabilities, and are credited to the income statement on a Straight Line basis, over the expected lives of the related assets. Accordingly, the balance of capital fund as on Ashadh end 2076 is NRs. 332,578.

### 3.6 Trade Payables and Liabilities

The balance of trade payables as on Ashadh end 2076 is NRs. 215,334. All these liabilities are current in nature and obliged to be settled within a year.

### 3.7 Government Grants

Government grant of NRs 2.5 Million was received during the year. This is the grant for generally covering Administrative expenses without any condition hence a free grant. This grant has been accounted for as income in the year of receipt.

### 3.8 Training Income

Training Income are gain from various training held by the board in ten different places of Nepal. Training Income for the year ended on 31st Ashadh 2076 is NRs. 320,000.

### 3.9 Other Income

Total other income comprises income related to publication, bank interest and written back depreciation of capital grant assets and others for the year ended on 31st Ashadh 2076 is recognized amount NRs. 638,673.

### 3.10 Staff Costs and Expenses

AuSB has engaged on contract basis 4 number of staffs. CEO and office Assistant are under joint cost sharing with Accounting Standard Board located on same premises. CEO has left the service in the organization from Chaitra 2075 and various authority has been transferred to Administrative Officer for day to day activities. Administrative Officer has been provided incentive for such responsibility in absence of CEO.

Total staffs cost and expenses for the year ended 31st Ashadh 2076 is NRs. 1,334,089.

### 3.11 Administrative Expenses

Administrative expenses comprise the expenses incurred in administrative activities. Total administrative expenses for the year ended on 31st Ashadh 2076 is NRs. 487,292. These expenses are accounted on accrual basis.

### 3.12 Other Operating Expenses

Total operating expenses for the year ended on 31st Ashadh 2076 is NRs. 621,938. These expenses are accounted on accrual basis.



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**3.13 Events After Reporting Period**

There has not been any event that would require consideration and adjustment in the financial statement.

**3.14 Contingent Liabilities**

There has not been any claim against AuSB nor has AuSB had any capital commitment or guarantee or legal case pending against it.

**3.15 Figures have been rearrangement to reflect appropriate presentation of operational result including that of previous year.**



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