



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



nkj@nkjoshi.com.np



01-4444251-52



NAXAL, KATHMANDU
P.O. BOX #20583



www.nkjoshi.com.np



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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: 200113CA00073vEvY

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

Chartered Accountants



nkj@nkjoshi.com.np



01-4444251-52



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P.O. BOX#20583



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AUDITING STANDARDS BOARD

Saddobato, Lalitpur

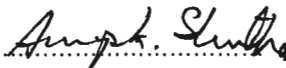
STATEMENT OF FINANCIAL POSITION AS AT 31st ASHADH, 2076

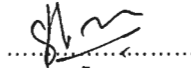
| | Particulars | Schedule No. | Amount (NRs.) | |
|----------------------------------|--------------------------------------|--------------|------------------|------------------|
| | | | Current Year | Previous Year |
| I. Assets | | | | |
| | Non Current Assets | | | |
| | Property Plant and Equipment | 1 | 345,516 | 398,320 |
| | Total Non Current Assets | | 345,516 | 398,320 |
| | Current Assets | | | |
| | 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 |
| | Total Current Assets | | 2,456,124 | 1,857,332 |
| | Total Assets | | 2,801,640 | 2,255,652 |
| II. Funds and Liabilities | | | | |
| | General Reserve | 5 | 1,892,752 | 1,892,752 |
| | Retained Earning | 6 | 360,976 | (154,308) |
| | Total Funds | | 2,253,728 | 1,738,444 |
| | Non Current Liabilities | | | |
| | Capital Grants | 7 | 332,578 | 479,151 |
| | Total Non Current Liabilities | | 332,578 | 479,151 |
| | Current Liabilities | | | |
| | Trade and other Payables | 8 | 215,334 | 38,057 |
| | Total current liabilities | | 215,334 | 38,057 |
| | Total Funds and liabilities | | 2,801,640 | 2,255,652 |

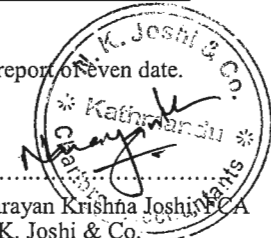
Significant Accounting Policies & Notes to Accounts 18


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

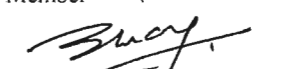
As per our attached report of even date.

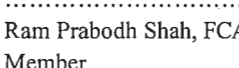

Anup Kumar Shrestha, FCA
Chairman



Bhim Prasad Regmi
Member

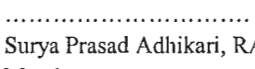

Narayan Krishna Joshi, FCA
N.K. Joshi & Co.
Chartered Accountants

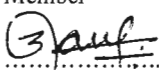

Maheshwor Kaple
Member

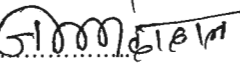

Binay Prakash Shrestha, FCA
Member


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

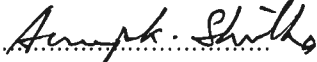
AUDITING STANDARDS BOARD
Satdobato, Lalitpur


INCOME STATEMENT FOR THE YEAR ENDED 31st ASHADH, 2076

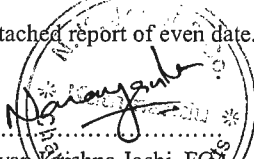
| | Particulars | Schedule No. | Amount (NRs.) | |
|----------|---|--------------|------------------|------------------|
| | | | Current Year | Previous Year |
| A | INCOME | | | |
| | Government Grants | 9 | 2,500,000 | 2,500,000 |
| | Training Income | 10 | 320,000 | - |
| | Other Income | 11 | 638,672 | 221,466 |
| | TOTAL A | | 3,458,672 | 2,721,466 |
| B | EXPENDITURE | | | |
| | 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 |
| | TOTAL B | | 2,943,388 | 2,302,905 |
| | Net Surplus/(Deficit) for the year | | 515,284 | 418,561 |

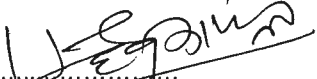
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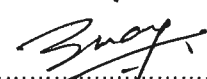
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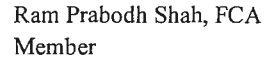

Anup Kumar Shrestha, FCA
Chairman



Bhim Prasad Regmi
Member

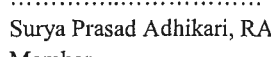

Narayan Krishna Joshi, FCA
N.K. Joshi & Co. Chartered Accountants

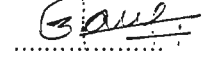

Maheshwor Kaphle
Member

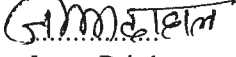

Binay Prakash Shrestha, FCA
Member


Ram Prabodh Shah, FCA
Member


Tek 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


Satdobato, Lalitpur

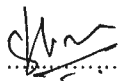
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st ASHADH, 2076

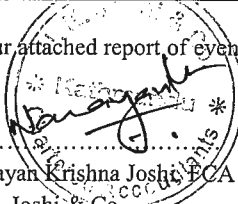
| | Particulars | Amount (NRs.) | |
|----|---|----------------------------------|----------------------------------|
| | | Period Ended 31st Ashadh 2076 | Period Ended 32nd Ashadh 2075 |
| A) | Cash Flow from Operating Activities | | |
| | Net Profit before Tax & Extraordinary Items | 515,284 | 418,561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


Significant Accounting Policies & Notes to Accounts 18
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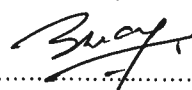
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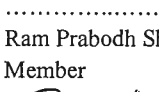

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Chairman



Bhim Prasad Regmi
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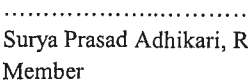

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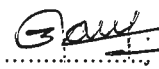

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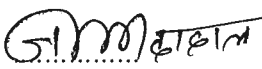

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Ram Prabodh Shah, FCA
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Tek Nath Acharya, FCA
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Surya Prasad Adhikari, RA
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Manoj Bhattarai
Administrative Officer


Jeevan Dahal
Accountant

Date: 2076-09-15

Place : Lalitpur, Nepal

AUDITING STANDARDS BOARD

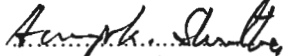
Satdobato, Lalitpur


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

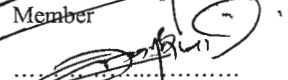
Amount in NRs.

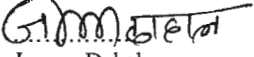
| Particular | General Reserve | Retained Earnings | Revaluation Reserve | Total |
|------------------------------------|------------------|-------------------|---------------------|------------------|
| Opening Balance As On 01/04/2074 | 1,892,752 | (199,479) | - | 1,693,273 |
| Changes In Accounting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

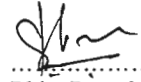
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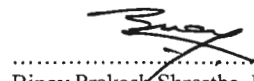

Anup Kumar Shrestha, FCA
Chairman

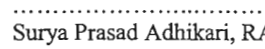

Maheshwor Kapile
Member


Tek Nath Acharya, FCA
Member


Jeevan Dahal
Accountant

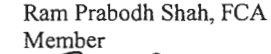

Bhim Prasad Regmi
Member



Binay Prakash Shrestha, FCA
Member


Surya Prasad Adhikari, RA
Member

As per our attached report of even date.


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


Ram Prabodh Shah, FCA
Member


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 |
| | Total (NRs.) | 345,516 | 398,320 |

Schedule-2

| SN | Inventories | This Year | Previous Year |
|----|---------------------|------------------|------------------|
| 1 | Inventories | 1,693,450 | 1,113,782 |
| | Total (NRs.) | 1,693,450 | 1,113,782 |

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 | - |
| | Total (NRs.) | 152,594 | 30,748 |

Schedule-4

| SN | Cash and Cash Equivalents | This Year | Previous Year |
|----|-------------------------------------|----------------|----------------|
| 1 | Cash at bank (Everest Bank Limited) | 610,080 | 712,802 |
| | Total (NRs.) | 610,080 | 712,802 |

Schedule-5

| SN | General Reserves | This Year | Previous Year |
|----|----------------------------|------------------|------------------|
| 1 | Balance from previous year | 1,892,752 | 1,892,752 |
| | Total (NRs.) | 1,892,752 | 1,892,752 |

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 |
| | Total (NRs.) | 360,976 | (154,308) |




Schedule-7

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

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 Accrued Expenses | 33,450 | 35,277 |
| | Total (NRs.) | 215,334 | 38,057 |





Auditing Standards Board

Satdobato, 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 |
| | Total (NRs.) | 2,500,000 | 2,500,000 |

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 | - |
| | Total (NRs.) | 320,000 | - |

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 | - | - |
| | Total (NRs.) | 638,672 | 221,466 |

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 |
| | Total (NRs.) | 1,334,089 | 1,169,296 |



ए.पु. गुरुङ
 अध्यक्ष



M. K. Joshi



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 |
| | Total (NRs.) | 487,292 | 694,788 |

Schedule-14

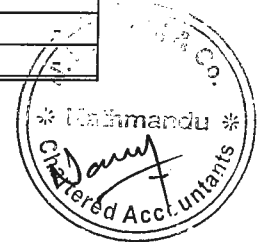
| SN | Training Expenses | Current Year | Previous Year |
|----|---|----------------|---------------|
| 1 | Report Preparation Expenses | 20,000 | - |
| 2 | Training Expenses Bhaktapur | 10,138 | - |
| 3 | Training Expenses Biratnagar | 4,635 | - |
| 4 | Training Expenses Butwal | 14,210 | - |
| 5 | 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 | - |
| | Total (NRs.) | 310,789 | |



3/11/17 *G.M. Saha* *Sup*

3/11/17

[Signature]





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 Inerest | 1,176 | - |
| 26 | TDS Expenses | 1,125 | - |
| 27 | Publication Relataed Expenses | 990 | - |
| 28 | Other Expenses | 500 | - |
| 29 | Postal and Courier Expenses | 2,095 | - |
| 30 | Written off Expenses | 11,685 | - |
| | Total (NRs.) | 621,938 | 438,821 |

Schedule-16

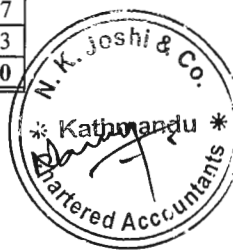
| SN | Depreciation | Current Year | Previous Year |
|----|--------------------------------------|----------------|----------------|
| 1 | Depreciation on PPE | 42,707 | 226,817 |
| 2 | Depreciation on Capital Grant Assets | 146,573 | 146,573 |
| | Total (NRs.) | 189,280 | 373,390 |



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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 | - | - | - | - | - | 106,418 | 106,418 |
| 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 |
| Capital Grant Assets | | | | | | | |
| 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 | - | - | - | - | - | - | - |
| Carrying amount as 31st Ashadh 2076 | - | - | 46,715.75 | 172,154.25 | - | - | 218,870.00 |



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AUDITING STANDARDS BOARD
Satdobato, 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.



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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.



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Spur H. G. M. et al
Spur H. G. M. et al



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 Equivalents

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

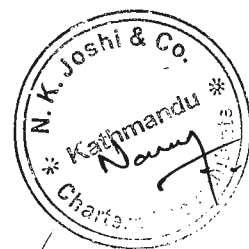
3.5 General Fund and Reserves

3.5.1 General Fund

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



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3.13 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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