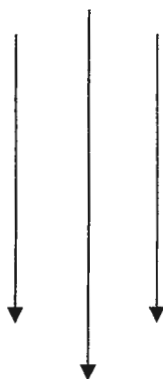


Auditing Standard Board (AuBS)
Lalitpur, Nepal

Audit Report
F.Y. 2074/75



Submitted by:
S. Dangol & Associates
Chartered Accountants

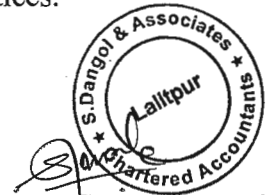
INDEPENDENT AUDITOR'S REPORT

AUDITING STANDARDS BOARD

We have audited the accompanying Financial Statements of Auditing Standards Board relating to its operations in Nepal which comprise the Statement of Financial Position as of Ashad 32, 2075, Statement of Cash Flows and the income statement for the year then ended and significant accounting policies and other explanatory notes. These financial statements are the responsibility of the company's management.

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Board as of Ashad 32, 2075, and of the results of its operations and its cash flows for the year then ended in accordance with Nepal Accounting Standards or relevant practices.



Suman Dangol
Engagement Principal
S. Dangol & Associates.
Chartered Accountants

Date: Bhadra 5, 2075
Place: Lalitpur, Nepal

AUDITING STANDARDS BOARD
Satdobato, Lalitpur
Statement of Financial Position
As at 31 Ashad, 2075 (1st July 2018)

Particulars	Notes	Amt. in NPR	
		AS At Ashad 32, 2075	AS At Ashad 31, 2074
Assets			
Non Current Assets			
Property, Plant and Equipment	3.1	398,320	771,710
Total Non-Current Assets		398,320	771,710
Current Assets			
Inventories	3.2	1,113,782	1,189,620
Trade and Other receivables	3.3	30,748	74,443
Cash and Cash Equivalents	3.4	712,802	588,518
Total Current Assets		1,857,332	1,852,581
Total Assets		2,255,652	2,624,291
Funds & Liabilities			
General Reserves	3.5	1,892,752	1,892,752
Retained Earnings	3.5.2	(154,308)	(199,479)
Total Funds		1,738,444	1,693,273
Non Current Liabilities:			
Capital Grant	3.5.3	-	-
Total Non-Current Liabilities		479,151	625,724
Current Liabilities:			
Trade and Other Payables	3.6	38,056	305,294
Total current liabilities		38,056	305,294
Total Liabilities		517,207	931,018
Total Funds and Liabilities		2,255,652	2,624,291

As per our report of even date

The notes on pages 1 -6 from part of these financial Statements.

.....
Mr. Sushil Kumar Ojha
Chief Executive Officer


.....
Mr. Bhim Prasad Regmi
Member

.....
Mr. Maheshwar Kaphle
Chairman

.....
CA. Suman
Chartered Accountant

Date : 2075.05.04

Place : Satdobato, Lalitpur


AUDITING STANDARDS BOARD
 Satdobato, Lalitpur
 Statement of Income
 For the year ended 32 Ashad 2075 (16 July 2018)

Amt. in NPR

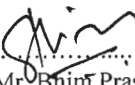
Particulars	Notes	For the Year Ended Ashad 32 2075	For the Year Ended Ashad 31 2074
INCOME			
Government Grants	3.8	2,500,000	2,500,000
Other Income	3.9	221,466	289,969
Total Income		2,721,466	2,789,969
EXPENSES			
Staff Costs/Expenses	3.1	1,169,296	1,053,358
Depreciation	3.1	373,390	335,329
Administrative Expenses	3.11	694,788	848,712
Other Operating Expenses	3.12	438,821	456,395
Awareness Programme Expenses	3.13	-	4,068
Total		2,676,295	2,697,862
Net Surplus/(Deficit) for the year		45,171	92,107

As per our report of even date

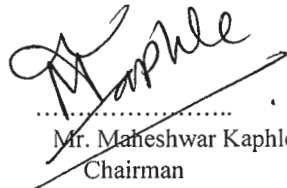
The notes on pages 1-6 from part of these financial Statements.




 Mr. Sushil Kumar Ojha
 Chief Executive Officer




 Mr. Bhim Prasad Regmi
 Member



 Mr. Maheshwar Kaphle
 Chairman



 CA. Sumat Dangol
 Chartered Accountant


Date : 2075.05.04

Place : Satdobato, Lalitpur

AUDITING STANDARDS BOARD

Satdobato




Statement of Changes in Funds

For the year ended 32 Ashad 2075 (16 July 2018)

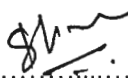
Particulars	General Reserve	Retained Earnings	Amt. in NPR
	Fund		Total
Balance at 01 Shrawan 2073	1,892,752	(351,586)	1,541,166
Change in Accounting Policies		60,000	-
Restated Balance at 1st Shrawan 2073			
Profit for the year	-	92,107	92,107
Other Comprehensive Income			-
Balance at 31 Ashad 2074	1,892,752	(199,479)	1,633,273
Balance at 1 Shrawan 2074	1,892,752	(199,479)	1,633,273
Addition (net)			-
Prior year adjustment(Receipt)		-	
Profit for the year		45,171	45,171
Other Comprehensive Income			
Balance at 32 Ashad 2075	1,892,752	(154,308)	1,738,444

As per our report of even date

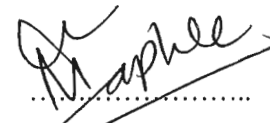
The notes on pages 1-6 from part of these financial Statements.




 Mr. Sushil Kumar Ojha
 Chief Executive Officer



 Mr. Bhim Prasad
 Regmi
 Member



 Mr. Maheshwar Kaphle
 Chairman



 CA. Suman Dango
 Chartered Accountant

Date : 2075.05.04
 Place : Satdobato, Lalitpur

AUDITING STANDARDS BOARD
 Statement of Cash Flows
 For the year ended 32 Ashad 2075 (16 July 2018)

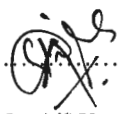


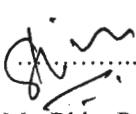
Amt. in NPR

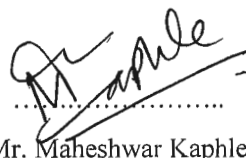
Particulars	For the Year Ended Ashad 32 2075	For the Year Ended Ashad 31 2074
A Cash Flows from Operating Activities		
Profit for the Year	45,171	92,107
Adjustment for:		
Depreciation	373,391	335,329
Interest	(6,906)	(3,165)
Profit/(loss) Transfer from previous year	-	60,000
Capital Grant reserve written back	(146,573)	(74,276)
(Increase) / Decrease in Trade and other receivables	43,695	177,090
(Increase) / Decrease in Inventories	75,838	(264,694)
Increase / (Decrease) in other Liabilities	(267,238)	(140,978)
Net Cash Flows from Operating Activities	117,378	181,413
B Cash Flow from Investing Activities		
Acquisition of Property, plant and Equipment	-	(586,292)
Net Cash flows from Investing Activities	-	(586,292)
C Cash flow from financing activities		
Capital fund received	-	700,000
Interest	6,906	3,165
Net Cash Flow from Financing Activities	6,906	703,165
Net Increase in Cash and Cash Equivalents	124,284	298,287
Cash and Cash Equivalents at the beginning 31 Ashad 2074	588,518	290,231
Cash and Cash Equivalents at the end 32 Ashad 2075	712,802	588,518

As per our report of even date

The notes on pages 1-6 from part of these financial Statements.

.....

 Mr. Sushif Kumar Ojha
 Chief Executive Officer

.....

 Mr. Bhim Prasad Regmi
 Member

.....

 Mr. Maheshwar Kaphle
 Chairman

.....

 CA. Suman Dangol
 Chartered Accountant

Date : 2075.05.04

Place : Satdobato, Lalitpur

TRADING STANDARDS BOARD



For the year ending 31 July 2018

and is set

For the year ended 31 July 2018	For the year ended 31 July 2017	Particulars
12,102	42,111	A Cash flows from Operating Activities
328,239	372,291	Trade for the year
(7,100)	(6,000)	Adjustment for:
80,000	-	Depreciation
(14,310)	(140,370)	Increase/(decrease) in trade and other receivables
117,000	42,000	Decrease/(increase) in trade and other payables
(224,000)	20,000	Finance income/(expense)
(1,800,000)	(1,700,000)	Change in cash and cash equivalents
122,000	112,000	B Cash flows from Investing Activities
(1,000,000)	-	Acquisition of property, plant and equipment
(500,000)	-	Net cash flows from investing activities
700,000	-	C Cash flows from financing activities
2,100	2,000	Interest received
700,000	2,000	Net cash flows from financing activities
100,000	100,000	Net increase in cash and cash equivalents
200,000	200,000	Cash and cash equivalents at the beginning of the reporting period
300,000	300,000	Cash and cash equivalents at the end of the reporting period

All figures are in pounds sterling

The notes on pages 1 to 4 form part of these financial statements

[Signature]
 Mr. [Name]
 Chairman

[Signature]
 Mr. [Name]
 Director

[Signature]
 Mr. [Name]
 Director



Date: 31 July 2018
 For the year ending 31 July 2018

AUDITING STANDARDS BOARD

Satdobato, Lalitpur

For the year ended 32 Ashad 2075 (16 July 2018)

Significant Accounting Policies and Notes to the financial statements

1 General Information

Auditing Standards Board (AuSB) has been constituted by the Government of Nepal on 26 Falgun 2059 corresponding to 10 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 Ashad 32, 2075 (16 July 2018) were approved by the Board in its meeting held on 2074/04/31.

2 Significant Accounting Policies

2.1 Basis of preparation

The Statement of Financial position, Statement of Income, cash flows statement and statement of change 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 out below.

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 expected useful economic lives.

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

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

2.4.3 Trade and other receivables

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



Handwritten signatures of the board members.



2.4.4 Inventories

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

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

2.4.5 Cash and cash equivalents

Cash and cash equivalents comprises cash balances, current deposit, saving account balance call deposits and other short term highly liquid investments having a maturity less than equal to the 90 days from the date of deposit has 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.

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 of 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 equipments

The properties plant and equipments 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 as below:

Particulars	Furniture	Computers & Peripheral	Office Equipment	Vehicles	Office Partition	Miscellaneous property	Total (In Rupees)
General Assets							
Opening Balance	324,393	96,022	413,313	76,450	907,270	8,600	1,826,048
Additions during the year	-	-	-	-	-	-	-
Balance as at 32 Ashad 2075	324,393	96,022	413,313	76,450	907,270	8,600	1,826,048
Accumulated balance	324,393	96,022	413,313	76,450	647,576	8,600	1,566,353
Depreciation charge for current year	-	-	-	-	226,818	-	226,818
Accumulated depreciation	324,393	96,022	413,313	76,450	874,393	8,600	1,793,171
Impairment Loss	-	-	-	-	-	-	-
Carrying Amount as 32 Ashad 207	-	-	-	1	32,877	-	32,878



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Capital Grant Assets						
Balance at. 01 Shrawan 2074		-	127,213	-	459,079	586,292
Additions during the year	-	-	-	-	-	-
Balance at 32 Ashad 2075		-	127,213	-	459,079	586,292
Accumulated balance		-	16,891	-	57,385	74,276
Depreciation charge for current year		-	31,803	-	114,770	146,573
Accumulated Depreciation		-	48,694	-	172,155	220,849
Impairment Loss		-	-	-	-	-
Carrying Amount as 32 Ashad 2075		-	78,519	-	286,924	365,443

During the previous year Ministry of Finance released additional budget of Rs. 7 Lakh to purchase Fixed Assets . From which five lakh eighty six thousand two hundred and ninety two rupees has been used to purchase PPE and remaining amount Rs. One lakh thirteen thousand seven hundred and eight rupees has been under capital grant.

Particulars	Current year (Rs)	previous Year (Rs)
Carrying Amount of Properties Plant and Equipement	398,320	771,710

3.2 Inventory

Inventory stated at cost comprises followings

	Current year (Rs)		Previous year (Rs)	
	Current	Non current	Current	Non current
Books & Stationary	1,113,782	-	1,189,620	-
Total	1,113,782	-	1,189,620	-

Management considers all inventory to be in good conditions and requires no allowance for possible loss. These are consumable within a period of one year.

3.3 Trade and other receivables

Trade and other receivables stated at their cost less possible allowance for impairment comprises followings:

Particulars	Current year (Rs)		Previous year (Rs)	
	Current	Non current	Current	Non current
Trade Receivables (Net)	6,137	-	48,137	-
Other Receivable	24,611	-	26,306	-
	30,748	-	74,443	-
Less: Allowance for impairment	-	-	-	-
Carrying Amount	30,748	-	74,443	-

3.4 Cash and cash equivalents:

Cash and cash equivalents included following balances:

Particulars	Current year (Rs)		Previous year (Rs)	
	Current	Non current	Current	Non current
Cash at Bank	712,802	-	588,518	-
Carrying Amount	712,802	-	588,518	-

3.5 General Fund and reserves

3.5.1 General fund comprises followings:

Particulars	Current Year (Rs)	Previous Year (Rs)
Balance from previous year	1,892,752	1,892,752
General fund balance	1,892,752	1,892,752

These are free fund and available for used.



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3.5.2 Retained Earnings

Balance in retained earnings is as below:

Particulars	Current Year (Rs)	Previous Year (Rs)
Balance from previous year	(199,479)	(351,586)
Prior year Adjustment	-	60,000
Surplus during the year	45,171	92,107
General fund balance	(154,308)	(199,479)

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 the 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 status of capital fund is as below:

Particulars	As At Ashad 32, 2075	As At Ashad 31,2074
Opening Balance	625,724.00	700,000
Less: Depreciation	(146,573)	(74,276)
General Fund Balance	479,151	625,724

These Balance has been reflected after rearranging the previous year balance which were earlier reflected as deferred income liabilities previous year audited financial statement.

3.6 Trade payable and liabilities

Particulars	Current year (Rs)		Previous year (Rs)	
	Current	Non current	Current	Non current
Trade Payable	-	-	250,875	-
Social security and other taxes	2,780	-	2,068	-
Non-trade payables and accrued expenses	35,276	-	52,351	-
Carrying Amount	38,056	-	305,294	-

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

3.8 Government Grants

Government grant of Rs. 2.5 million was received during the year. This is the grant for generally covering Administrative expenses without any condition hence a free grant. Accordingly, since this is under the head 3.03 social service Unconditional Government Grant of heading 35.3.110 as per red book of Nepal Government budget, this has been accounted for as income in the year of receipt.

3.9 Other income

Other income comprises following incomes:

Particulars	Current Year	Previous Year (Rs)
Capital Grant Assets Depreciation Written back	146,573	74,276
Other Income/ Bank Interest	6,906	3,165
Publication related Income	67,987	210,103
Scrap Assets Disposal	-	2,425
Total	221,466	289,969



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The interest income is net off of withholding tax deducted as source by commercial banks.

3.10 Staff cost and expenses

AuSB has engaged on contract basis 4 number of staff. CEO and office Assistant are under the joint cost sharing with Accounting Standards Board. The total staff cost of Board are as below:

Particulars	Current year (Rs)	Previous year (Rs)
Salary Expenses	910,550	819,840
Medical Allowance	76,615	77,826
Leave Encashment	98,261	89,872
Dasain Allowances	67,290	65,820
Overtime Expenses	16,580	-
Total	1,169,296	1,053,358

AuSB does not have any long term liabilities in respect of employees gratuity.

3.11 Administrative Expenses

Administration expenses included following expenditures accounted for on accrual basis:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Communication Expenses	24,537	21,687
Printing, Stationery and Reproduction costs	18,371	32,078
Travel and Transportation costs	276,561	6,450
Office Expenses	13,275	2,162
Audit Fees and Expenses	28,250	24,860
Standard Development & Research Expenses	133,531	526,947
Professional service expenses	32,770	32,770
Board Meeting Allowances	76,500	61,500
Committee & Sub Committee Meeting Allowances	51,000	93,000
Board Meeting Expenses	25,447	14,826
Committee & Sub Committee Meeting Expenses	14,546	32,432
Total	694,788	848,712

3.12 Other Operating Expenses

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

Particulars	Current Year (Rs.)	Previous Year (Rs.)
House rent	-	-
Hospitality Expenses	33,373	37,908
Newspaper, Magazine & Journal Expenses	14,760	9,700
Renewal Expenses	375	-
Water & Electricity	22,953	33,823
Fuel Expenses	43,569	40,571
Promotional Expenses	14,238	-
Repair & Maintenance	12,476	15,566
Overhead Sharing Expenses	240,000	240,000
Cleaning Expenses	48,975	-
Ceremonial Expenses	-	38,450
low value capital item	4,940	13,130
Miscellaneous Expenses	3,162	25,179
Postal and Courier Expenses	-	2,068
Total	438,821	456,395

3.13 Awareness Programme Expenses

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



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Particulars	Current Year (Rs.)	Previous Year (Rs.)
Awareness Programme Expenses	-	4,068
Total	-	4,068

3.14 Related parties transactions

3.14.1 AUSB members

During the year 8 number of AuSB Board meeting has been held. Generally Board member fee of Rs. 1500.00 to

S.n	Particulars	Numbers	Rate	Allowances (Rs)
1	Board Meeting	8	1,500	76,500
	Total			76,500

Committees & Sub-committees

AUSB has formed 7 Committees . Following are allowances distributed to the committees, sub committees which has been shown below

S.n	Particulars	Numbers	Rate	Allowances (Rs)
	Committees			
1	NSA Revision & Development Committee	5	1500	39,000
2	Capacity Development Committee	0	1500	-
3	Translation Committee	0	1500	-
4	Editorial committee.	0	1500	-
5	strategic Planning Development	0	1500	-
6	Recruitment Committee	2	1500	6,000
7	Audit committee	2	1500	6,000
	Total Amount			51,000

3.14.2 Employees

As stated in note 3.11, employees have no interest on financial transaction of the Board.

3.15 Event after reporting period

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

3.16 Contingent Liabilities

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

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



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