



नेपाल चार्टर्ड एकाउन्टेन्ट्स संस्था
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
(Established under the Nepal Chartered Accountants Act, 1997)

ANNUAL REPORT 2018/19

23 Years of Excellence





Fundamental Principles of Professional Ethics



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The Logo of the **Institute of Chartered Accountants of Nepal (ICAN)** bears a well-known line impregnated with a rich moral lesson. It is extracted from Chapter XIX (text line no.39) of the Yajurveda. It is the second of the following four-line stanza.

पुनन्तु मा देवजनाः
पुनन्तु मनसा धियः ।
पुनन्तु विश्वा भूतानि
जातवेदः पुनीहि मा ॥



Literally, पुनन्तु मनसा धियः means:
“Purity of Mind and Clarity of Wisdom.”

The Vedic text is chanted aloud during occasions of good omen for purification of mind, body and environment.

ICAN realizes that internally purified and enlightened mind is the lifeblood of righteousness. We consider it indispensable for both doing right things and doing things right.

We, therefore, pledge to be guided by the Vedic principle. Our policies, aspirations and expectations, strategies, and functioning style shall always be determined by the above message.



ICAN Building, ICAN Marg, Satdobato, Lalitpur



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About ICAN

We are guided by the vision of credible accounting body

The Institute of Chartered Accountants of Nepal (ICAN), an autonomous body, established by the Nepal Chartered Accountants Act 1997, is entrusted by the statute to promote and regulate the accounting profession in the country. ICAN is committed to contribute in the economic development of the country and undertakes responsibility of leadership on matters of public interest, constructive submissions on legislation and Government policy, and enhancement of social recognition and faith in the accounting profession. The Institute provides access to Chartered Accountancy education to the aspiring students. Our members provide professional accounting services and we aspire to equip them with the expertise for professional excellence.

ICAN is a full member of the International Federation of Accountants (IFAC), which represents nearly three million accounting professionals in 130 countries through 170 member bodies and associations. It is also a full member of Confederation of Asian and Pacific Accountants (CAPA), a regional organization representing thirty-three national professional accountancy organizations in the Asia-Pacific region and South Asian Federation of Accountants (SAFA), a forum of regional professional accounting bodies in the South Asian region.

“We have come across a long way
since we began with zeal to
develop, regulate and promote
accounting profession in the
country.”



VISION

Establish ICAN as a "Credible Professional Accounting Body."

MISSION

Promote and Regulate High Quality Financial Reporting and Develop Competence of Professional Accountants to Enhance Reputation in all Sectors of the Economy.

CORE VALUES

Our Core Values are Trust, Mutual Respect, Innovation, Relevance, Accountability, Integrity and Professional Excellence.

OBJECTIVES

- Play the role of a regulatory body to encourage the members to carry on accounting profession being within the extent of the code of the conduct in order to consolidate and develop accounting profession as a cause for economic development of the nation.
- Enhance social recognition and faith in accounting profession by raising awareness of the general public towards the importance of accounting profession and the economic and social responsibility of professional accountants.
- Develop, protect and promote the accounting profession by enabling professional accountants understand their responsibility towards the importance of the accounting profession and accountancy.
- Develop mechanism of registration, evaluation and examination of accounting professionals in consonance with International norms and practices so as to make the accounting profession respectable and reliable.



8th Council Oath Taking Ceremony



YEAR AT GLANCE (2075/76)

Membership

New Membership	82
Total Members	8,635
Year on year increase -CA	1%
Members upgraded from C Class to B Class	15
Members upgraded from D Class to C Class	6
Chartered Accountant Members	1,378
B Class Registered Auditor Members	3,414
C Class Registered Auditor Members	1,580
D Class Registered Auditor Members	2,263
COP Renewed	3,603
Firms Renewed	3,524
Membership Renewal Rate	50%

Education

New Admission -CA	1,943
New Admission -AT	21
New Admission-Membership Scheme	313
Total Enrollment at different levels	3,433

Professional Development

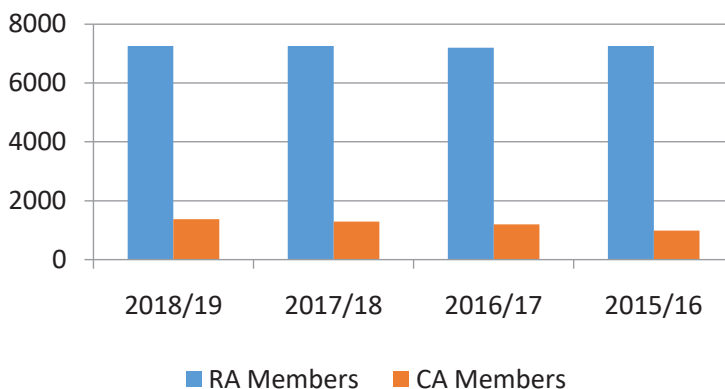
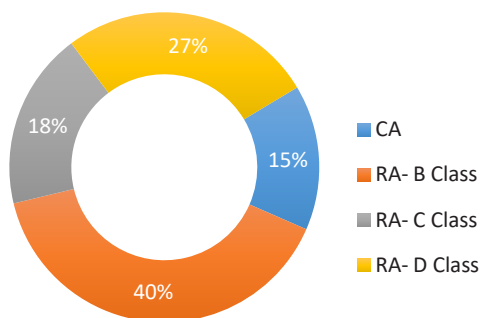
CPE Events	27
Workshops/Seminars/Training and Similar Events	15
Overall Beneficiaries	4,000 Plus

Regulation

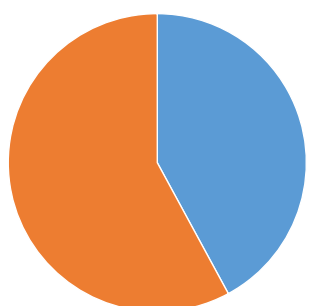
Review of Audit Firms	34
Pronouncements	5



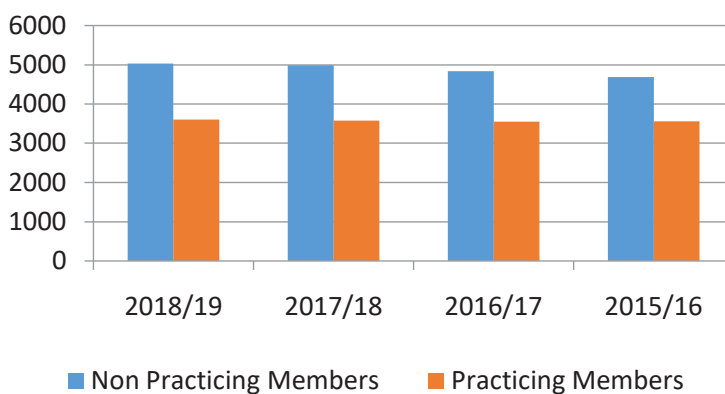
Total Members



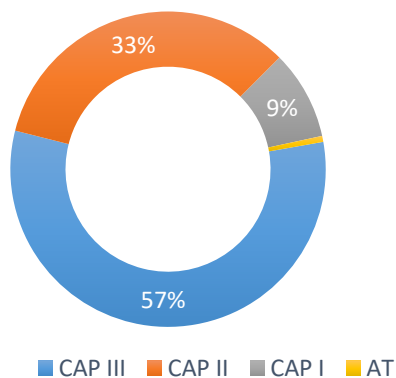
Practicing Members



■ Practicing Members
■ Non Practicing Members

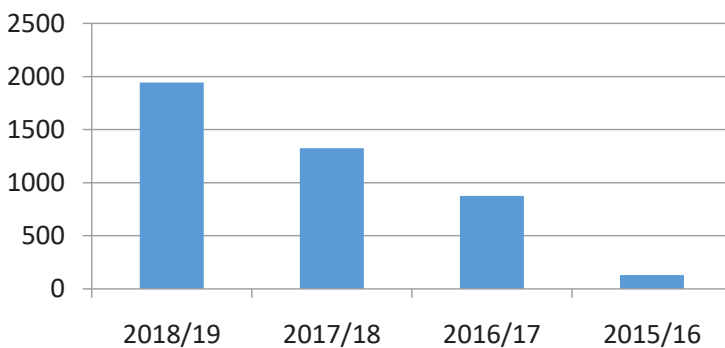


Enrollment



■ CAP III ■ CAP II ■ CAP I ■ AT

New Students





Rs. 607.34 Million

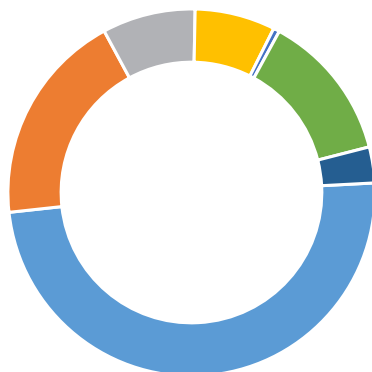
TOTAL ASSETS

Rs. 504.61 Million

TOTAL FUND AND RESERVES

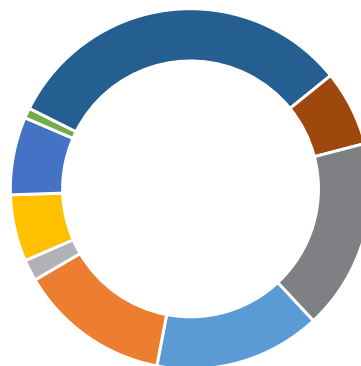
SOURCES OF REVENUE

Educational Activities	49%
Examination Activity	19%
Members	8%
Professional Development Activities	7%
Government Grant	1%
Interest Income	13%
Other Income	3%



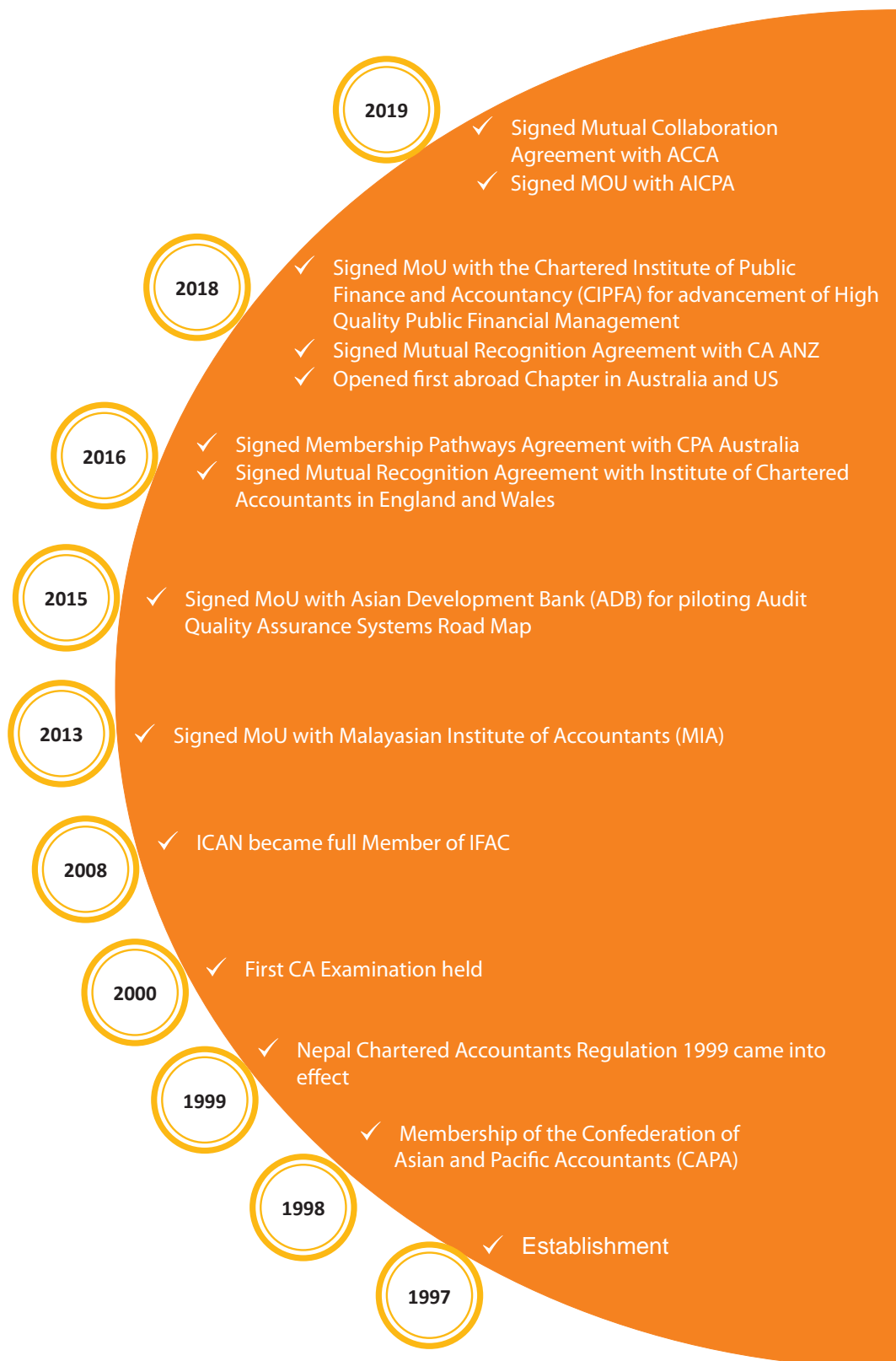
EXPENSES

Educational Activity	15%
Examination Activity	14%
Members Activity	2%
Professional Development Activity	6%
International Affairs	7%
Quality Assurance and Publication	1%
Employee Benefit	32%
Depreciation & Ammoratisation	7%





MILESTONES



STRATEGIC DOMAINS

The Institute has implemented ICAN Strategic Plan (Year 2018-20) as second strategic plan. The plan identifies seven domains and sets the strategies, goals, priorities and action plan for each domain.





Newly Elected 8th Council Members

President's Review

Dear Members,

I take immense pleasure to present before you the annual report of The Institute of Chartered Accountants of Nepal for the fiscal year 2075/76 (2018/19).

We have completed one-year period since we implemented Strategic Plan (Year 2018-2020). Our activities during the year were guided by the priorities laid down in the strategic plan and we are able to move forward towards the goal.

Being a membership body, voice of our members is the key to communicate what the Institute thrives to deliver. The conduct of our members speaks about the value addition that our profession makes to the nation.

I feel that the profession is facing challenges from many facets including changes in technology, expectations of stakeholder and complexities of business environments. Meeting the expectations of our students for quality of education and learning materials with relevant curriculum, career aspects and competitive skills of our products remains the greatest challenge. Relevant professional service delivery and poor conduct of the member is a threat to reputation and standing of the Institute. Use of IT systems and e-platform in the activities of Institute is prone to disruption in the system and cyber security threats. Our sincere efforts would certainly convert these challenges in to future potentials yet we need to take the call to lead the change.

In response to the need for adapting changes, we continued conducting trainings, workshops, seminars on contemporary topics apart from regular CPE programs. The introduction of online CPE module has now eased the learning process of Members. I believe that the subject matters of these events benefitted our members at large. As regulator of the profession, we are regular in administering compliance with the ethical standards and code of conduct of our members. However, we do not undermine the requirement to equip our members with the skill set and knowledge for excellence in the profession. Accordingly, quality review board of the Institute



conducted review of 34 Audit Firms conducting audit of listed entities and partners of some reviewed Audit Firms were required to undertake training on Audit Practice Manual conducted in technical collaboration with ICAEW.

For aligning the financial reporting practices with IFRS, the Institute has pronounced NFRS, and has been working for providing guidance to the members for its implementation. Various events were held to discuss and address challenges that were faced while implementing those standards. The Institute has taken lead to enter into arrangements with Government owned bodies for implementation of NFRS and NPSAS. To ease the all-round cooperation for strengthening financial reporting practices, the Institute has been coordinating with regulatory authorities and has reached agreements for effective implementation of the reporting practices.

The Institute also participated in various programs at National and International levels. Our participation ensured the strength, role, and credibility of our members. For maintaining integrity of the profession, the Institute has adopted the IAESB code of ethics. Following global standards, the Institute has pronounced Nepal Standards on Auditing (NSA) 2018 on the recommendation of Auditing Standards Board (AuSB). These standards are based on Pronouncements of International Auditing and Assurance Standards Board (IAASB) published in 2016. To strengthen the regulatory efforts, the Institute has moved ahead in mutual exchange of information with other Government Bodies.

ICAN has shown its strong presence in various International forums like IFAC, CAPA and SAFA and strives to deepen the cordial ties. The



Institute participated in various Board Meeting, Assembly and Committee Meeting organized by International Accounting Bodies and put forward issues and ideas and has accomplished task assigned with capability. Continuing our participation at International and Regional sphere, the Institute successfully hosted three South Asian Federation of Accountants (SAFA) events in Kathmandu. The Institute has entered into arrangements with ACCA and AICPA for mutual recognition and technical collaboration. We expect that these agreements pave way for our members in global market.

We have been regular in conducting education schemes of the Institute. The year witnessed gradual growth in number of students and we expect increment in number of students in days ahead as students turned members are our goodwill ambassadors. The improvement in examination results shows that the quality of education is improving day by day. The Institute has been providing required support for the students that includes study materials, other preparation material and crash courses. Yet we have assessed the requirement for reforms in learning process for students. For the first time, the crash course was also conducted outside Kathmandu valley i.e. in Pokhara. For all round development of students, the Institute organized Commerce Olympiad, Quiz Contest, Elocution Contest for students and it is achievement for all of us that our student bagged 2nd runner up position in the SAFA level elocution contest. Nevertheless, we should move forward together to establish the standard of the education at par with International Standards. The Institute also conducted discussion with the branch coordination committee about affairs of the branches of the Institute. With objective of enhancing capacity and skill of our people, the Institute provided in house training to the employees. We have been partnering with foreign accounting bodies to strengthen capabilities of our people and process.

In days ahead we need to adapt technologies and make the most out of it by integrating it in different process of the Institute and establishment of secured IT system remains our priority. During the year we were developing Unique Document Identification Number (UDIN), system and by now we have implemented the UDIN requirement. On way forward, we shall streamline our regulatory practices with global practices, build competency of the members and implement robust procedure to streamline professional conduct of members to advance the relevance and quality of the profession. Education we provide should enable our students to compete globally. We have taken the call to meet the expectation of our students and we will reform our deliveries, not limited to review of curriculum and learning materials but introduction of video learning

materials and e-learning platform. The knowledge transfer shall not be confined to students, rather we shall conduct relevant certification courses or post qualification course for our members and take the lead to launch learning platform for public financial management. We will grow and drive the profession.

We are exploring ways to strengthen our institutional capacity with commitment to establish the Institute as Center for Professional Excellence. On days ahead, we shall not permit setbacks whether legal or procedural that is detrimental to the brand of the Institute or concerns faith on the profession and members. Our focus for future remains on updating NFRS, implementation of the new standards of financial reporting for Small and Medium Sized Entities, Micro Entities, Not for Profit Organizations and new standards on Auditing. It is our expectation that the implementation of our strategy will enhance credibility of the Institute, its members and the profession we represent.

This reporting year, the Institute added Rs. 56.35 million in its fund and reserve balance, which has been possible as the Institute reported net surplus of Rs. 57.24 million including other comprehensive income. The financial standing of the Institute is strong as the total assets has reached Rs. 607.34 million which is an increase of 12.90% over preceding year. The increase in income from educational activities including examination has contributed most in the increase in income. The current financial position of the Institute eases our plan of revamping the functioning of the Institute.

The Institute represents its members and this journey of 23 years was not possible without contribution of our Members, Past Presidents, Council Members, Ministry of Finance, Office of Auditor General and other regulating agencies. Activities of the Institute would not have been possible without the tireless effort of the Council Members led by immediate Past President CA. Jagannath Upadhyay (Niraula), Committee Members, Members of Work Groups, Management Team led by Executive Director and employees of the Institute. On behalf of the Council Members, I take this opportunity to acknowledge the contribution of resource persons and members who directly or indirectly contributed in the activities of the Institute.

With Best Wishes

CA. Krishna Prasad Acharya
President
31 January, 2020



Management's Review

Operating Environment

As the Institute is entrusted by statute to promote and regulate the accounting profession in the country, it is committed to protect accounting profession by upholding professional and technical standards and regulating conduct of its members. For achieving its objectives, the Institute engages its stakeholders including Government, society, members, students in its activities. The political changes from unitary to federalism has increased the stakeholders and induced changes in economic administration of economic units. The stability in the political scenario of the nation is expected to induce economic activities at a greater pace.

Globally, accounting profession is undergoing changes. New technical standards relating to financial reporting and auditing are introduced. Also, code of ethics for professional accountants are reviewed in context of delivering expectation of stakeholders. At national level, we cannot remain aloof from the changes in global front.

What we delivered ?

In 2018/19 we continued to deliver on the priorities of Strategic Plan (Year 2018-2020). Our activities were focused on achieving goals set for the identified seven strategic domains. We are pleased to share the key activities and achievement in the focus area:

Domain 1: Public and Government

Strategic Goals

Develop and administer independent and transparent self-regulatory mechanism that ensures adherence to higher ethical standards of all members to help enhance the reputation of the profession in public and Government.

As per the priorities for enhancement of dignity of the accounting profession, regular study and participation in formulating fiscal policies and laws, transparency and accountability of regulatory actions, and active participation in strengthening public financial management, the Institute organized and participated in various meetings, workshops and interaction program. President, Vice-President, Council Members, Executive Director and Other Officials represented the Institute in those meetings, workshops and interaction program to put forward the ideas and views of the Institute.

Those events were fruitful to enhance reputation of the accounting profession, strengthen role of the Institute, promote the role of the member, regulatory cooperation, sharing of information, exploring areas for future course of action on mutual cooperation. These events strengthened relation of the Institute with stakeholders, Government and Government bodies. Efforts of the Institute to strengthen public financial management, implementation of financial reporting standards and advocate role of Institute and its members were performed throughout the year.

Key Activities and Achievements

Regulation of Accounting Profession

The Institute has implemented procedures for Know Your Member (KYM) of members and Unique Document Identification Number (UDIN) and this requirement in general is expected to add credibility in service provided by members. New code of ethics as per global best practices has been implemented. The functioning of quality assurance board has been made effective. During the year,



Quality Assurance Board conducted review of practicing Audit Firms providing assurance services to listed entities. Disciplinary committee of the Institute was effective in looking into complaints lodged against conduct of the members. Apart, monitoring committee of the Institute has been regularly monitoring the activities of the members.

Conference on the theme “Governance for National Prosperity”

Coinciding with the Oath taking ceremony of newly elected Council Members, the Institute organized a conference on the theme ‘Governance for National Prosperity’ in Kathmandu, on 17 July, 2018. The Conference focused on National prosperity and development, a meaningful and effective administration along with participatory, transparent and accountable management to demonstrate real governance.

The program was conducted in three technical sessions; the first technical session on Non-Compliance with Laws and Regulation (NOCLAR) –Ethical Guidelines for Professional Accountants, second technical session on objectives and priorities of Federal Budget 2075/76 and the third technical session on Corporate Governance: Challenges and Way Forward. The conference was participated by members of the Institute and representatives of Government body and other regulatory authorities. The event was successful in disseminating the ethical practices that our members follow in delivering services.

Memorandum of Understanding with Department of Money Laundering Investigation

ICAN has signed a Memorandum of Understanding (MoU) with the Department of Money Laundering Investigation for mutual cooperation between the Institute and the Department to combat the money laundering and terrorist financing in the Nation on 16 November, 2018. By signing this MoU, the Institute and the Department have agreed to exchange the information relating to money laundering and terrorist financing within their knowledge.

Memorandum of Understanding with Nepal Oil Corporation

ICAN has signed a Memorandum of Understanding (MoU) with Nepal Oil Corporation Limited (NOC), a state owned entity on 25 April, 2019 to support implementation of Nepal Financial Reporting Standards (NFRS) in NOC.

This MOU is entered as a activity of Integrated Public Financial Management Reform Project (IPFMRP) as per the MoU between Public Expenditure and Financial Accountability (PEFA) Secretariat and ICAN.

Interaction with Regulators on Quality Assurance

Quality Assurance Board (QAB) of the Institute organized an Interaction Program with the representatives of regulatory authorities and Government offices on Quality Assurance on 12 July, 2018 at ICAN Building, ICAN Marg, Satdobato, Lalitpur. The program was organized to disseminate information on the Quality Assurance initiatives of the Institute and to discuss on the matters relating to quality in assurance service provided by our members. The program was attended by the Chairman and members of the Quality Assurance Board, President, Vice-President, Past President, Executive Director of the Institute, including the representatives from Office of Auditor General, Ministry of Finance, FCGO, Nepal Rastra Bank, Insurance Board, Securities Board of Nepal, Inland Revenue Department, Office of Company Registrar and Nepal Stock Exchange Ltd.

Interaction Program on NAS for MEs, NAS for NPOs & Carve-Out proposal of Nepal Rastra Bank

The Institute organized an interaction program on NAS for Micro Entities, NAS for Not for Profit Organizations & Carve-Out Proposal of Nepal Rastra Bank on September 1, 2018 in ICAN Building, ICAN Marg, Satdobato, Lalitpur. The program was conducted in two sessions with presentation and floor discussion. Program was attended by the Council Members, Members of NFRS Implementation Committee and representatives of Office of the Auditor General, representative of FCGO and others.

Interaction Program on Labor Law

The Institute organized an interaction program on Labor Laws on 14 September, 2018, at ICAN Building, ICAN Marg, Satdobato, Lalitpur. The interaction program was conducted in two technical sessions on Labor Laws. Advocate Mr. Ramesh Badal and Er. Barun Kumar Jha, Project Chief, Occupational Safety and Health Project, Department of Labor, Employment and Social Security, presented paper on new provisions and technical issues of the labor laws. These technical sessions were followed by open floor discussion where the queries of participants were addressed.



Conference on Accounting and Way Forward

Coinciding with Institute's 22nd anniversary, the Institute organized a Conference on "Accounting Profession and Way Forward" on 31st January, 2019 at Kathmandu, Nepal.

The conference comprised of four technical sessions. The first session was on the topic "Enhancing Quality of the Audit to Meet the Expectation of Stakeholders", the second session on the topic "How Blockchain is Revolutionizing Banking and Financial Markets", the third session was on the topic "Corporate Governance Reporting and Role of Professional Accountant" and the fourth session covered "Experience Sharing on Implementation of NFRS (Specially in Banking and Insurance Sector)". These technical sessions were followed by the open floor discussions where queries of participants were addressed by respective session Chairman and paper presenter/panelists. Altogether, 176 participants participated in the program.

Interaction Program on Audit Reporting Framework

The Institute organized a one-day interaction program on Audit Reporting Framework Issues and Challenges on 1 December, 2018 in Kathmandu. The program highlighted on new and revised reporting standards and conforming amendments. The interaction was successful to provide participants with useful insights of the requirements for improved auditor's reporting. The technical sessions were designed to discuss on difficulties expected to be encountered on practical implementation of recent changes of Auditing Standards. Altogether 157 participants participated in the program.

Interaction and Workshop with Stakeholders

An interaction program was organized at Biratnagar in 18-19 September, 2018. In the program ICAN officials interacted with various stakeholders i.e. Local Bodies, Udyog Sangathan Morang, Morang Byapar Sangh, FNCCI, Bankers and members of the Institute and discussed about the current issues of accounting, tax legislation and practices, auditing profession, role of members, expectation of society, and role of the Institute in implementation of NFRS, NFRS for SMEs, NSAs and Code of Ethics.

Similarly, The Institute also organized workshop on "NFRS for SMEs and its Impact in Corporate Sector" at Biratnagar

co-inciding with this Interaction Program. Altogether 66 participants participated in the program. Similar two-day workshop was organized on 20-21 December, 2018 at Butwal, Rupandehi. Altogether 71 participants participated in the program. These events were organized to facilitate the implementation of NFRS for SME's.

Interaction Program on "Recent Developments in Cooperative Sector"

An interaction program on "Recent Developments in Cooperative Sector" was held on 5 October, 2018 at ICAN Building, ICAN Marg, Satdobato, Lalitpur. The program discussed on new Cooperative Act and related issues of Cooperative Sector. Session was followed by open floor discussion. Altogether 95 participants participated in the program.

National Best Presented Annual Report Award Distributed

Coinciding with the oath taking ceremony, the Institute awarded National Best Presented Annual Report Award for the fiscal year 2016/17. The national BPA Award 2017 was arranged under the category of Banking Sector (Private and Public Sector), General Sector, Service Sector and Manufacturing Sector. Organizations having their financial statements prepared based on Nepal Financial Reporting Standards (NFRS) and having fulfilled minimum standards were only considered for evaluation and selection. The Best Presented Annual Report Awards are an effective means of identifying and rewarding good practice in public reporting, financial and non-financial and bridges the gap that exists between all the hard work that goes into preparing them and the reason why we do them.

In the history of Nepal, Oriental Hotels Ltd. (Widely known as Radisson Hotel) Kathmandu bagged first position in SAFA Best Presented Annual Report Awards for annual report 2016/17 in Service Sector jointly with the Nuwara Eliya Hotels Co PLC- Sri Lanka. Similarly, Citizen Bank International Ltd, under banking category bagged merit award in the SAFA BPA program organized in Pune, India.

Participation in Seminar on NFRS Based Financial Statement Format issued by NRB

The President of the Institute participated as panelist in a seminar on NFRS based Financial Statement issued by Nepal Rastra Bank organized by Nepal Bankers Association and Times Research and Training Institute

on 28 July, 2018. The seminar focused on compliance with Nepal Financial Reporting Standards (NFRS) by banking business and challenges faced in effective implementation.

Technical Session on Financial Reporting

The Institute organized a two days technical Sessions on Financial Reporting on the format of Annual Financial Report prepared by Nepal Rastra Bank. The event was held from 23-24 August, 2018 at Kathmandu.

Engaging Regulators in NFRS Implementation

The representative of the Institute attended a meeting organized by Insurance Board on 9 August, 2018 to discuss on pathway to be adopted by Insurance Board for proper implementation of NFRS in Insurance Companies. The meeting focused on ways of addressing the reporting format of financial statement of insurance companies in line with directives issued by Insurance Board in compliance with Nepal Financial Reporting Standards (NFRS). The meeting was also attended by representatives from Insurance Companies, consultants of Insurance Board and employees of Insurance Board.

Similarly, a tripartite MoU between the Institute, Nepal Rastra Bank and Accounting Standards Board was signed

on 16 July, 2018 to effectively implement the NFRS in banking sector. Such understanding has main objective to facilitate effective implementation of NFRS in Banks and Financial Institutions.

Participation in 21st Plenary of Asian Pacific Group on Money Laundering

21st plenary of Asian Pacific Group (APG) on Money Laundering hosted by Nepal Government from 21-27 July, 2018 at Kathmandu was attended by the officials of the Institute. The plenary discussed on mutual evaluation reports, follow up reports, governance issues and compliance status report relating to money laundering and terrorist financing. More than 500 participants attended the program of which 450 were foreign delegates from more than 55 countries.

International Accounting Day, 2018

On the occasion of International Accounting Day, the Institute organized a Walkathon program on 10 November, 2018 at Kathmandu and its Branch Offices. More than 200 participants including past presidents, council members, members, students and accounting professionals participated in the walkathon program. Vice-President



Walkathon on International Accounting Day, 10 November, 2018 in Kathmandu

of the Institute highlighted the importance of accounting profession and importance of marking of the International Accounting Day.

Participation in the Interaction Program Organized by Association of Chartered Accountants of Nepal

The council members and past presidents of the Institute participated in the Interaction Program on Certification of Bonus and Stock organized by Association of Chartered Accountants of Nepal (ACAN) on 7 August, 2018.

Other Key Meetings, Workshops, Seminars and Interactions

- Participation in Interaction Program on Role of auditors in Tax Administration in federalized context
- Meeting with representatives of Public Expenditure and Financial Accountability (PEFA) Secretariat Nepal
- Meeting with Finance Comptroller General
- Meeting with Chairman of Public Service Commission
- Meeting with Minister of Federal Affairs and General Administration
- Participation in Interaction Program on Alternative Investment Fund Regulation, 2075
- Meeting with Director General of Department of Revenue Investigation
- Meeting with Director General and officials of Internal Revenue Department
- Meeting with Hon'ble Finance Minister
- Participation in interaction program on financial sector stability organized by Society of Economic Journalist-Nepal (SEJON)
- Meeting with Auditor General and officials of Office of the Auditor General (OAG)
- Meeting with Department of Money Laundering Investigation
- Participation in National IPFM Reform Workshop organized by Public Expenditure and Financial Accountability (PEFA) Secretariat Nepal to expedite the implementation of Integrated Public Financial Management Reform Project (IPFMRP)
- Meeting of Coordination Committee of Integrated Public Financial Management Reform Project (IPFMRP).
- Participation in Interaction Program at Department of Money Laundering Investigation
- Participation on the Seventh Tax Day, 2018
- Participation in the Programme Organized by NAFIJ
- Meeting with Nepal Law Commission
- Meeting with DFID Representatives
- Meeting with Insurer Association
- Meeting with Securities Exchange Board of Nepal (SEBON)
- Participation in Integrated Public Financial Management Project Review Workshop
- Participation in Meeting Organized by Nepal Rastra Bank



Meeting with Hon'ble Finance Minister



Capacity Development Training on "Labour Act & Tax Audit Procedure"



Domain 2: Members and Accounting Profession: Ethics and Capacity Development

Strategic Goals

Enhance, promote and protect the reputation of the members and establish ICAN members as efficient and effective service providers in senior management, accounting, assurance, taxation, finance and business advisory services to the private and public sector.

Our members are our strength and strengthening them strengthens the Institute. Being a professional membership body, we encourage continuous development of capacity of members. As a regulator the Institute regulates the accounting profession and conduct of its members and this is successful when we align our practice continuously to cater the expectation of stakeholders. During 2018/19 we witnessed many changes in the accounting profession. The need of the hour to align our financial reporting and accounting practices with global standards was on priority. Nationwide aspiration and action towards economic prosperity and economic

development has created ample opportunities for accounting professionals in midst of complex challenges associated. Recognizing the necessity of updating knowledge base and skill set of the members for leading the changes in economic environment, the Institute has continued its efforts for capacity development of its members. Though the journey of change and equipping oneself does not end, we thrive to upgrade our delivery embracing the technological change. Number of activities and events were conducted to support learning of members.

During the year a total of 82 members were granted new CA membership and a total of 32 CA members were granted Fellow membership. In the period under review, 59 CA members opted to hold Certificate of Practice and total number of CA members holding COP has reached 544 and 3,059 RA members hold COP.

Our membership continues to grow and at the end of the financial year under review, we have total strength 8,635 members, of them 1,378 are CA members and 7257 are RA members. During the year, membership renewal rate was 50.06%.

Key Activities and Achievements

Continuing Professional Development

Staying relevant is the one of the core necessity of our profession. As our profession should embrace and align itself with the external environment we cannot remain aloof from understanding and facilitating the change. The Institute with a view to enhance the competencies of its members, has been regularly conducting Continuous Professional Education (CPE) programs along with workshops/seminars in joint effort with other regulatory bodies and professional associations. Considering the widespread base of our membership we conducted CPE programs in different part of the country. CPE training focused on the technical standards guiding our practice, ethical standards, information technology and contemporary issues.

During the year a total of 27 CPE trainings were conducted nationwide, out of which 17 trainings were outsourced. Altogether around 3200 members benefitted from the CPE trainings.

Launch of Online CPE Training

The Institute launched Online Continuing Professional Education (CPE) Module on 16 May, 2019. With this our members now can enhance their self-learning just on a click. This effort reduces the hassles of time and rigidity of program. The learning is easy and convenient, and our members



now can explore the knowledge in easy and convenient manner.

Code of Ethics

Maintaining professional integrity is the foundation of our profession. In order to maintain the professional integrity, the Institute has adopted the IAESB code of ethics.

The Institute has published the handbook of the code of ethics for professional Accountants based on 2018 edition issued by the International Ethics Standards Board for Accountants (IESBA). Similarly, the Institute has also announced guidelines as part of Code of Ethics relating to Marketing of Professional Services by the Professional Accountants in Public Practice, Guidelines on Networks and Network Firms and Guidelines on Custody of Client Assets/Money, Guidelines on Non Compliance with Laws and Regulation and Guidelines on Professional Appointments.

Training on Audit Practice Manual

As part of the project on Strengthening Audit Quality Assurance in Asia and Pacific, a five-day training programme on Audit Practice Manual was conducted by the Institute from 3-7 December 2018 in partnership with the Asian Development Bank (ADB) in technical support from the Institute of Chartered Accountants in England and Wales (ICAEW). The training was organized to enable the audit firms for delivering quality audit works in compliance with the Nepal Standards on Auditing (NSA) and Code of Ethics using the model Audit Practice Manual. The ICAEW's technical Audit Quality Assurance Specialist Mr. Alan Hind provided the three days 'Train the Trainers Workshop on Audit Practice Manual' to nine chartered accountant members selected by the Institute. Likewise, two-day Training on Audit Practice Manual was provided to the partners of 18 audit firms practicing in Nepal. Those audit firms were among the audit firms that were reviewed for quality assurance by Quality Assurance Board.

Training on Audit of Co-operative

The Institute organized a two days training on Audit of Co-operative covering practical aspects from 10-11 May, 2019. The training was designed to cover topics related to ethics, standards on quality control, planning and controlling of audit, detail substantive and control

procedures, compliance to regulatory requirements, review and completion of audit, auditor's opinion in context of audit of cooperative institutions. More than 50 members of the Institute participated in the training.

Refresher Course on Data Analytics

The Institute organized a refresher course on Data Analytics on 22 Magh 2075. The course aimed to refresh the participants on Data Analytics. The participants learnt about the use and practical application of Excel and Data tools useful while practicing audit. Altogether 33 participants participated in the refresher training.

Workshop on Issues Related to Auditing and Role of Monitoring Committee

The Institute organized a one day interactive workshop on "Issues Related to Auditing and Role of Monitoring Committee" in Pokhara on 15 June, 2019. The workshop imparted information relating to roles of monitoring committee, regulations and other provisions governing accounting profession. All together 78 participants participated the workshop.



Domain 3: Members and Accounting Profession: Market Development

Strategic Goals

Establish ICAN members as efficient and effective service providers in senior management, accounting, assurance, taxation, finance and business advisory services to the private and public sector.

Market development of accounting profession has always been our focus. Creating market demand for accounting professional and meeting such market demand is amongst our core activities. We continually explore the roles that a individual members' skillset could offer and what new markets and services they can add value to. Our activities aim to enhance credibility of our members so that market itself opens for new avenues for our members. We advocate that skill set possessed by our members is wide enough to deliver business requirements globally.

Key Activities and Achievements

Information Session on Mutual Pathway between ICAN and CPA Australia

The Institute organized an Information Session on Mutual Pathway between ICAN and CPA Australia in Kathmandu on 10th September, 2018. The session was successful to provide information on pathway of our members to become CPA.

Mutual Collaboration Agreement with ACCA

In its continuous effort for increased recognition of the Institute and its members in the international arena, the Institute has signed a Mutual Collaboration Agreement with Association of Chartered Certified Accountants (ACCA), UK on 30th April, 2019 in the United Kingdom. ICAN and ACCA. have agreed on the principles for recognition that will apply to members of both bodies which is based on professional program and examinations with practical experience.

Memorandum of Understanding with AICPA

In its continuous effort of establishing International image and exploration of avenues for technical collaboration, the Institute has signed Memorandum of Understanding (MoU) with the Association of International Certified Professional Accountants (AICPA) on 31st May 2019 in Malaysia.



MoU signed with the Association of International Certified Professional Accountants (AICPA)



A Glimpse of Students Participation in Orientation Program



Domain 4: Education

Strategic Goals

Ensure that the ICAN attracts the best and brightest students and impart world class education, training and professional development opportunities.

At the domestic front, Institute is the sole provider of professional accounting education as per International standards. Our Chartered Accountancy education scheme is designed to provide students with practical insight of the real world requirements. Our education scheme is flexible and we establish it as a center of attraction to all those who desire to shape their career in accounting industry. We have achieved mutual recognition and reached mutual agreements with

accounting bodies Internationally and this provides global access with national education. We also provide opportunities to our students with extracurricular activities at national and International level.

Key Activities and Achievements

Education Schemes

The Institute provides Chartered Accountancy Education. Students successful in examination of the education scheme are admitted as chartered accountant members of the Institute upon completion of mandatory Article Ship Training and General Management and Communication Skill (GMCS) training. The Institute also runs education scheme for accounting technician.

During the year 3433 students enrolled in different level of Chartered Accountancy Course and accounting technician course. 1,943 new students registered for chartered accountancy education and 21 students registered for education scheme of accounting technician.

Career Counseling

With a view to raise awareness about Chartered Accountancy Education, the Institute organized career counseling program on chartered accountancy education which included college visit and seminars in different part of the country. The program highlighted on the eligibility criteria for enrollment, future prospects, and International recognition and membership criteria of the Institute.

Examination

The Chartered Accountancy Examinations in December 2018 and June 2019 have been conducted successfully. Of the student appearing in examination, 1306 students qualified in CAP I level examination, 346 students qualified in CAP II level examination and 80 students qualified in CAP III level examination as follows:

December 2018 Examination:

Details	CAP I	CAP II			CAP III		
	Total	Group I	Group II	Both	Group I	Group II	Both
Applicants	1136	403	269	937	246	211	177
Appeared	1078	308	228	874	214	180	174
Passed	629	50	84	61	25	24	6
Qualified	629	123			33		

June 2019 Examination:

Details	CAP I	CAP II			CAP III		
	Total	Group I	Group II	Both	Group I	Group II	Both
Applicants	1130	398	252	1022	258	225	262
Appeared	1055	301	220	963	233	197	253
Passed	677	90	134	121	33	27	13
Qualified	677	223			47		



Of the two students appearing in examination of AT scheme, one student qualified in the examination.

The Institute also conducted CA membership examination during December 2018 and June 2019 for students completing CA education course from foreign accounting body. In both the examination a total of 506 students applied for examination whereas 424 students appeared the examination and 31 students qualified in the examination.

General Management and Communication Skill (GMCS) Training

As a part of the curriculum of the CA education scheme, the Institute conducted the mandatory General Management and Communication Skill (GMCS) training for its 14th and 15th batch students at ICAN premises. This training was organized to enhance better oral, written and non-verbal communication. This training is designed to enhance the quality of general management skill required for attaining higher level position. Altogether 52 students participated in the training respectively in both the batches.



Participants of GMCS training program with ICAN Officials

Suggested Answers Papers/ Revision Test Papers

The Institute published Suggested Answers of June 2019 and December 2018 examination and Revision Test paper (RTP) for December 2018 and June 2019 examination for CAP II and CAP III level. These materials are published to assist students in preparing the CA examinations. The Institute has been regular in publishing study materials.

Crash Course

The Institute conducted two sessions of crash course of 75 hours for CAP II & CAP III level students in Kathmandu. The course aimed to provide short guidance on course matter with special focus on clarifying the needs of the students.

Altogether 97 students of CAP II and 34 students of CAP III attended the course. For the first time in the history of the Institute, crash course for the CAP II level students was conducted in outside Kathmandu valley, i.e. at Pokhara where 30 students attended the program.

Scholarship

The Institute in its endeavor to provide CA education to the underprivileged and needy students with academic excellence has been providing partial and full scholarship every year to students pursuing chartered accountancy course. The scholarship amount has been provided to the students on the basis of need cum merit basis selected by the Executive Committee. Altogether 82 students studying at different levels of chartered accountancy course received the scholarship. Full scholarship was provided to 38 students and partial scholarship was provided to 44 students.

In order to attract meritorious and diligent students to pursue Chartered Accountancy education, the Institute has introduced new criteria of scholarship scheme by provisioning 20% of allocated scholarship to those students.

ICAN Commerce Olympiad, 2018

The Institute organized "ICAN Commerce Olympiad, 2018" on 21 December, 2018. The objective of the program was to explore commerce talent from secondary and higher secondary levels and to create awareness about the Institute, chartered accountancy education and future prospects of the accounting professionals among the participants. Altogether 32 students of various schools and colleges participated in the event. The winners of ICAN Commerce Olympiad were provided with opportunity to compete with the students selected at SAFA (South Asia Federation of Accountants) level.

Similarly, forty-nine students of grade IX and X and grade XI and XII, representing eleven schools and colleges participated in commerce Olympiad organized by the Institute on 10 and 11 January, 2019.



Participants in ICAN Commerce Olympiad, 2018

ICAN Quiz and Elocution Contest

The Institute organized ICAN Quiz and Elocution Contest on 10-11 January, 2019 amongst CAP III level students. These programs were organized with the objective of motivating students towards focused study of financial reporting standards and developing the future speakers for the profession. Altogether, 17 and 9 Students participated in the quiz and elocution contest respectively. The winners of the contest represented the Institute in SAFA Quiz and Elocution Contest.

SAFA Quiz and Elocution Contest

Four students from CAP III level of the Institute participated in the SAFA Quiz and Elocution Contest held in Pune, India organized by Institute of Chartered Accountants of India (ICAI). Among four students of ICAN, Suchana Kafle bagged 2nd runner up position in the Elocution contest. The contests were participated by the students of SAFA member bodies Bangladesh, India, Nepal and Sri Lanka.

Participation in International Conference of CA Students

Two students from CAP III level participated in 33rd International CA Students Conference, on the theme "Generation Y: Realizing the Potential" organized by Chartered Accountants Student Society (CASS), Sri Lanka, on 12 March, 2019. Students representing SAFA member's bodies were other participants in the conference.

Students of CAP III level participated in the International conference on "Knowledge and Training with Ethical

Pathway to professional Excellence" organized by The Institute of Chartered Accountants of India (ICAI) at Ahmedabad, India from 5 - 6 January, 2019. Our students presented the technical papers on the topics provided by the ICAI. Students from SAFA member bodies participated in the international conference.

Students of CAP III level participated in the International conference on "Generation and Realizing the Potential" organized by the ICA Sri Lanka at Colombo, Sri Lanka on 17 March 2019.

Similarly, our students of the CAP III level participated in the International Conference on "Conquer your dream: Be Limitation" organized by the Institute of Chartered Accountants of Pakistan at Lahore, Pakistan on 20 October 2018. Students from SAFA member bodies participated in the International conference.

Orientation Program of CAP I level Students

The Institute with the objective to welcome and orient newly enrolled Chartered Accountancy Professional Level (CAP I) students, organized an orientation program on 18 September 2018 and 2-3 July 2019 at ICAN building Satobato, Lalitpur. Similarly, the Institute organized one day orientation program at Birgunj and Pokhara on 17 July 2019 and 12 July 2019 respectively, Altogether 36 students participated in the orientation program organized at Birgunj and 38 students participated in the orientation program organized at Pokhara. The program was conducted to give an overview of the Institute, Curriculum, Examination Process, Career Opportunities, and facilities offered to the students.



Rank Holder Student Receiving Award from Chief Guest



58th SAFA Board Meeting



Domain 5: International Relations and Global Positioning

Strategic Goals

Harmonize with International standards in the areas of education and other technical standards and to create an environment of mutual recognition and understanding with international accounting bodies and foster international relationship to recognize ICAN as a world class accounting body.

The Institute has established International relations to enhance its credibility and achieve professional excellence. The Institute organizes and participates in International programs that provides opportunities to explore global best practices. The Institute adapts the global best practices so that its activities and function, including that of its members stay relevant in the dynamic environment.

Key Activities and Achievements

SAFA International Conference

The Institute hosted a full day SAFA International Conference on the theme “Enabling Business Environment for Economic Development” on 4 April, 2019 at Kathmandu. which was inaugurated by the Chief Guest of the program Hon’ble Finance Minister Dr. Yuba Raj Khatriwada. Hon’ble Auditor General Mr. Tanka Mani Sharma (Dangal), Chairman of SEBON Dr. Rewat Bahadur Karki, SAFA President CMA Dr. PVS Jagan Mohan Rao were the guest of Honor during the Ceremony.

The conference consisted of four technical sessions as under:

Session 1: International Trade: Challenges and Opportunities;

Session 2: Foreign Assistance: Growth Prospects of Nation;

Session 3: Foreign Direct Investment and Sustainable Development; and

Session 4: Panel Discussion on “Role of Professional Accountants in Sustainable Economic Environment (Country Experience)”

The paper presenter and panelist in the conference were eminent personalities in the related field Internationally and more than 230 participants including members of the Institute and SAFA member bodies, representatives of SAFA member bodies, Government bodies, and other stakeholders participated in the conference. Papers were presented on International scenario of trade, opportunities, prospects and challenges of Nepalese organizations in International trade, foreign direct investment and its role in sustainable development among others.

SAFA events organized

The Institute organized following SAFA Committees and Board Meeting from 04 – 06 April, 2019 at Kathmandu:

- Meeting of Committee for Improvement in Transparency, Accountability and Governance;
- Meeting of Committee for Professional Accountants in Business;
- Meeting of Committee on Education, Training and Continuing Professional Development;
- Meeting of Committee to Study Fiscal Regimes and Other Statutory Requirements of Business in SAARC Countries; and
- 58 th SAFA Board Meeting

These meetings discussed on agendas for professional development in the South Asian Region and decisions have been made with an objective to uplift profession by adopting global practices. The

58th SAFA Board meeting was also participated by IFAC President Dr. In-Ki Joo where he assured to extend all corner support to SAFA to strengthen profession in the South Asian Region.

39th Meeting of SAFA Committee on Education, Training and CPD

The 39th Meeting of SAFA Committee on Education, Training and CPD held at New Delhi, India on 28 June, 2018 discussed on the broad framework of scheme of education for SAFA member bodies, comparative study on CPD requirement including monitoring of CPD program of SAFA member bodies.

SAFA International Conference

A Team led by president of the Institute participated in the SAFA International Conference on the theme "Professionals of the Future: 2018 and Beyond" in India on 29 June, 2018. The conference covered different sessions such as Managing Change –Regulatory Framework and Challenges, Essence of Reporting – Governance and Sustainability, Artificial Intelligence: Challenge for the Profession, Insolvency, Restructuring and Business Valuation, Connected World- the Emerging Landscape: Visualizing the future.



Hon'ble Finance Minister Dr. Yuba Raj Khatriwada Inaugurating SAFA International Conference 2019

ICAN Official Visited ICAEW

Team of ICAN officials, led by the Executive Director, visited Institute of Chartered Accountants in England and Wales (ICAEW) to participate in the Quality Assurance Mentoring Program from 13 - 17 August, 2018 jointly organized by the Asian Development Bank (ADB) and Confederation of Asia and Pacific Accountants (CAPA) with the technical support of ICAEW. The QA mentoring visit focused on timely realization of the potential

for improvements of ICAN QA system, boost up the confidence of the reviewers, and provide reference for the ICAN's QA process apart from exposures on several aspects of ICAEW operation in delivering qualitative professional services.

Participation in SAFA Board Meeting

President and Council Members of the Institute together with Executive Director of the Institute participated in the South Asian Federation of Accountants (SAFA) board meeting at Karachi, Pakistan hosted by Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan). The meeting discussed about the formation of a separate committee at SAFA level to facilitate the Mutual Recognition Agreements (MRA) among the CA Institutes of SAFA region as well as among the Cost and Management Institutes (CMA Institutes) of SAFA region by mapping the syllabus/course content being imparted by its member bodies.

Participation in Financial Reform for Economic Development (FRED) – III Conference

ICAN delegation led by President of the Institute participated in Financial Reform for Economic Development (FRED) – III Conference hosted by Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMA Pakistan) on 24 September, 2018. The conference was organized with the theme "Maximizing Private Sector Finances and Solution for Development". The program had three plenary discussions on Fostering an Enabling Environment: Private Sector Investments for Development, Gearing for the Future: New Skills for the Profession and Building Investor Trust through Effective Public Sector Institutions which were moderated and participated by different experts. The conference was mainly focused on public private partnership (PPP) model.

Participation in SAFA Meetings and Workshops

A delegation led by the President of the Institute participated in the SAFA Strategy Meeting organized by the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka) in Colombo, Sri- Lanka on 17 October, 2018.

The delegation participated in the workshop organized by CMA Sri Lanka on "Sustainable Development Goals" on 18 October, 2018 organized by International Federation of Accountants (IFAC) on PAO Development in Sri Lanka.

Similarly, the delegates also participated in the SAFA Committee Meetings and Board Meeting held on 19 October, 2018.

Participation in SAFA Strategy Meeting

A team led by the President of the Institute participated in the SAFA Strategy Meeting on 17 October, 2018 organized by The Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka). The meeting was successful to add value to guide the future activities of the Institute.

WCOA Conference and IFAC, CAPA & SAFA Meetings in Australia

A delegation led by the President of the Institute participated in the conference of World Congress of Accountants (WCOA) organized from 5- 8 November, 2018 in Australia. Similarly, the delegation attended the sideline meetings organized by the IFAC, CAPA and SAFA from 1-4 November, 2018. During the WCOA conference discussion were held about ways to explore a range of key themes, including: protecting the public interest and

building prosperity; addressing the leadership challenge; embracing disruptive technologies and innovation; enhancing ethics and integrity; and exploring sustainable solutions to business, social enterprises, and economies.

SAFA Meeting and International CFO Conference in Dhaka, Bangladesh

A delegation led by the President of the Institute participated in different SAFA Meetings and International CFO Conference on 8 December, 2018 in Dhaka organized by the Institute of Cost and Management Accountants of Bangladesh (ICMAB). The conference highlighted on the facts related to Challenges of Future Corporate Reporting, Impact of Technology and Innovation and Milestones for Journey from CFO to CEO.

IFAC President's Visit to ICAN

Dr. In-KI Joo, the President of International Federation of Accountants (IFAC) visited the Institute on 7 April 2019. During the visit, a meeting was organized to discuss about the accountancy profession in Nepal and functioning



Dr. In-KI Joo, President of IFAC with ICAN President and Vice-President



modalities of the Institute including that of the Nepal Accounting Standards Board and Nepal Auditing Standards Board. A presentation on the related subject was made by the Executive Director of the Institute, Chairman of Accounting Standards Board, and Chairman of Auditing Standards Board.

Participation in CAPA Meetings

Confederation of Asian and Pacific Accountants (CAPA) organized Committees, Board and Members meeting in Malaysia from 30 May, 2019 – 01 June, 2019. A delegation led by the President represented the Institute in the meeting.

SAFA President Meeting with the SAARC Secretary General

A team of delegates led by President of South Asian Federation of Accountants (SAFA), Dr. PVS Jagan Mohan Rao had a cordial meeting with the SAARC Secretary General H. E. Mr. Amjad Hussain B. Sial. The meeting was attended by the Executive Director of the Institute and the officials from the SAARC Secretariat. The meeting coincided with the SAFA Events held from 4 – 6 April, 2019 at Kathmandu, Nepal.

In the meeting, SAFA President shared with the Secretary General, the ongoing cooperation in the field of accounting profession between and among the member bodies of SAFA. The SAARC Secretary General promised his support and participation in the SAFA events to be organized in future which highlights the regional cooperation in the accounting profession.



SAARC Secretariat Delegates with SAFA President

Participation in CAPA Roundtable Stakeholder's Meeting

Executive Director participated in the 'ICAI – CAPA Joint Roundtable Stakeholder's Meeting on Public Sector Financial Management (PSFM)' organized by the Institute of Chartered Accountants of India (ICAI) jointly with Confederation of Asian and Pacific Accountants (CAPA) on 11 March, 2019 in New Delhi, India. The objective of the meeting was to sensitize the relevant stakeholders of public sector for moving towards more improved financial reporting. The discussion at the meeting was aimed at role of accountancy profession in improving financial management in public sector.

During the visit to India, the Executive Director and Assistant Director of the Institute also had a meeting with Council Members and Executive Director of ICAI to expedite the ongoing technical collaboration dialogue between the two Institutes.

Domain 6: Leadership and Influence

Strategic Goals

Lead and engage in policy reform processes of the Government and by speaking out on areas where the profession's expertise is highly relevant

The Institute considers leadership as key strength. Council members and past council members provide leadership to the Institute. The Institute is committed to make provision for representation of skilled leadership in the council. The relation of the Institute with stakeholders, Government and international bodies provides leadership strength to the Institute. The Institute leads the accounting profession in the country and provides leadership for its development.



ICAN Celebrating 22 Years of Professional Excellence

Key Activities and Achievements

The Institute organized various program on current topics as leader of the profession. These events addressed the concerns of stakeholders that were of critical importance needing professions expertise. Brief of these events are discussed in other sections of this annual report.



Conference on Enabling Business Environment for Economic Development

Domain 7: Institutional Development and Sustainability

Strategic Goals

Ensure that ICAN is governed, structured and resourced appropriately with good governance.

With strategic intent to ensure organizational effectiveness through appropriate structure resources and process reengineering, we have been implementing and adapting practices for institutional development and sustainability. This includes modification of current practices, blending technology in process and implementing new process and methodology to strengthen the Institute.

Key Activities and Achievements

Know your Members (KYM)

The Institute has designed and implemented online services for Know Your Members (KYM). This initiation now builds data repository of our members. Members are required to update their relevant information using platform in the website of the Institute.

Unique Document Identification Number (UDIN)

The Institute has completed development of system for UDIN. Now members are required to specify unique number to identify documents issued by them. The unique number is generated by the system based on information provided by the members. This process is expected to protect the interest of the profession.

Oath Taking Ceremony of 8th Council

The oath taking ceremony of President-elect CA. Jagannath Upadhyay (Niraula), Vice President-elect CA. Krishna Prasad Acharya along with newly elected Council Members of the Institute was held at



Hon'ble Finance Minister Dr. Yuba Raj Khatiwada addressing the Participants

Kathmandu on 17 July, 2018. Honorable Auditor General of Nepal Mr. Tanka Mani Sharma (Dangal), in the presence of Chief Guest of the program Honorable Finance Minister Dr. Yuba Raj Katiwada, administered the oath to all newly elected Council Members and newly elected President newly elected Vice President of the Institute.

Outgoing President CA. Prakash Jung Thapa handed over "President Medallion" to newly elected President CA. Jagannath Upadhyay (Niraula) and highlighted on

major activities and milestones achieved during his tenure. During the program 7th Council Members were also felicitated for the contribution made to the Institute.

Strategic Plan of the Institute

Coinciding with the oath taking ceremony of 8th Council Members, Honourable Finance Minister Dr. Yubraj Khatiwada released the Strategic Plan (2018-20) of the Institute. The 7th Council of the Institute had approved Strategic Plan (Year 2018-20) as a road map for three years to carry out operations of the Institute. It's implementation is believed to be responsive to the changing needs of the profession that has identified the direction of the Institute into the future which shall serve as guidance for the decisions of the Council, Committees and periodic action plan of the departments of Institute. The

Strategic Plan gives domain wise priorities, goals and strategies for each domain with detailed year wise action plan.

Meeting with focal person of Branch Coordination Committees

The Institute organized meeting with coordinator of Branch Coordination Committees on 24 July, 2018 at ICAN office, Lalitpur. The meeting focused on the activities of the branch offices and their effectiveness. Such meeting was organized for the first time to bridge the gap between the ICAN central office and branch offices. The branches facilitate nationwide presence of the Institute around the stakeholder and ease the administrative procedures.

22nd Anniversary of the Institute

The Institute celebrated its 22nd anniversary program coinciding with a full day conference on "Accounting Profession: Way Forward" on 31 January, 2019 (17 Magh 2075) at Kathmandu, Nepal. The program was inaugurated by Chief Guest of the Honorable Finance Minister Dr. Yuba Raj Khatiwada. Similarly, Governor of Nepal Rastra Bank Dr. Chiranjibi Nepal and Deputy Auditor General Mr. Ishwor Nepal, were the Guest of Honor and Special Guest of the program respectively. The program was participated by ICAN Council Members, Past Presidents, Government Officials, ICAN Members, Students and Staffs.



Speech by Hon'ble Finance Minister Dr. Yuba Raj Khatiwada in ICAN Day

On the occasion, President CA. Jagannath Upadhyay (Niraula) presented annual report for the fiscal year 2017/18 (2074–75). President elaborated the various milestones achieved by the Institute during the period

and future strategy of the Institute during his address. Addressing the program, Chief Guest Honorable Dr. Yuba Raj Khatiwada congratulated the Institute on completion of 22 years' journey and urged Institute and its members to partner in achieving economic growth of the Nation. Similarly, Guest of Honor, Special Guest and first president of ICAN CA. Komal Bahadur Chitrakar addressed the program.

In the program, Certificates and medals were awarded to Merit Holder Students of Chartered Accountancy Examinations conducted in December, 2017 and June, 2018. Winners of ICAN Quiz and Elocution Contest, 2018 and ICAN Commerce Olympiad, 2018 were also felicitated with certificates and prizes. The Institute also felicitated its best employees Ms. Sweta Chitrakar and Mr. Umesh Regmi in recognition of their best performance and contribution to the Institute.

Similarly, CA (Dr.) Suvod Kumar Karn, CA. Sunir Kumar Dhungel and CA. Sudarshan Raj Pandey were felicitated for their valuable service to the Institute as Presidents during the tenure of fifth council (2009-012). Vice President, CA. Krishna Prasad Acharya concluded the ceremony with vote of thanks to all participants.

ICAN E-news

The Institute circulates e-newsletter to its members via email to provide information updates on matters relating to the accounting profession and activities of the Institute.

Canteen Services in ICAN

The Institute, considering the need for easily accessible and healthy refreshments to its members, students and employees, has arranged to start the canteen services officially from 26 April, 2019 within ICAN Premises at ICAN Marg, Satdobato, Lalitpur.

Website of US Chapter Launched

The Institute has launched its US Chapter website. The effort would serve as hub of knowledge sharing for the members in the USA.



Financial Review

Financial Review

The financial objective of the Institute is to ensure that it has sufficient reserves to conduct activities for attaining desired goals.

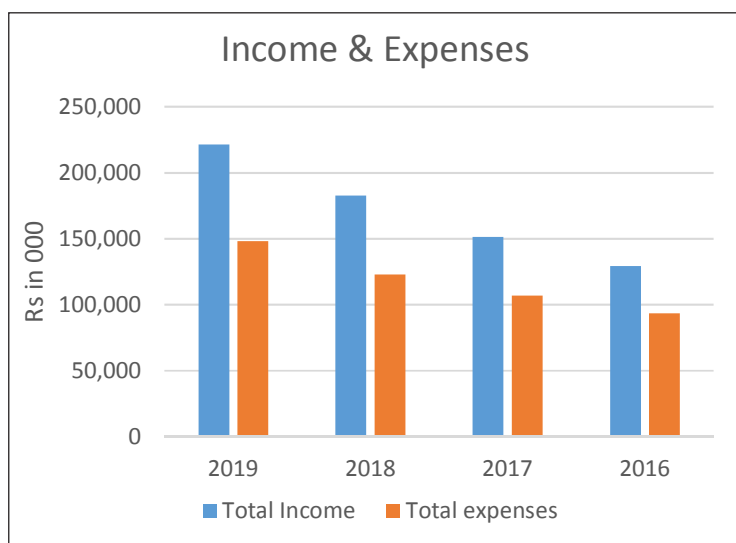
Financial Results and Standing

This year the Institute reports net surplus of Rs. 72.98 million before taxes resulting in growth of funds and reserves by 56.35 million. On year to year basis the growth in fund and reserves is 13% and total income of the Institute increased by 21% to Rs 221.24 million while total expenses for the period is Rs. 148.27 million. The net surplus after tax expenses and other comprehensive income for the year is Rs. 57.23 million compared to Rs. 58.75 million in previous period. The decrease in reported net surplus including OCI is attributed to increase in tax expenses by Rs. 15.12 million due to lower deferred tax income in current period compared to previous period. By the end of the year funds and reserves of the Institute is Rs. 504.61 million and total assets has reached Rs. 607.34 million.

Income

Income from educational activities is the most significant source contributing 49.11% to the total income. The income from examination related activities and educational activities increased by 16.88% and 29.21% respectively. However, income from member related activities and professional activities reduced by 8.91% and 10.12% respectively. The cautious fund management by Institute resulted significant increase of 41.36% in interest income and its contribution to

total income has increased to 13.06% compared to 11.19% in previous year. During the year income of the Institute from publication has decreased by 63.75% and other income increased by 157.24%. The increase in other income is attributed to receipt of PEFA grant of Rs. 2.45 million.



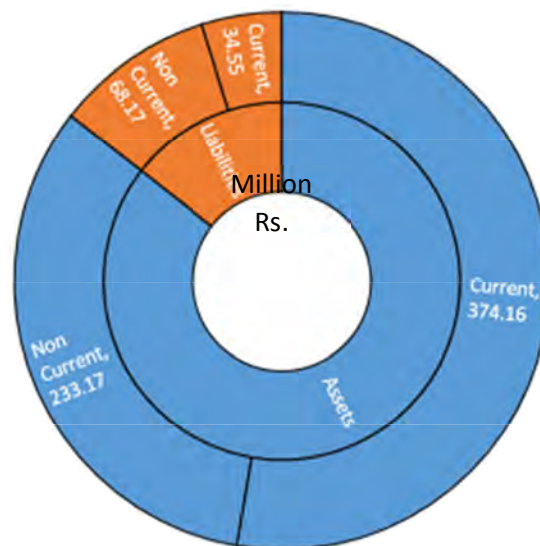
Expenses

For the year under review, the Institute expended 62.47% (61.90% in previous period) of its total income for its activities other than expenditure of Rs. 10.04 million in depreciation and amortization. The employee benefits including provisions for retirement benefit has increased by 14.76% and is 31.78% of total expenses of the Institute. On year to year basis expenses on professional development activities reduced by 16.16% whereas, expenses on members' activity and International affairs increased by 36.70% and 13.49% respectively.



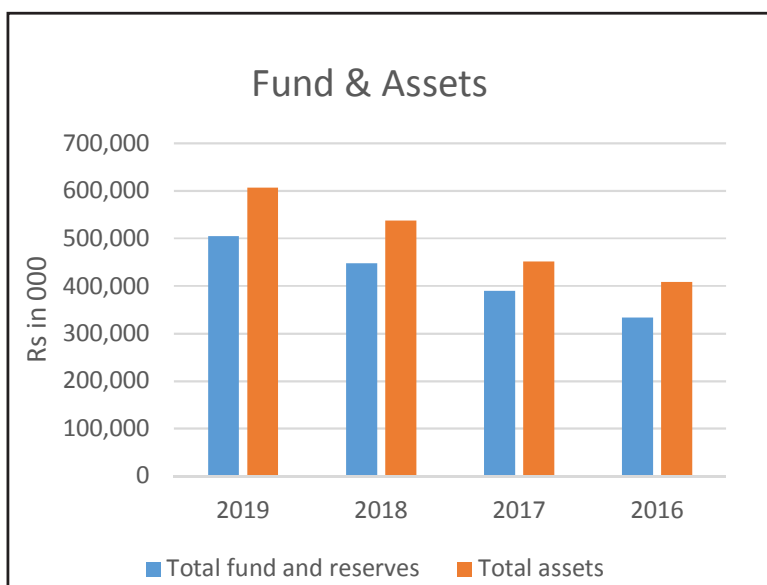
Liabilities and Assets

The non-current and current liabilities of the Institute are 11.23% and 5.69% respectively of its total assets. Employee benefits obligation determined based on actuarial valuation makes up 86.03% of non-current liability. Current assets of the Institute is sufficient to meet the obligation of current liabilities. Surplus of fund after investing in property plant and equipment and amounts set aside for operating activities has been invested as term deposit with banks for short term. Including investment of earmarked funds, total of such investment is Rs. 279.84 million which is 55.46% of total fund and reserves of the Institute.



Fund and Reserves

Earmarked funds created out of amount contributed by various donors including amount transferred from surplus, reserve created against revaluation of the ICAN building, funds created out of amounts received from members and students and surplus from activities of the Institute building funds and reserve of the Institute. Out of the surplus of current period, the Institute has transferred Rs. 3.77 million to earmarked fund i.e. to scholarship fund and employee welfare fund. At the end of the year, the revaluation reserve of building is 5.81% of total funds and reserves.





Four years' financial summary

Year ended Mid July				
Particulars	2019 Rs. '000	2018 Rs. '000	2017 Rs. '000	2016 Rs. '000
Total Income	221,249	182,681	151,462	129,225
Total expenses	148,273	123,049	106,852	93,569
Surplus/(Deficit) before tax	72,976	59,632	44,610	35,657
Tax Expenses	19,266	4,146		
Surplus/(Deficit) after tax	53,710	55,487	44,610	35,657
Actuarial gain/ (loss) on defined benefit plan schemes	3,527	3,265	-	
Total comprehensive income surplus/(deficit)	57,237	58,752	44,610	35,657
Property, plant and equipment	214,032	206,704	204,381	196,968
Intangible assets	1,816	1,534	1,438	1,504
Financial assets	4,956	3,712	54,602	33,818
Prepayment	560	378	2,739	3,320
Deferred tax assets	11,808	11,451	-	-
Total non current assets	233,173	223,779	263,159	235,611
Total current assets	374,163	314,151	188,868	173,262
Total assets	607,336	537,930	452,027	408,874
Total non current liabilities	(68,175)	(58,199)	(53,245)	(52,461)
Total current liabilities	(34,547)	(31,470)	(9,304)	(22,118)
Total net assets	504,614	448,261	389,479	334,294
Reserves	411,792	359,288	304,403	256,492
Earmarked Fund	36,268	31,005	25,694	19,603
ICAN Main Building Fund	56,554	57,968	59,381	58,197
Total fund and reserves	504,614	448,261	389,479	334,294



Way Forward

The Institute shall achieve excellence in all of the strategic domains. The Institute is continually directing its effort to regulate the accounting profession. Establishment of Quality Assurance Board, introduction of UDIN, is expected to enhance regulatory function and in days ahead this function shall remain at focus. Efforts for collaboration with International accounting bodies shall be continually made to enhance recognition of the Institute. In national level, the Institute shall increase its activities to promote the profession. The Institute shall put its efforts to support its members for implementation of the new standards and code of ethics. Capacity development programs shall be taken up to encourage timely adoption new pronouncements.

The Institute has commenced reviewing legal framework of the Institute through a subcommittee constituted for the purpose. Based on the review, the Institute shall make required amendments in the framework to internalize organizational reform. The Institute shall explore further possibilities for cooperation with International accounting bodies for International know-how, exposures and standardization of its regulatory practices with global practices.

The Institute shall emphasize on imparting wide range of post qualification certification courses to its members to include IFRS, Information System Audit (ISA), Forensic Audit, Business Valuation, Public Financial Management and relevant topics that will directly benefit the members and the stakeholders. These courses are planned to produce experts in the relevant area. With view to enhance knowledge base and uniformity in the service rendered by the members, the Institute shall come out with guidelines relating to assurance and other services for different industry. These activities shall be in addition to current capacity development programs.

In line with the priority for strengthening public financial management, the Institute shall launch courses on NPSAS and Public Financial Management targeting employees in public sector, Government office bearers and members of the Institute. We look forward that the

proposed development of concept paper on Revenue Audit supports economic development of the Nation. The Institute shall prioritize updating financial reporting standards with global standards. The implementation aspect shall be facilitated by transfer of knowledge, conducting TOT, capacity development programs and publication of self-learning materials.

Identifying continuous improvement in its education system, the Institute shall update current syllabus designed for crash course and information technology training. Apart from printed study materials, the Institute shall develop video materials for selected subjects at the initial phase. We shall continually upgrade our education process to provide education that is accepted globally.

The stakeholder engagements in activities of the Institute shall be increased. This shall be facilitated by devising e-platform for various process. We shall improvise ICAN App, ERP system and widen the facility for e-payment. Information dissemination to stakeholders shall be made efficient and timely by upgrading and integrating of existing systems. We look forward to implement eprocedures for procurement, student registration, registration for examination and other process of the Institute and overcome geographical distance between the stakeholders and the Institute

We are determined to unlearning the substandard practice, calibrating our process and strengthening management function for establishing the Institute as a Center for Excellence to cater specialized need in the area of regulation, monitoring and supervision, quality control, and research and development in the accounting profession.

The Institute shall take concrete steps for organizational reforms strengthening its functional structure. Improvement in regulatory role of ICAN shall remain on priority and institutionalization of the functionality of the Institute besides branding of the Institute shall remain at focus.

For extended outreach of the Institute and provision of required infrastructure, regional offices of the Institute shall be established in coordination with the Government in the form of resource center. We look forward to launch e-learning facility for our students and excel by integrating reliable and secure system in our process. We shall deliver on the expectation of stakeholders by advancing research and development.

- Reviewing legal framework
- Internalizing organizational reform
- Certification courses
- Capacity development programs
- Updating financial reporting standards
- Updating current syllabus
- Video materials
- Self-learning materials
- Stakeholder's engagement
- Information dissemination



CENTER FOR EXCELLENCE

As core objective of the Institute is to achieve the execution of efficient processes that help achieve goals and thus a satisfactory service delivery to members, students and stakeholders, we have taken up concept of establishing Centre for Professional Excellence within the Institute to cater specialized services by devising

Research and Development Centre, Professional Support Centre, Information and Technology Centre, Academic Centre and development and implementation of Standards and Guidelines to support members, students, stakeholders and Government at large.



Council

Council is the governing body of the Institute and provides leadership and direction to achieve strategic objectives and goals.

Council of the Institute is constituted as per provisions of Nepal Chartered Accountants Act, 1997. Of the total seventeen members ten are elected from Chartered Accountants members, four from Registered Auditor members and three are nominated by the Government of Nepal. The Council is elected every three years. The President and Vice President are elected from the Fellow Chartered Accountants members of the Council for the period of one year. The council is led by president and the council collectively provides leadership and direction to the Institute.

The Council is conferred by the statute to exercise all the powers and perform all the duties laid in the incorporating Act for attainment of the objectives of the Institute. The Council is responsible for monitoring and managing all the acts and actions of the Institute.

Council Members



CA. Krishna Prasad Acharya
President (2019/20)



CA. Madan Krishna Sharma
Vice President (2019/20)



CA. Jagannath Upadhyay (Niraula)
Immediate Past President



CA. Surendra Shrestha
Council Member



CA. Bishnu Prasad Bhandari
Council Member



CA. Bidhyabaridhi Sigdel
Council Member



CA. Kiran Dongol
Council Member



CA. Yuddha Raj Oli
Council Member



CA. Mahesh Sharma Dhakal
Council Member



CA. Peeyush Anand
Council Member



RA. Kedar Nath Poudel
Council Member



RA. Abdul Karim Khan
Council Member



RA. Meera Shrestha
Council Member



RA. Bahadur Singh Bista
Council Member



Mr. Jeevan Prasad Suvedi
Council Member



Ms. Chandrakala Paudel
Council Member



Mr. Shanker Krishna Shrestha
Council Member



CA. Sanjay Kumar Sinha
Executive Director/Secretary

Committees & Boards (2075/76)

Standing Committees are formed by Council as required by Nepal Chartered Accountants Act, 1997. The constitution, functions and duties of standing committees are provided in the legislation. The Council has formed other non-standing committee for attainment of the objective of the Institute. Beside the committees are boards that function independently.

Standing Committees

Role	Executive Committee	Professional Development Committee	Disciplinary Committee
Major Functions	overseeing the day-to-day business of the Institute,	provide guidance and support for professional development	inquire into a complaint and recommend the Council for necessary action
Chairman	CA. JAGANNATH UPADHYA (NIRAULA)	CA. JAGANNATH UPADHYAY (NIRAULA)	CA. MADAN KRISHNA SHARMA
Vice-Chairman	CA. KRISHNA PRASAD ACHARYA	CA. KRISHNA PRASAD ACHARYA	CA. SURENDRA SHRESTHA
Members	CA. MAHESH SHARMA DHAKAL RA. KEDAR NATH POUDEL	CA. PEEYUSH ANAND RA. ABDUL KARIM KHAN MR. JEEVAN PRASAD SUVEDI CA. BIJAYA RAJ GHIMIRE RA. KAMAL KHAREL	RA. BAHADUR SINGH BISTA MS. CHANDRAKALA PAUDEL CA. SUJAN SHRESTHA RA. GANESH RAJ RAI MR. TRILOCHAN ACHARYA
Secretary	CA. SANJAY KUMAR SINHA	MR. BINOD PRASAD NEUPANE	MS. GOMA RAUT

Role	Examination Committee
Major Functions	oversee examination related matters
Chairman	CA. Jagannath Upadhyay (Niraula)
Vice-Chairman	CA. KRISHNA PRASAD ACHARYA
Members	CA. BISHNU PRASAD BHANDARI CA. BIDHYABARIDHI SIGDEL RA. MEERA SHRESTHA CA. BINAY PRAKASH SHRESTHA RA. DOL PRASAD DAHAL
Secretary	MR. SHYAM MANI DAHAL

Non-Standing Committees

Role	Editorial committee	Ethics Committee	Continuing Professional Education Committee
Chairman	CA. JAGANNATH UPADHYAY (NIRAULA)	CA. KAUSHALENDRA KUMAR SINGH	CA. SUVOD KUMAR KARN
Members	CA. KRISHNA PRASAD ACHARYA CA. DHRUBA ADHIKARI CA. HEMANTA POKHAREL CA. SHAILENDRA UPRETY CA. RISHI RAM POUDEL RA. DHARANIDHAR ADHIKARI RA. HEM BAHADUR KARKI RA. RAM GOPAL MAHARJAN	CA. PEEYUSH ANAND MR. SHANKAR KRISHNA SHRESTHA CA. MADAN KUMAR NIRAULA CA. NAVA RAJ THAPALIYA CA. RAM CHANDRA PANDIT CA. JIWAN KUMAR BUDHATHOKI RA. VINOD KUMAR CHAKHUN RA. PRADIP KUMAR YADAV	CA. MAHESH SHARMA DHAKAL RA. MEERA SHRESTHA CA. MUKUNDA MAHAT CA. SANTOSH LAMSAL CA. NAVARAJ LAMICHHANE CA. PRAMOD BHURJI RA. KESHAB RAJ ACHARYA RA. BALRAM CHAUDHARI
Secretary	MR. BINOD PRASAD NEUPANE	MS. GOMA RAUT	MR. BINOD PRASAD NEUPANE



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

Role	NFRS Implementation Committee (Other than Bank)	NFRS Implementation Committee (Bank & Financial Institutions)
Chairman	CA. KOMAL BAHADUR CHITRACAR	CA. MAHESH KUMAR GURAGAIN
Members	CA. SURENDRA SHRESTHA CA. YAGYA RAJ BHATTA CA. SURESH RAJ KHAKUREL CA. BISESH BIBU ACHARYA CA. ANIL PAUDEL RA. UKU LAL MAHARJAN RA. YUBA RAJ DAHAL	CA. KIRAN DONGOL CA. PRABIN KUMAR JHA CA. BIDUR LUITEL CA. ANUJ ACHARYA RA. NIRANJAN PRASAD NEUPANE RA. HARI BAHADUR KARKI
Invitee	MR. KRISHNA RAJ POKHREL CA. GOPAL PAGANI MR. SURYA RAJ POUDEL	DR. NABARAJ ADHIKARI
Secretary	CA. KIRAN KHATRI	CA. GHANASHYAM KAFLE

Role	Auditing Standards Implementation Committee	Committee on Public Finance NPSAS	Audit Committee
Chairman	CA. BIJAY KUMAR AGRAWAL	CA. PRADEEP KUMAR SHRESTHA	CA. MADAN KRISHNA SHARMA
Members	CA. PEEYUSH ANAND MR. JEEVAN PRASAD SUVEDI CA. SUDHIR KUMAR SHARMA CA. ACHYUT RAJ JOSHI CA. TEJ PRASAD SUBEDI CA. AMAN UPRETY RA. DHRUBA PRASAD PAUDEL RA. NARAYAN BAHADUR BHANDARI	CA. BISHNU PRASAD BHANDARI CA. RAJENDRA MANGAL JOSHI CA. MEGHRAJ ARYAL RA. SHIVA PRASAD ACHARYA MR. BAIKUNTHA BAHADUR ADHIKARI MR. BABURAM SUBEDI	RA. ABDUL KARIM KHAN MR. JEEVAN PRASAD SUVEDI
Secretary	CA. GAURAV KHWAUNJU SHRESTHA	CA. GHANASHYAM KAFLE	CA. GAURAV KHWAUNJU SHRESTHA

Role	Expert Advisory Committee	Information Technology Committee (IT)	Small and Medium Practices Committee
Chairman	CA. NARENDRA BHATTARAI	CA. SUNIR KUMAR DHUNGEL	CA. PRABHU RAM BHANDARY
Members	CA. YUDDHA RAJ OLI CA. SUBHASH KUMAR JHUNJHUNWALA CA. BHASKAR SINGH LALA CA. NIRAJ SUBEDI CA. DHARMA RAJ SAPKOTA RA. DASI RAM KHANAL RA. MADHAV PRASAD PARAJULI RA. POSHAK LAL SHRESTHA	CA. YUDDHA RAJ OLI CA. NARAYAN KRISHNA JOSHI CA. MUKUND POKHAREL CA. RAMESH KUMAR DHITAL CA. DEEPAK PYAKUREL CA. PRADEEP SIGDEL RA. KUMAR PRASAD KHATIWADA RA. PRADIP RAJ OSTI	CA. KIRAN DONGOL CA. PRAMOD KUMAR SWARNKAR CA. GYANENDRA SUBEDI CA. HUKUM PAHADI CA. SHANKAR THAPA RA. RAJENDRA PRASAD DHUNGANA RA. HEMA RAJ PAUDEL RA. RAMJI PRASAD ADHIKARI
Secretary	CA. KIRAN KUMAR KHATRI	MR. BASANTA KRISHNA LOKESHWOR RANJITKAR	MR. BINOD PRASAD NEUPANE



Role	Monitoring Committee	Recruitment Committee	Financial Reporting Review Committee
Chairman	CA. MADHU BIR PANDE	CA. KRISHNA PRASAD ACHARYA	CA. PRAKASH LAMSAL
Members	CA. SURENDRA SHRESTHA RA. BAHADUR SINGH BISTA MR. SHANKER KRISHNA SHRESTHA CA. SUJAN KUMAR KAFLE CA. MUKTIBODH NEUPANE RA. BHARAT KUMAR SHRESTHA RA. SHIBAJI PANDEY RA. SHOBHA KANT JHA	RA. KEDAR NATH POUDEL MS. CHANDRAKALA PAUDEL	MS. CHANDRAKALA PAUDEL CA. PURNESHWOR SHRESTHA CA. PARMESHWAR MAHA Seth CA. MAHESWARENDRA BAHADUR SHRESTHA CA. SAGAR BHANDARI RA. ATMARAM CHAPAGAIN
Secretary	MS. GOMA RAUT	CA. SANJAY KUMAR SINHA	CA. GAURAV KHWAUNJU SHRESTHA

Role	Committee for members in Industry	International Affairs Committee (MRA) Committee	Research & Development
Chairman	CA. NARAYAN BAJAJ	CA. SUVOD KUMAR KARN	CA. PRAKASH JUNG THAPA
Members	CA. BIDHYABARIDHI SIGDEL CA. DINESH THAKALI CA. PRAKASH BARAL CA. RANJEEV SHRESTHA CA. GAURAV RIJAL CA. SUBASH POUDEL RA. JAYA KUMARI JHA RA. SURYA NARAYAN JHA	CA. JAGANNATH UPADHYAY (NIRAULA) CA. KRISHNA PRASAD ACHARYA CA. PRAKASH LAMSAL CA. BHARAT RIJAL RA. MOHAN RAJ REGMI	CA. BIDHYABARIDHI SIGDEL CA. SUNIL JAKIBANJA CA. CHHABI LAL ACHARYA CA. DEEPAK PANDEY RA. KESH BAHADUR K.C. RA. DILLI PRASAD DAHAL MR. RAMESH SILWAL
Secretary	MS. PRAGYA ARYAL	CA. SANJAY KUMAR SINHA	MS. SAMITA DONGOL

Role	Law Reform committee	Fiscal & Taxation Committee	RA. Member Capacity Development Committee
Chairman	CA. KRISHNA PRASAD ACHARYA	CA. SUDARSHAN RAJ PANDEY	RA. KEDAR NATH POUDEL
Members	CA. KUMUD TRIPATHY CA. BHANU BHAKTA JOSHI CA. BHAVANATH DAHAL CA. KABINDRA DAHAL CA. RAKESH SHRISH RA. DEVI PRASAD DALLAKOTI RA. PREM BAHADUR SHRESTHA	CA. BISHNU PRASAD BHANDARI CA. SANTOSH GHIMIRE CA. SUJAN KUMAR ACHARYA RA. TRILOCHAN PRASAD JOSHI RA. HIRARATNA BAJRACHARYA RA. SHANKAR GYAWALI	RA. YADAV PRASAD NYAUPANE RA. SURYA PRASAD ADHIKARI RA. BADRI PRASAD BHATTARAI CA. DHIRAJ RAJ SUBEDI RA. PURNA BAHADUR CHAND RA. JHALAK MANI LAMSAL RA. UTSAB KC RA. POSH RAJ NEPAL RA. BHOLANATH PATHAK RA. KAMOD JHA RA. TILAK BAHADUR ADHIKARI
Invitee	CA. SANJAY KUMAR SINHA		
Secretary	MS. GOMA RAUT	MR. MAHESH CHITRAKAR	MR. BINOD PRASAD NEUPANE



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

Role	Contemporary Issue Discussion Committee	Committee For NPO's and Cooperative	Women Leadership Committee
Chairman	CA. MAHESH KHANAL	CA. TANKA PRASAD PANERU	RA. MEERA SHRESTHA
Members	CA. YUDDHA RAJ OLI CA. RAJNISH DAHAL CA. SANTOSH PANTA CA. JAGDISH KHADKA RA. DR. DURGA NAND CHAUDHARI RA. JHANAK RAJ DHUNGEL	MR. SHANKER KRISHNA SHRESTHA CA. CHANDRA SHEKHAR PRASAD DEO CA. PUNYA PRASAD PRASAIN CA. AMRIT SHRESTHA RA. DILLI RAM UPADHYAY (SUBEDI) RA. CHIRANJIBI DWA RA. NAVA RAJ SAPKOTA MR. SASHI KUMAR LAMSAL	CA. PRAMILA SHRESTHA CA. ASMITA GORKHALI CA. ANJANA POKHAREL CA. SWEETY AGRAWAL CA. SRISTI KOIRALA RA. MAYA BADE SHRESTHA
Secretary	CA. GHANASHYAM KAFLE	MR. MAHESH CHITRAKAR	MS. SAMITA DONGOL

Role	Building Committee	Role	ICAN Advisory Committee
Chairman	CA. SUVOD KUMAR KARN	Co-ordinator	CA. JAGANNATH UPADHYA (NIRAULA)
Members	CA. MAHESH SHARMA DHAKAL CA. SUBHASH KUMAR JHUNJHUNWALA CA. BAL KRISHNA MAN SINGH RA. MOHAN KUMAR PARAJULI RA. TANKA PRASAD PANDEY RA. RAJENDRA SHRESTHA RA. GOVINDA PRASAD REGMI RA. PRADIP RAJ PANT RA. BHIMSEN KUMAR GAUTAM	Members	CA. KOMAL BAHADUR CHITRACAR CA. TIRTHA RAJ UPADHYAYA CA. KAUSHALENDRA KUMAR SINGH CA. GOPAL PRASAD RAJBHAK CA. PRABHU RAM BHANDARY CA. BIJAY KUMAR AGRAWAL CA. PRADEEP KUMAR SHRESTHA CA. PUSPA LALL SHRESTHA CA. NARAYAN BAJAJ CA. RATNA RAJ BAJRACHARYA CA. TANKA PRASAD PANERU CA. SUVOD KUMAR KARN CA. SUNIR KUMAR DHUNGEL CA. SUDARSHAN RAJ PANDEY CA. MADHU BIR PANDE CA. MAHESH KUMAR GURAGAIN CA. NARENDRA BHATTARAI CA. PRAKASH LAMSAL CA. MAHESH KHANAL CA. PRAKASH JUNG THAPA
Secretary	CA. SANJAY KUMAR SINHA	Secretary	CA. SANJAY KUMAR SINHA

Boards

Role	Board Of Studies	Accounting Technician Board	Quality Assurance Board
Chairman	CA. JAGANNATH UPADHYA (NIRAULA)	CA. SUVOD KUMAR KARN	RA. DEV BAHADUR BOHARA
Members	CA. KRISHNA PRASAD ACHARYA CA. SURENDRA SHRESTHA CA. YUDDHA RAJ OLI RA. BAHADUR SINGH BISTA RA. DINKAR MAN SINGH PRADHAN PROF. DR. DILLI RAJ SHRAMA PROF. DR. PUSHKAR BAJRACHARYA MR. SAROJ KRISHNA GHIMIRE	CA. KRISHNA PRASAD ACHARYA CA. MADAN KRISHNA SHARMA MR. JEEVAN PRASAD SUVEDI RA. KEDAR NATH POUDEL RA. MEERA SHRESTHA	CA. KIRAN DONGOL RA. ABDUL KARIM KHAN CA. BADRI KUMAR GURAGAIN RA. LAXMAN PRASAD KHANAL MR. PARISTHANATH POUDYAL MS. BINDU BISTA
Invitee	CA. SANJAY KUMAR SINHA		
Secretary	CA. GAURAV KHWAUNJU SHRESTHA	CA. GAURAV KHWAUNJU SHRESTHA	CA. SANJAY KUMAR SINHA



Branch Advisory Committees

Branch Advisory Committees are formed for smooth functioning of branches.

Role	Butwal Branch	Biratnagar Branch	Birgunj Branch	Pokhara Branch
Co-ordinator	CA. HARI LAMSAL	CA. PAWAN KUMAR RATHI	CA. ARVINDKUMAR KHETAN	CA. RUDRA NATH POKHAREL
Members	CA. PREM BHURTEL CA. PRAMOD PANTHEE RA. SHRIDHAR RAJ SHARMA RA. GOVINDA PRASAD REGMI	CA. SUSHIL KUMAR AGRAWAL CA. MANOJ ADHIKARI RA. POSH RAJ NEPAL RA. PRAKASH NARAYAN CHAUDHARY RA. PHANENDRA PRASAD PARAJULI RA. BIJAY HARI SHARMA	CA. RAMESH AGRAWAL CA. SUBHASH KHANDELWAL CA. SANDIP RAUNIYAR RA. MANOJ SRIWASTAB RA. DIN NATH RAUNIYAR RA. PRADYUMNA EDAI	CA. AMIT THAPA CA. LAXMAN ADHIKARI RA. KESH BAHADUR RA. CHANDRA SUBEDI RA. CHANDRA BAHADUR THAPA

Changes in the Composition of Non-Standing Committees

The Council of the Institute with a view to make non-standing committees more result oriented and to empower the management towards assigned responsibilities and day-to-day decision-making process has formed a task force to review the roles and responsibilities of all non-standing committees of the year under review. The task force has submitted their report recommending formation of only twelve non-standing committees instead of twenty-five non-standing committees after having thorough review of the terms of reference of all the non-standing committees and obtaining feedbacks of council members and staffs of the Institute. A collaborative approach was adopted by the task force to combine the overlapping roles and responsibilities of various non-standing committees and of management to arrive at substantive reduction in the number of non-standing committees. The task force has also suggested forming non-standing committees in the Chairmanship of the Council Members to make them more responsible towards Council.

1. Ethics Committee

S.N.	Member Name	Position
1	CA. KIRAN DONGOL	Chairman
2	RA. BAHADUR SINGH BISTA	Council Member
3	MR. BAMDEV SHARMA ADHIKARY	Council Member
4	CA. SHAMBHU PRASAD CHAUDHARY	Member
5	CA. RAJESH PARAJULI	Member
6	CA. RANJIT KUMAR YADAV	Member
7	CA. ANJANA POKHAREL	Member
8	CA. PRIYANK POKHREL	Member
9	RA. SHIVA PRASAD ACHARYA	Member
10	RA. SURYA NARAYAN JHA	Member
11	RA. CHANDRA BHAKTA SHRESTHA	Member
12	PADAM RAJ POUDEL	Member
13	MS. GOMA RAUT	Secretary

2. Standard Implementation Review Committee

S.N.	Member Name	Position
1	CA. SURENDRA SHRESTHA	Chairman
2	RA. KEDAR NATH POUDEL	Council Member
3	CA. MANISH AMATYA	Member
4	CA. MAHESH GODAR	Member
5	CA. SURESH RAJ KHAKUREL	Member
6	CA. BISESH BIBU ACHARYA	Member
7	CA. ANIL PAUDEL	Member
8	CA. SHIKHA BAGLA	Member
9	RA. RAJENDRA PRASAD DHUNGANA	Member
10	RA. SHANKAR GYAWALI	Member
11	RA. POSHAK LAL SHRESTHA	Member
12	CA. KIRAN KUMAR KHATRI	Secretary



3. Public Finance and NPSAS Committee

S.N.	Member Name	Position
1	CA. YUDDHA RAJ OLI	Chairman
2	RA. MEERA SHRESTHA	Council Member
3	CA. ACHYUT RAJ JOSHI	Member
4	CA. YAGYA RAJ BHATTA	Member
5	CA. NIRMAL BARTAULA	Member
6	CA. GAURAV RIJAL	Member
7	CA. SUSHIL GHIMIRE	Member
8	CA. BINOD PHUYAL	Member
9	RA. YADAV PRASAD NYAUPANE	Member
10	RA. HEMA RAJ PAUDEL	Member
11	RA. UKU LAL MAHARJAN	Member
12	MR. BABURAM SUBEDI	Member
12	CA. GHANASHYAM KAFLE	Secretary

4. Information Technology Committee

S.N.	Member Name	Position
1	CA. JAGANNATH UPADHYAY (NIRAULA)	Chairman
2	RA. MEERA SHRESTHA	Council Member
3	CA. MUKUND POKHAREL	Member
4	CA. DEEPAK PYAKUREL	Member
5	CA. SURYA BIKRAM KUNWAR	Member
6	CA. PADAM BAHADUR THAPA	Member
7	CA. ANUJ ACHARYA	Member
8	CA. SHIVA KUMAR SHAH	Member
9	RA. GANESH RAJ RAI	Member
10	RA. KAMOD JHA	Member
11	RA. KUMAR PRASAD KHATIWADA	Member
12	MR. BASANTA KRISHNA LOKESH-WOR RANJITKAR	Secretary

5. Monitoring and Financial Reporting Review Committee

S.N.	Member Name	Position
1	CA. PEEYUSH ANAND	Chairman
2	RA. BAHADUR SINGH BISTA	Council Member
3	MR. RAMESH PRASAD SHIVAKOTI	Council Member
4	CA. DEVENDRA GAUTAM	Member
5	CA. SUSHANT SHRESTHA	Member
6	CA. ASMITA GORKHALI	Member
7	CA. SUMAN DANGOL	Member
8	CA. AMAN UPRETY	Member
9	RA. DHRUBA PRASAD PAUDEL	Member
10	RA. KESHAB RAJ ACHARYA	Member
11	RA. NIRANJAN PRASAD NEUPANE	Member
12	MS. GOMA RAUT	Secretary

6. Audit Committee

S.N.	Member Name	Position
1	CA. BISHNU PRASAD BHANDARI	Chairman
2	RA. ABDUL KARIM KHAN	Council Member
3	MS. CHANDRAKALA PAUDEL	Council Member
4	CA. GHANASHYAM KAFLE	

7. Recruitment Committee

S.N.	Member Name	Position
1	CA. MADAN KRISHNA SHARMA	Chairman
2	RA. KEDAR NATH POUDEL	Council Member
3	MR. SHANKAR KRISHNA SHRESTHA	Council Member
4	CA. SANJAY KUMAR SINHA	Secretary

**8. RA. Member Capacity Development Committee**

S.N.	Member Name	Position
1	RA. KEDAR NATH POUDEL	Chairman
2	CA. GOBINDA SHARMA GAIRHE	Member
3	RA. JHALAK MANI LAMSAL	Member
4	RA. PRADIP KUMAR YADAV	Member
5	RA. RAM GOPAL MAHARJAN	Member
6	RA. GANESH RAJ RAI	Member
7	RA. PREM BAHADUR SHRESTHA	Member
8	RA. ATMARAM CHAPAGAIN	Member
9	RA. HARI BAHADUR KARKI	Member
10	RA. BHOLANATH PATHAK	Member
11	RA. SHIBAJI PANDEY	Member
12	RA. SABITRI SHARMA	Member
13	RA. BHIMSEN KUMAR GAUTAM	Member
14	RA. TILAK BAHADUR ADHIKARI	Member
15	RA. BALRAM CHAUDHARI	Member
16	MR. BINOD PRASAD NEUPANE	Secretary

10. Women Leadership Committee

S.N.	Member Name	Position
1	RA. MEERA SHRESTHA	Chairman
2	CA. ANILA SHRESTHA	Member
3	CA. NALINI BAJRACHARYA	Member
4	CA. PRITI SHARMA	Member
5	CA. RAGNI SINGH	Member
6	CA. SABITA GHIMIRE	Member
7	CA. NABINA DHUNGANA	Member
8	CA. SADHANA SUBEDI	Member
9	CA. AKRITY ACHARYA	Member
10	RA. JAYA KUMARI JHA	Member
11	RA. MAYA BADE SHRESTHA	Member
12	MS. PRAGYA ARYAL	Secretary

11. Fiscal, Taxation and Research Committee

S.N.	Member Name	Position
1	CA. BIDHYABARIDHI SIGDEL	Chairman
2	RA. ABDUL KARIM KHAN	Council Member
3	CA. SHIVA RAM MISHRA	Member
4	CA. DINESH THAKALI	Member
5	CA. KAUSHLENDRA KUMAR JHA	Member
6	CA. UMESH RAJ PANDEYA	Member
7	CA. SRISTI KOIRALA	Member
8	CA. DEEPAK PANDEY	Member
9	RA. JHANAK RAJ DHUNGEL	Member
10	RA. HIRARATNA BAJRACHARYA	Member
11	RA. MADHU SUDHAN BHATTARAI	Member
12	CA. HIMAL DAHAL	Secretary

12. Expert Advisory Committee

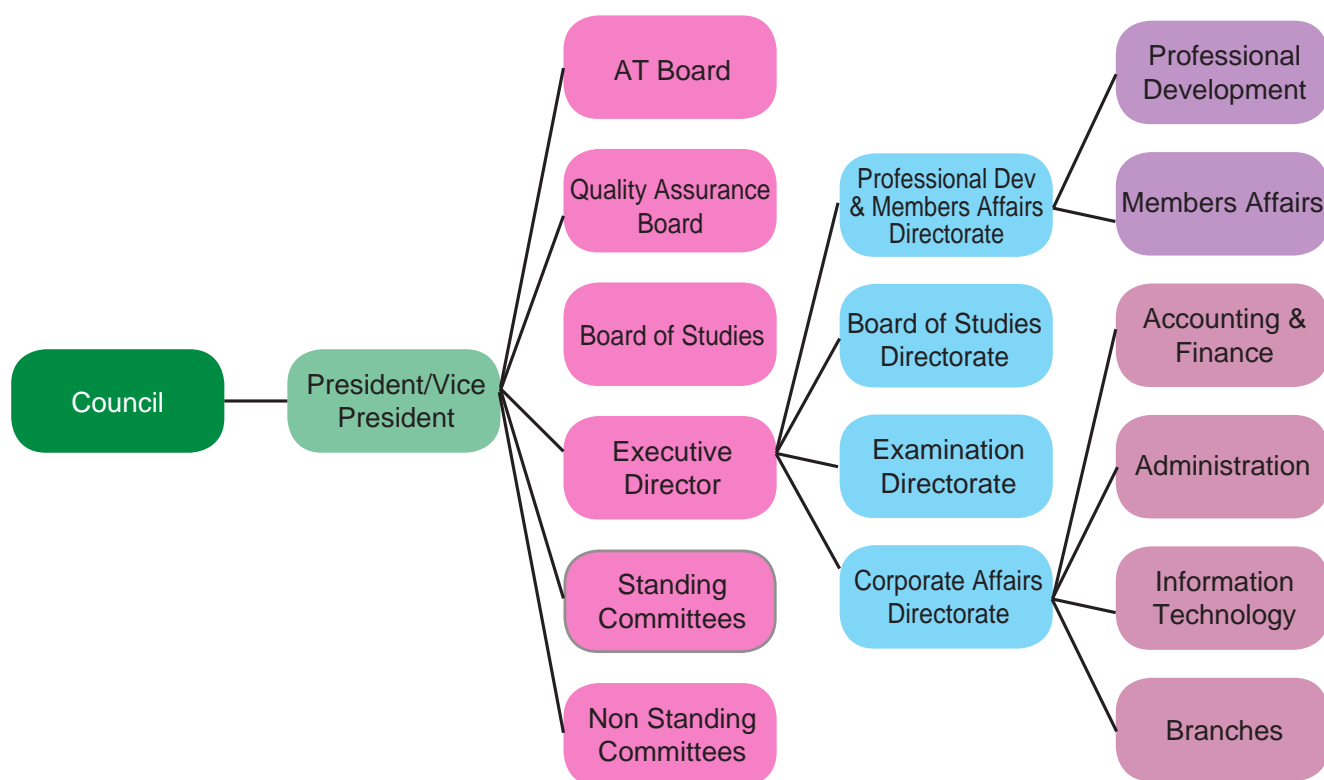
S.N.	Member Name	Position
1	CA. KRISHNA PRASAD ACHARYA	Chairman
2	CA. KOMAL BAHADUR CHITRACAR	Member
3	CA. TIRTHA RAJ UPADHYAYA	Member
4	CA. KAUSHALENDRA KUMAR SINGH	Member
5	CA. GOPAL PRASAD RAJBAHAK	Member
6	CA. PRABHU RAM BHANDARY	Member
7	CA. BIJAY KUMAR AGRAWAL	Member
8	CA. PRADEEP KUMAR SHRESTHA	Member
9	CA. PUSPA LALL SHRESTHA	Member
10	CA. NARAYAN BAJAJ	Member
11	CA. RATNA RAJ BAJRACHARYA	Member
12	CA. TANKA PRASAD PANERU	Member
13	CA. (DR.) SUVOD KUMAR KARN	Member
14	CA. SUNIR KUMAR DHUNGEL	Member
15	CA. SUDARSHAN RAJ PANDEY	Member
16	CA. MADHU BIR PANDE	Member
17	CA. MAHESH KUMAR GURAGAIN	Member
18	CA. NARENDRA BHATTARAI	Member
19	CA. PRAKASH LAMSAL	Member
20	CA. MAHESH KHANAL	Member
21	CA. PRAKASH JUNG THAPA	Member
22	CA. JAGANNATH UPADHYAY (NIRAULA)	Member
23	RA. MOHAN RAJ REGMI	Member
24	CA. ANANDA RAJ SHARMA WAGLE	Member
25	CA. SANJAY KUMAR SINHA	Secretary



Management

The management of the Institute is responsible for implementing and executing decisions of Council. The management of the Institute is led by Executive Director supported by senior management team and other employees. The Executive Director is entrusted by Nepal Chartered Accountants Act, 1997 mainly to act as Chief Executive of the Institute being accountable to the Council, to carry out day-to-day administrative business of the Institute and discharge the duties and responsibilities entrusted by the Act. The Executive Director communicates on behalf of and represents the Institute, with stakeholders, Government entities, and the public; leads the development of the Institute's short-term and long-term strategy; works towards maintaining the highest level of goodwill of the Institute in Public Perception; explores opportunities for the Institute to discharge its duties towards the Nation, Society and Economy.

Organization Chart



Committees and Board function with the support and expertise of members. Apart from our employees, many members and non-members contribute their expertise and time for functioning of the Institute.

Human Resource

Human Resource are the enablers for the Institute to achieve its objectives. Our council, together with employees drive the Institute. Nevertheless, we value the efforts of task force, committees, resource persons and work groups. Together we lead and achieve professional excellence on what we deliver. Our HR policy ensures that we balance social and statutory conditions.

Working Together

The organization structure that we have implemented allows us to work together in a cooperative fashion. The job roles, function and duties are aligned such that synergy is achieved when working together. Our HR department continuously monitors the roles and function so that the process we perform is relevant and competent. We foster the work culture that encourages our enablers to grow with in the Institute.

Learning & Development

We promote continues learning and development of our people. Being a regulator we desire that our employees understand the need of the profession. We conduct in-house trainings for our employees. We provide opportunities for employees to learn recent developments by participating in national and international events. We are committed to strengthen our enablers to lead the Institute in International arena. Our technical collaboration arrangement with International bodies provides International working exposures to our human resources.

During the year, a two days in-house training for the staff members of the Institute was organized with a view to upgrade skill and knowledge on Team Building and Leadership of our people on 6-7 Ashad, 2076. The training focused on the skill development, time management and motivational process. Forty Staffs participated in the in-house training. Aiming to develop organizational skills of the staffs, the Institute organized English Proficiency Training of 30 hours to develop excel skill to staff members at ICAN premises from 1-7 Ashad, 2076.

Well Being

The Institute considers wellbeing of the employee. During the service period, employees were provided with both monetary and non-monetary benefits. After separation from the service of the Institute, employees are provided with monetary benefits as per policy of the Institute.

Motivation

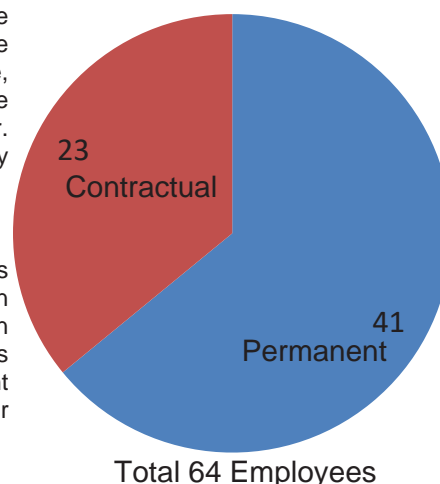
We strive to keep motivating our employees. We recognize efforts and contribution of our employees. On the occasion of the 22nd anniversary of the Institute, Ms. Sweta Chitracar, Officer and Mr. Umesh Regmi, Assistant were felicitated as best staff by Chief Guest Hon'ble Finance Minister Dr. Yuba Raj Khatriwada for their outstanding performance and contribution to Institute.

Other Activities

Beyond the job we encourage and facilitate participation of our employees in events for social and environmental cause. Accordingly, to mark the world environment day on 5 June, 2019 we organized a afforestation by planting various types of plants within premises of the Institute.

The Institute along with the Nepal Chartered Accountants Employee Union (ICAN-EU) and Nepal Chartered Accountants Students Association (NCASA) jointly organized blood donation program on Magh 5th 2075 at the premises of the Institute. Nepal Red Cross Society facilitated the program. All together 120 donors donated the blood.

The Institute arranged staff picnic on 08 March, 2018 at Lalitpur. Different refreshment programs, sports competitions were organized among staffs during this picnic.



Total 64 Employees



Staff Members of ICAN

FINANCIAL STATEMENTS

For the year ended
32 Ashad 2076
(16 July 2019)





PRADHAN & SHAKYA
ASSOCIATES

CHARTERED ACCOUNTANTS

Gyaneshwor-1, Kathmandu, Nepal
Tel: +977-1-4432086
Email: info@pnscanepal.com.np
Web: www.pnscanepal.com.np
PAN: 611573263

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL**

Opinion

We have audited the financial statements of the Institute of Chartered Accountants of Nepal, which comprise the Statement of Financial Position as at Ashad 31, 2076 (corresponding to July 16, 2019), the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Funds & Reserves, the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and Notes to the Financial Statements prepared in accordance with Nepal Financial Reporting Standards.

In our opinion, the financial statements of the Institute, in all material respect, the Statement of Financial Position as at Ashad 31, 2076 (corresponding to July 16, 2019), the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Funds & Reserves, the Statement of Cash Flows for the year then ended in accordance with the Nepal Financial Reporting Standards.

Basis for Opinion

We have conducted our audit in accordance with Nepal Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Institute in accordance with the Institute of Chartered Accountant of Nepal's code of ethics for professional accountants (ICAN Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nepal and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAN Code. However, we are the practicing member of the Institute and do not have any financial interest with the Institute. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Nepal Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Nepal Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Chhetra Gopal Pradhan
Managing Partner

UDIN No.: 200114CA003659HGxX

Place: Kathmandu

Date: January 13, 2020 (Poush 28, 2076)



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

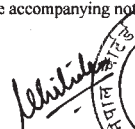
STATEMENT OF FINANCIAL POSITION

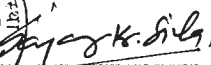
AS AT 31 ASHADH, 2076 (JULY 16, 2019)


	Note	As at 31 Ashadh 2076	Amount in Rs As at 32 Ashadh 2075
ASSETS			
Non-current assets			
Property, plant and equipment	4	214,031,628	206,704,340
Intangible assets	5	1,816,219	1,534,006
Financial assets			
Term Deposits	6	-	-
Advances	8	4,956,364	3,712,039
Prepayment	10	560,339	377,987
Deferred Tax Assets		11,808,250	11,450,684
Total non-current assets (A)		233,172,800	223,779,056
Current assets			
Inventories	9	2,509,520	2,215,463
Financial assets			
Term Deposits	6	260,000,000	230,000,000
Earmarked Investment	7	19,837,477	19,540,713
Advances	8	1,103,391	1,113,791
Cash and cash equivalents	12	69,024,165	53,084,344
Prepayment	10	1,239,082	891,206
Other Current Assets	11	20,449,250	7,305,230
Total current assets (B)		374,162,885	314,150,747
Total assets (A+B)		607,335,685	537,929,803
FUND AND LIABILITIES			
Fund and reserves			
Reserves	13	411,792,452	359,288,452
Earmarked Fund	14	36,267,766	31,005,414
ICAN Main Building Fund	14	56,553,719	57,967,562
Total funds and reserves (C)		504,613,937	448,261,428
LIABILITIES			
Non-current liabilities			
Provision for employee benefits	15	58,654,183	53,684,845
Accounts payable	16	9,520,613	4,513,939
Total non-current liabilities (D)		68,174,796	58,198,784
Current liabilities			
Accounts payable	16	14,923,599	15,873,214
Provision for employee benefits	15	-	-
Provision for Income Tax		19,623,353	15,596,377
Total current liabilities (E)		34,546,952	31,469,591
Total liabilities (D+E)		102,721,748	89,668,375
Total fund and liabilities (C+D+E)		607,335,685	537,929,803


The accompanying notes form an integral part of the financial statements

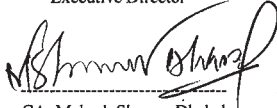
As per our report of even date


 Mahesh Chitrakar
 Assistant Director/Head of Finance



 CA. Sanjay Kumar Sinha
 Executive Director


 CA. Krishna Prasad Acharya
 President


 CA. Madan Krishna Sharma
 Vice-President


 CA. Mahesh Sharma Dhakal
 Executive Committee Member


 RA. Meera Shrestha
 Executive Committee Member


 CA. Chhetra Gopal Pradhan
 Partner
 Pradhan & Shakya Associates
 Chartered Accountants

Date: 27 Poush 2076
 Place: Lalitpur, Nepal



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

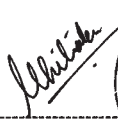
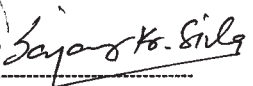
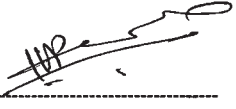
INCOME STATEMENT

FOR THE YEAR ENDED 31 ASHADH 2076 (JULY 16, 2019)

	Note	FY 2075/76	Amount in Rs FY 2074/75
Income			
Income from operational activities	17	184,660,865	158,515,076
Government grant	18	1,200,000	1,200,000
Other income	19	6,488,344	2,522,305
Total Income		192,349,209	162,237,381
Expenses			
Operating expenses	20	65,709,480	55,553,503
Employee benefit expenses	21	47,147,806	41,084,361
Depreciation and amortization	4 & 5	10,048,737	9,961,371
Other expenses	22	25,366,766	16,449,857
Total Expenses		148,272,789	123,049,092
Surplus from operational activities before interest and tax		44,076,420	39,188,289
Interest Income	23	28,899,594	20,443,968
Surplus after interest income		72,976,014	59,632,257
Income Tax			
Current Tax		(19,623,353)	(15,596,377)
Deferred Tax		357,566	11,450,684
Surplus available for appropriation		53,710,227	55,486,564

The accompanying notes form an integral part of the financial statements


As per our report of even date

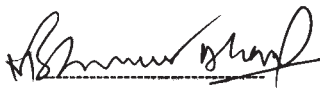
Mahesh Chitrakar
 Assistant Director/Head of Finance

CA. Sanjay Kumar Sinha
 Executive Director

CA. Krishna Prasad Acharya
 President




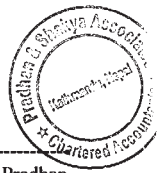
CA. Madan Krishna Sharma
 Vice President



CA. Mahesh Sharma Dhakal
 Executive Committee Member



RA. Meera Shrestha
 Executive Committee Member

CA. Chhetra Gopal Pradhan
 Partner
 Pradhan & Shakyas Associates
 Chartered Accountants

Date: 27 Poush 2076
 Place: Lalitpur, Nepal



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 ASHADH 2076 (16 JULY 2019)


	Amount in Rs	
	FY 2075/76	FY 2074/75
Surplus for the year as per Income Statement (A)	53,710,227	55,486,564
<i>Other comprehensive income that will not be reclassified to Income Statement in subsequent periods</i>		
Actuarial gain/ (loss) on defined benefit plan schemes	3,526,662	3,264,978
Gain/(loss) on revaluation of ICAN building	-	-
Other comprehensive income for the year (B)	3,526,662	3,264,978
Total Comprehensive income for the year (A+B)	57,236,889	58,751,542

The accompanying notes form an integral part of the financial statements


As per our report of even date

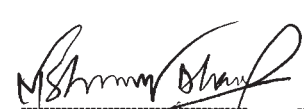



 Mahesh Chitrakar
 Assistant Director/Head of Finance

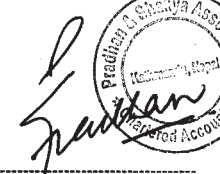

 CA. Sanjay Kumar Sinha
 Executive Director


 CA. Krishna Prasad Acharya
 President


 CA. Madan Krishna Sharma
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 Chartered Accountants

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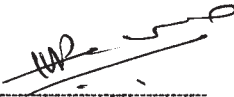
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 ASHADH, 2076 (JULY 16, 2019)

	FY 2075/76	Amount in Rs FY 2074/75
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus during the year (before tax)	72,976,014	59,632,257
Adjustment For:		
Depreciation & amortization	10,048,737	9,961,371
Decrease in building fund on account of depreciation	(1,413,843)	(1,413,843)
Gain on sale of PPE	(1,415,878)	(103,087)
Prior period adjustment	(184,449)	(62,000)
Interest received on ICAN Members Benevolent Fund	13,886	7,525
Interest received on scholarship fund	1,018,062	977,270
Interest received on medal fund	183,756	174,397
Interest from investment	(28,899,594)	(20,443,968)
Changes in working capital	(2,649,166)	13,054,818
Cash generated from operation	49,677,525	61,784,740
Income Tax Paid	(15,596,377)	-
Net cash inflow from operating activities	34,081,148	61,784,740
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of PPE	(21,461,833)	(12,968,017)
Addition in intangible assets	(497,000)	(288,150)
Decrease in WIP	2,738,462	593,250
Sale of PPE	2,202,494	384,693
Interest received on investment -ICAN Employee Welfare Fund	1,044,580	393,913
(Increase) / Decrease in investment- ICAN Employee Welfare Fund	(399,257)	2,239,124
(Increase) / Decrease in ICAN Members Benevolent Fund investment	(13,886)	(507,525)
(Increase) / Decrease in medal fund investment	(74,681)	(60,117)
(Increase) / Decrease in scholarship fund investment	191,059	(3,027,998)
(Increase) / Decrease in short term investments	(30,000,000)	(120,000,000)
(Increase) / Decrease in long term investments	-	50,000,000
Interest received from investments	28,899,594	20,443,968
Net cash flow from/(used in) investing activities	(17,370,468)	(62,796,859)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution received to designated building fund	4,372,000	4,161,000
Contribution received to designated medal fund	-	-
Contribution received to scholarship fund	-	-
Payment made from designated fund		
- Medal fund	(127,251)	(111,912)
- Scholarship fund	(3,262,980)	(288,930)
- Employee welfare fund	(1,752,628)	(3,806,333)
Net cash flow from/(used in) financing activities	(770,859)	(46,175)
Net increase/(decrease) in cash and cash equivalents	15,939,821	(1,058,294)
Cash and cash equivalents at the beginning of the year	53,084,344	54,142,638
Cash and cash equivalents at the end of the year	69,024,165	53,084,344

The accompanying notes form an integral part of the financial statements


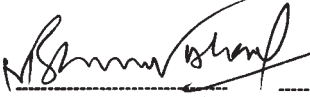





Mahesh Chitrakar
 Assistant Director/Head of Finance

CA. Sanjay Kumar Sinha
 Executive Director

CA. Krishna Prasad Acharya
 President



As per our report of even date

CA. Madan Krishna Sharma
 Vice President

CA. Mahesh Sharma Dhakal
 Executive Committee Member

RA. Meera Shrestha
 Executive Committee Member

CA. Chhetra Gopal Pradhan
 Partner
 Pradhan & Shakya Associates
 Chartered Accountants

Date: 27 Poush 2076

Place: Lalitpur, Nepal



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31 ASHADH 2076 (JULY 16, 2019)

Notes	CAPITAL FUND	GENERAL RESERVE	BUILDING RESERVE	REVALUATION RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT PLAN	ICAN MAIN BUILDING FUND	EARMARKED FUND	TOTAL
								Amount in Rs
Balance as at 1 Shrawan 2075	1,225,500	312,592,784	10,000,000	31,796,162	3,688,293	57,967,562	31,005,414	448,275,715
Prior period amortized income on Staff Advance		91,842						91,842
Changes in Accounting policy		(106,129)						(106,129)
Correction of Prior Period Error		1,700,221		(1,700,221)				
Restated Balance	1,225,500	314,278,718	10,000,000	30,095,941	3,688,293	57,967,562	31,005,414	448,261,428
FY 2075/76								
Surplus transferred from income statement		53,710,227						57,483,151
Interest earned during the year								1,498,309
Fund collected during the year								4,372,000
Collection from Loan disbursed from Employee Welfare Fund								761,977
Amortization								(2,189,359)
Expenses during the year				(775,516)		(1,413,843)		(3,542,857)
Loan provided from Employee Welfare Fund		(184,449)						(1,600,000)
Prior period adjustment								(184,449)
Transfer to building fund		(2,667,633)						(2,667,633)
Transfer to scholarship fund		(1,105,291)						(1,105,291)
Transfer to ICAN Employees Welfare Fund	14							
Transfer to ICAN Members Benevolent Fund	14							
Gain/ (loss) on account of revaluation of building								
Actuarial gain/ (loss)								
Balance as at 31 Ashadh 2076	1,225,500	364,031,572	10,000,000	29,320,425	3,526,662	56,553,719	36,267,766	504,613,937



Mishra

Mahesh Chitrakar
Assistant Director/Head of Finance

Kajarkoti

CA. Sanjay Kumar Sinha
Executive Director

NR

CA. Krishna Prasad Acharya
President

Sharma

CA. Mahesh Sharma Dhakal
Executive Committee Member

Shrestha

RA. Meera Shrestha
Executive Committee Member



Pradhan

CA. Chhetra Gopal Pradhan
Partner
Pradhan & Shakya Associates
Chartered Accountants

Date: 27 Poush 2076
Place: Lalitpur, Nepal



Notes to the Financial Statements

Note 4

Restated Property Plant and Equipment as at 31 Ashadh 2075

See accounting policy in note 2.9

	Vehicles	Computer and Accessories	Furniture and Fixtures	Office equipment	Other Fixed Assets	Partition	Main Building	Work in progress	Total
Cost									
Balance as at 1 Shrawan 2074	7,179,818	8,380,280	9,834,570	3,596,783	2,426,194	5,122,905	192,642,169	593,250	229,775,969
Additions	200,900	3,181,291	1,360,522	1,314,515	784,437	-	-	2,738,462	9,380,127
Restated Disposal	3,387,890	-	-	-	-	-	-	-	3,387,890
Revaluation	(281,606)	-	-	-	-	-	-	-	(281,606)
Transfer to PPE	-	-	-	-	-	-	-	-	-
Restated Balance as at 31 Ashadh 2075	10,487,002	11,561,571	11,195,092	4,911,298	3,210,631	5,122,905	192,642,169	(593,250)	241,869,130
Accumulated Depreciation									
Balance as at 1 Shrawan 2074	2,623,973	6,907,547	3,616,682	1,812,784	1,050,109	1,138,743	8,245,392	-	25,395,230
Depreciation for the year	965,906	899,769	1,109,621	863,885	477,339	558,337	4,390,399	-	9,265,256
Restated Depreciation for the year	504,304	-	-	-	-	-	-	-	504,304
Restated Balance as at 31 Ashadh 2075	4,094,183	7,807,316	4,726,303	2,676,669	1,527,448	1,697,080	12,635,791	-	35,164,790
Net Book Value									
Balance as at 31 Ashadh 2074	4,555,845	1,472,733	6,217,888	1,783,999	1,376,085	3,984,162	184,396,777	593,250	204,380,739
Balance as at 31 Ashadh 2075	3,790,839	3,754,254	6,468,788	2,234,629	1,683,183	3,425,825	180,006,377	2,738,462	204,102,358
Restated Balance as at 31 Ashadh 2075	6,392,819	3,754,255	6,468,789	2,234,629	1,683,183	3,425,825	180,006,378	2,738,462	206,704,340

Property Plant and Equipment as at 31 Ashadh 2076

See accounting policy in note 2.9

	Vehicles	Computer and Accessories	Furniture and Fixtures	Office equipment	Other Fixed Assets	Partition	Main Building	Work in progress	Total
Cost									
Restated Balance as at 1 Shrawan 2075	10,487,002	11,561,571	11,195,092	4,911,298	3,210,631	5,122,905	192,642,169	2,738,462	241,869,130
Additions	9,338,700	1,050,125	1,184,771	1,824,009	740,272	453,185	4,112,310	-	18,723,371
Transfer from WIP	(786,617)	-	938,928	-	-	-	1,799,534	-	(786,617)
Disposal	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfer to PPE	-	-	-	-	-	-	-	-	-
Balance as at 31 Ashadh 2076	19,039,085	12,611,696	13,318,790	6,735,307	3,950,903	5,576,090	198,554,013	(2,738,462)	259,805,884
Accumulated Depreciation									
Restated Balance as at 1 Shrawan 2075	4,094,183	7,807,316	4,726,303	2,676,669	1,527,448	1,697,080	12,635,791	-	35,164,790
Depreciation for the year	1,573,229	1,184,878	1,160,621	948,558	642,775	564,814	4,534,591	-	10,609,466
Balance as at 31 Ashadh 2076	5,667,412	8,992,194	5,886,924	3,625,227	2,170,223	2,261,894	17,170,382	-	45,774,256
Net Book Value									
Restated Balance as at 31 Ashadh 2075	6,392,819	3,754,255	6,468,789	2,234,629	1,683,183	3,425,825	180,006,378	2,738,462	206,704,340
Balance as at 31 Ashadh 2076	13,391,673	3,619,502	7,431,866	3,110,080	1,780,680	3,314,196	181,383,631	-	214,031,628



Notes to the Financial Statements

Note 5

Intangible Assets

See accounting policy in note 2.10

Cost

Balance as at 1 Shrawan 2075

Additions

Disposal

Balance as at 31 Ashadh 2076

Intangible assets

1,928,645

497,000

2,425,645

Amortization and Impairment losses

Balance as at 1 Shrawan 2075

Amortization charge

Balance as at 31 Ashadh 2076

394,639

214,787

609,426

Net Book Value

Balance as at 32 Ashadh 2075

Balance as at 31 Ashadh 2076

1,534,006

1,816,219

Note 6

Term Deposits

See accounting policy in note 2.12 (c)

As at 31 Ashadh
2076As at 32 Ashadh
2075

Non-current

Term Deposit in Banks

TOTAL

-

-

-

-

Current

Term Deposit in Banks

TOTAL

260,000,000

230,000,000

260,000,000

230,000,000

Note 7

Earmarked Investment

Earmarked Investment includes balance with bank separated for Employee Welfare Fund, Medal Fund, Scholarship Fund and Members Benevolent Fund

As at 31 Ashadh
2076As at 32 Ashadh
2075

Medal Fund

ICAN Scholarship Fund

ICAN Employee Welfare Fund

ICAN Members Benevolent Fund

TOTAL

2,430,323

2,355,643

15,255,725

15,446,784

1,630,018

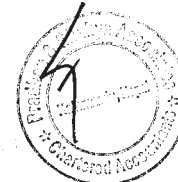
1,230,761

521,411

507,525

19,837,477

19,540,713





Notes to the Financial Statements

Note 8

Advances

See accounting policy in note 2.12 (a)

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Non-current		
Salary Advance	4,606,364	3,247,194
Loan to Staff	-	114,845
Advance for share in NATI	350,000	350,000
TOTAL	4,956,364	3,712,039
Current		
Staff Advance	76,175	7,115
Salary Advance	1,027,216	1,106,676
Loan to Staff	-	-
TOTAL	1,103,391	1,113,791

Note 9

Inventories

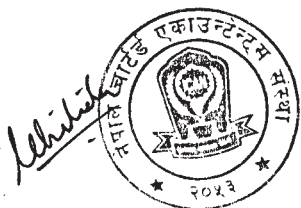
See accounting policy in note 2.11

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Stock - Publications	440,881	289,254
Stock - Study Materials	2,068,639	1,926,209
TOTAL	2,509,520	2,215,463

Note 10

Prepayments

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Prepaid expenses	1,239,082	891,206
Employee Benefit Prepayment	560,339	377,987
TOTAL	1,799,421	1,269,193
Non-current	560,339	377,987
Current	1,239,082	891,206
TOTAL	1,799,421	1,269,193



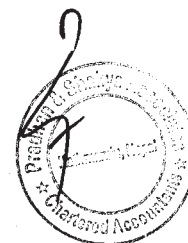
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Notes to the Financial Statements

Note 11
Other Current Assets

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Interest receivables	2,468,956	1,318,084
Account receivables	1,018,882	1,669,537
Other receivables	397,283	579,730
Security deposits	333,281	182,719
Advance Tax	16,230,848	3,555,160
TOTAL	20,449,250	7,305,230

Note 12
Cash and cash equivalents

See accounting policy in note 2.12 (b)

Revenue collected from members, students and various parties which are deposited in banks and financial institutions are shown under Balance with bank

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Cash in hand	-	-
Balance at bank	69,024,165	53,084,344
TOTAL	69,024,165	53,084,344

Note 13

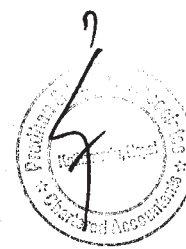
Reserves

The general reserve is the remaining amount of surplus after the transfer to various funds carried forwarded from the previous years and appropriated surplus of current year.

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Capital fund	1,225,500	1,225,500
General reserves	364,031,572	314,278,718
Building Reserve	10,000,000	10,000,000
Revaluation Reserve	29,320,425	30,095,941
Re-measurement of net benefit plan	7,214,955	3,688,293
TOTAL	411,792,452	359,288,452



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Notes to the Financial Statements

Note 14

Earmarked Fund

See accounting policy in note 2.16

Earmarked fund includes the amount contributed by various donors and amount transferred from surplus of the Institute.

Medal fund includes amount contributed by various donors. Interest earned from Medal funds during the year are added to medal funds after deducting the cost of medals distributed.

ICAN scholarship fund and ICAN Employee Welfare Fund includes amount transferred from the surplus. Interest earned from funds during the year are added to funds after deducting the scholarship distributed and cost incurred for staff welfare.

Members Benevolent Fund includes amount transferred from General Reserve for the welfare of members and interest earned from fund.

	Balance at 1 Shrawan 2075	Addition /transfer from Surplus	Interest earned during the year	Expenses	Loan provided during the year	Payment of principal	Balance at 31 Ashadh 2076
KBC gold medal fund	559,990	-	43,144	(23,919)	-	-	579,215
BAK gold medal fund	305,866	-	25,222	(21,732)	-	-	309,356
Narayan Bajaj silver medal fund	116,265	-	9,002	(15,590)	-	-	109,677
Prakash Jung Thapa gold medal fund	273,020	-	24,233	(12,028)	-	-	285,225
Shiva Man Singh & Chandra Bhandari silver medal fund	409,516	-	22,504	(9,595)	-	-	422,425
Dr. Govind Ram Agrawal gold medal fund	113,002	-	10,731	(10,678)	-	-	113,055
Narendra Vasishta gold medal fund	272,539	-	22,170	(11,822)	-	-	282,887
Subhash Jhunjhunwala gold medal fund	324,170	-	26,751	(21,885)	-	-	329,036
ICAN scholarship fund	13,962,656	2,667,633	753,479	(3,262,980)	-	-	14,120,788
Banuk Bdr. Rajbhandari Scholarship Fund	402,337	-	27,001	-	-	-	429,338
Binod Bdr. Rajbhandari Scholarship Fund	428,438	-	31,079	-	-	-	459,517
Narendra Vasishta Scholarship Fund	397,836	-	28,859	-	-	-	426,695
Dr. Govind Ram Agrawal Scholarship Fund	364,042	-	27,463	-	-	-	391,505
Kuber Prasad Sharma Scholarship Fund	2,210,650	-	150,182	-	-	-	2,360,832
NRN Scholarship Fund	328,500	-	-	-	-	-	328,500
AT scholarship fund	253,000	-	-	-	-	-	253,000
ICAN Employee Welfare Fund	2,361,051	1,105,291	282,603	(152,628)	(1,600,000)	761,977	2,758,294
Building fund	7,415,011	4,372,000	-	-	-	-	11,787,011
ICAN Members Benevolent Fund	507,525	-	13,886	-	-	-	521,411
TOTAL	31,005,414	8,144,924	1,498,309	(3,542,857)	(1,600,000)	761,977	36,267,766

ICAN Main Building Fund

Building fund includes amount collected from the members, students and amounts transferred from the surplus and depreciation on building capitalized has been written off from the building fund.

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Balance at the beginning	57,967,562	59,381,405
Addition during the year	-	-
Interest earned during the year	-	-
Amortization during the year	(1,413,843)	(1,413,843)
TOTAL	56,553,719	57,967,562

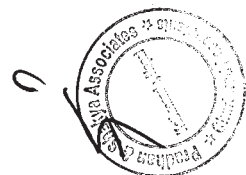
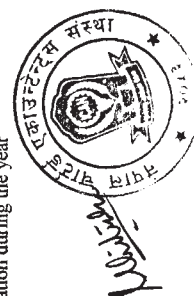
Balance at the beginning

Addition during the year

Interest earned during the year

Amortization during the year

TOTAL



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Notes to the Financial Statements

Note 15

Provision for Employee Benefits

See accounting policy in note 2.13

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Provision for leave encashment	10,864,582	10,920,015
Provision for medical expenses	18,121,793	16,276,568
Provision for gratuity	29,667,808	26,488,262
TOTAL	58,654,183	53,684,845
Non current	58,654,183	53,684,845
Current	-	-
TOTAL	58,654,183	53,684,845

Note 15.1

The assumptions employed for the calculation of post employment and other long term employee benefits using actuarial technique are tabulated:

Discount rate	9 % per annum	9 % per annum
Salary Growth Rate	10.00 % per annum	10.00 % per annum
Mortality	Nepali Assured Lives Mortality (2009)	Nepali Assured Lives Mortality (2009)
Expected rate of return	0	0
Withdrawal rate (Per Annum)	2.00% p.a.	2.00% p.a.

Sensitivity Analysis: Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Sensitivity analysis as at 31 Ashadh 2076

	Gratuity		Medical	
Defined Benefit Obligation (Base)	29,667,808		18,121,793	
	Decrease	Increase	Decrease	Increase
Discount Rate	7.34%	-6.68%	7.60%	-6.90%
Impact of increase/decrease in 50 bps on DBO	31,844,471	27,684,916	19,498,598	16,871,877
Salary Growth Rate	-6.65%	7.23%	-6.87%	7.49%
Impact of increase/decrease in 50 bps on DBO	27,693,561	31,813,531	16,877,317	19,478,995

	Annual Leave		Sick Leave	
Defined Benefit Obligation (Base)	5,213,610		5,650,972	
	Decrease	Increase	Decrease	Increase
Discount Rate	7.66%	-6.95%	7.12%	-6.49%
Impact of increase/decrease in 50 bps on DBO	5,613,162	4,851,044	6,053,182	5,284,495
Salary Growth Rate	-6.92%	7.55%	-6.46%	7.02%
Impact of increase/decrease in 50 bps on DBO	4,852,622	5,607,472	5,286,093	6,047,465

Note 15.2

The Institute operates number of defined benefit and defined contribution plans for its employees of the group. The defined benefit plan of the group includes leave encashment expenses, medical benefit expenses and gratuity expenses. Reconciliation of movement in defined benefit liability during year is given below:

	F.Y. 2075-76			F.Y. 2074-75		
	Gratuity	Accumulated Leave	Medical benefits	Gratuity	Accumulated Leave	Medical benefits
Opening liability	26,488,262	10,920,015	16,276,568	20,321,574	10,770,238	16,561,555
Interest cost	2,363,443	896,590	1,450,260	1,625,726	857,859	1,324,924
Current service cost	3,302,283	1,673,651	2,260,490	3,029,617	1,535,460	2,073,844
Benefit Paid	(495,026)	(1,915,800)	(330,017)	-	(93,984)	-
Actuarial (gain)/ loss	(1,991,154)	(709,874)	(1,535,508)	1,511,345	(2,149,558)	(3,683,755)
Closing liability	29,667,808	10,864,582	18,121,793	26,488,262	10,920,015	16,276,568
Recognized in Income Statement	5,665,726	1,860,367	3,710,750	4,655,343	1,336,329	3,398,768
Recognized in other comprehensive Income	(1,991,154)	-	(1,535,508)	1,511,345	(1,092,568)	(3,683,755)



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Notes to the Financial Statements

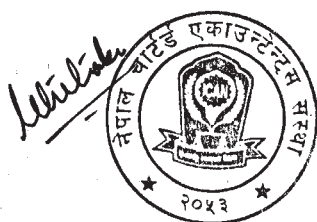
Note 16

Accounts Payable

See accounting policy in note 2.12 (d)

Fee received in advances are recognized as advance and shown under accounts payables.

	As at 31 Ashadh 2076	As at 32 Ashadh 2075
Annual membership fee received in advance	233,002	152,584
Statutory Audit fee payable	175,150	175,150
Internal Audit fee payable	253,400	276,000
Tax Audit fee payable	56,500	48,500
Creditors, accrued & other liabilities	21,630,868	16,855,843
Withhold tax payable	1,113,610	509,537
Payable to staff	981,682	2,369,539
TOTAL	24,444,212	20,387,153
Non current	9,520,613	4,513,939
Current	14,923,599	15,873,214
TOTAL	24,444,212	20,387,153

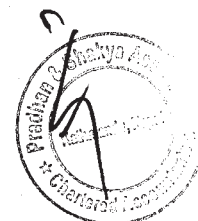


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Notes to the Financial Statements

Note 17

Income from Operational Activities

See accounting policy in note 2.14

	FY 2075/76	FY 2074/75
Income from educational activities	108,656,620	84,090,406
Income from examination activities	41,675,300	35,656,900
Income from members	18,157,085	19,932,210
Income from professional development activities	15,660,210	17,424,095
Income from publications	511,650	1,411,465
TOTAL	184,660,865	158,515,076

Note 18

Government Grant

See accounting policy in note 2.14

	FY 2075/76	FY 2074/75
Grant received from Nepal Government	1,200,000	1,200,000
TOTAL	1,200,000	1,200,000

Note 19

Other Income

See accounting policy in note 2.14

Income other than from operational activities are categorized under other income.

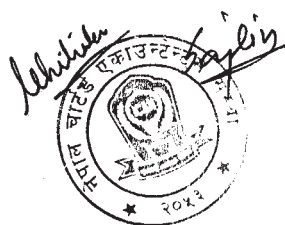
	FY 2075/76	FY 2074/75
Election income	4,200	41,200
Miscellaneous income	715,094	519,501
Recruitment income	1,700	7,900
Gain on sale of PPE	1,415,878	103,087
Amortization of building fund	1,413,843	1,413,843
Interest from others	485,080	436,774
PEFA Grant	2,452,549	-
TOTAL	6,488,344	2,522,305

Note 20

Operational Activities

Operational activities expenses are recognized on accrual basis and classified on the same basis as income are classified.

	FY 2075/76	FY 2074/75
Educational activity expenses	22,152,579	15,426,953
Examination expenses	20,128,884	16,195,058
Members activity expenses	2,846,453	2,082,300
Professional development activity expenses	8,874,092	10,584,429
International affairs expenses	10,352,153	9,121,603
Publication expenses	804,089	1,654,536
Quality assurance board expenses	551,230	488,624
TOTAL	65,709,480	55,553,503





Notes to the Financial Statements

Note 21

Employee Benefit Expenses

Staff costs include salary and other benefits provided to employees currently working at the institute and recognized in the income statement on accrual basis.

	FY 2075/76	FY 2074/75
Salaries and benefits	34,545,799	30,315,284
Medical and leave expenses	5,571,117	4,735,097
Gratuity expenses	5,665,726	4,655,343
Recruitment & promotion expenses	132,271	105,147
Other staff expenses	358,049	389,906
Staff training & skill development	437,765	447,317
Employee benefit cost	437,079	436,267
TOTAL	47,147,806	41,084,361

Note 22

Other Expenses

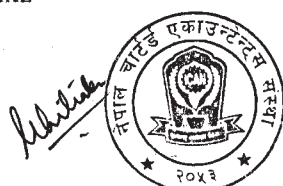
Other expenses are the expenses that are incurred not directly tied to a specific function and recognized on accrual basis.

	FY 2075/76	FY 2074/75
Local travel expenses	110,336	56,218
Fuel & transportation	1,276,179	838,494
Communication expenses	316,927	305,329
Printing & stationery	551,391	414,355
Office materials & low cost equipment	1,980,670	879,220
Notification and publicity	340,288	198,762
Land Lease at Satdobato	21,714	21,714
Books & periodicals	40,271	43,230
Water & electricity	1,155,516	864,602
Insurance	530,748	448,614
Repair & maintenance	2,075,396	889,401
IT related expenses	2,479,399	1,354,769
Bank charges	27,480	24,142
Meeting expenses	1,510,481	1,077,935
Statutory Audit expenses	183,871	215,753
Internal Audit expenses	250,533	163,615
Tax Audit expenses	56,500	-
Functions expenses	1,699,032	2,955,016
Professional service fees	914,913	924,520
Rates & taxes	247,191	163,855
Office renovation & furnishing	513,880	567,690
Other administrative expenses	2,242,733	1,359,292
Branch office expenses	2,642,308	2,384,967
Miscellaneous expenses	387,861	298,364
Fines & Penalty	1,358,599	-
PEFA Project expenses	2,452,549	-
TOTAL	25,366,766	16,449,857

Note 23

Interest Income

	FY 2075/76	FY 2074/75
Interest from call/saving account	2,069,442	3,045,200
Interest from Term Deposit	26,830,152	17,398,768
TOTAL	28,899,594	20,443,968



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Notes to the Financial Statements

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL (ICAN)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 Ashadh 2076 (16 July 2019)

1. GENERAL INFORMATION

1.1 Legal and domicile form

The Institute of Chartered Accountants of Nepal (ICAN, or "The Institute") is a statutory body established by a special Act, "The Nepal Chartered Accountants Act, 1997" to develop, protect, promote and regulate the accounting profession in Nepal.

The Institute is an autonomous body and its Council is fully authorized by the Act to undertake regulation of accountancy profession and issue standards for accounting and financial reporting, auditing and other areas relevant to the accounting profession. The Institute's registered office is located at ICAN Marg, Satdobato, Lalitpur, Bagmati, Nepal and six branch offices in different provinces of Nepal.

1.2 Objective and Principal activities

- Act as a regulatory body and encourage its members to carry on accounting profession within the ambit of the code of conduct in order to consolidate and develop accounting profession as a means for economic development of the nation.
- Enhance social recognition and faith in accounting profession by raising awareness of general public towards the importance of accounting profession and the economic and social responsibility of professional accountants.
- Develop, protect and promote the accounting profession by enabling professional accountants understand their responsibility towards accounting profession and accountancy.
- Develop and operate mechanism of registration, evaluation and examination of accounting professionals in consonance with international norms and practices so as to make the accounting profession respectable and reliable.

1.3 Going concern

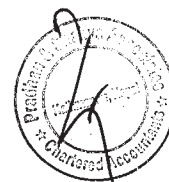
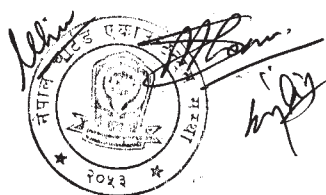
The financial statements have been prepared on going concern basis as the organization has been making continuous surplus over the years and there are no circumstances affecting its going concern.

1.4 Financial period

The financial period of the Institute covers a twelve-month period from 1 Shrawan 2075 (17 July 2018) to 31 Ashadh 2076 (16 July 2019).

1.5 Rounding off

Figures are rounded off to nearest Rupees.





Notes to the Financial Statements

1.6 Date of authorization for issue

The financial statements has been authorized for issue by the Council meeting held on 27 Poush 2076 (12 January 2020).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements has been prepared in accordance with Nepal Financial Reporting Standards (NFRS) as pronounced by The Institute of Chartered Accountants of Nepal.

These financial statements comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in funds and reserves, statement of cash flows and notes to the financial statements.

2.2 Basis of measurement

These financial statements have been prepared on accrual basis and under the historical cost, except where appropriate disclosures are made with regard to fair value under relevant notes.

2.3 Comparative figures

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period for all amounts reported in the financial statements, in order to enhance the understanding of the financial statements of the current period and to improve comparability. The comparative figures in income statement, statement of cash flow and statement of comprehensive income are presented for the year ended 31 Ashadh 2076 (16 July, 2019).

2.4 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately, unless they are immaterial.

2.5 Functional and presentation currency

The financial statements are prepared and presented in Nepalese Rupees (Rs.), which is the Institute's functional currency.

2.6 Critical accounting estimates

The preparation of the financial statements in conformity with Nepal Financial Reporting Standards requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in the process of applying the Institute's accounting policies.

The Institute makes certain estimates and assumptions regarding the future events.






Notes to the Financial Statements

Estimates and judgments are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual result may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year primarily include provision for employee benefits.

2.7 Current and non-current classification

The Institute presents assets and liabilities in statement of financial position based on current and non-current classification.

The Institute classifies an asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

The Institute classifies a liability as current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Settled within twelve months after the reporting period or
- No unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.8 Financial risk management

Financial risk factor

Senior management directly controls day-to-day policies and operations. Financial risk management issues are covered by ICAN's risk management process. The Council and its members are regularly updated on any significant issues relating to financial risk management.

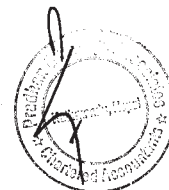
Financial risks to which ICAN is exposed are summarized below:

2.8.1 Currency risk

All day to day transactions are done on functional currency Nepalese Rupees, so ICAN does not face any currency risks. However, in the case of registration and renewal of international membership currency risk arises due to exchange rate fluctuation which is not material.

2.8.2 Credit risk

ICAN is not exposed to any significant credit risk as all the receivables are from the members and staffs. Advances provided to ICAN staffs to procure vehicle are secured against individual Provident Fund, Gratuity, Leave Encashment and CIT deposits, so it does not impose credit risks.





Notes to the Financial Statements

2.8.3 Market risk

ICAN is exposed to market risk that the changes in interest rates will affect the Institute's income or the value of its holding of financial instruments. The Institute manages and controls the market risk exposure within acceptable parameters, while optimizing the return.

2.9 Property Plant and Equipment (PPE)***Recognition and measurement***

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Institute and the cost of the asset can be measured reliably.

All property, plant and equipment are stated initially at cost and subsequently measured at cost less accumulated depreciation and any impairment losses except building which is subsequently measured using revaluation model. Repair and maintenance cost are recognized in the income statement as incurred. The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that carrying value may not be recoverable.

ICAN main building is subsequently carried at fair value, based on periodic valuations by a professionally qualified valuator. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Increases in the carrying amounts arising on revaluation of building is recognized in other comprehensive income and accumulated in reserves. To the extent that the increase reverses a decrease previously recognized in income statement, the increase is first recognized in income statement. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to income statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to income statement and depreciation based on the asset's original cost, is reclassified from the property, plant and equipment revaluation surplus to general reserves.

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Institute provides vehicle facility to eligible employees. Under this facility, the Institute pays for the vehicle as per the scheme and deducts the installments equal to residual value of vehicle taking 15% as rate of depreciation over 5 to 7 years (depending on scheme) from employee's salary on monthly basis. After elapse of the individual scheme period, the vehicle is transferred in the name of the respective employee. The amount paid by the Institute for the purchase of the vehicle under Vehicle Facility Scheme is shown under Property Plant and Equipment.

Depreciation

Items of property, plant and equipment are depreciated when they are available for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual value using the straight line basis over their estimated useful lives.

If an item of property, plant and equipment consists of several components with different estimated useful lives, those components that are significant are depreciated over their individual



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Notes to the Financial Statements

useful lives. Subsequent costs that do not qualify the recognition criteria under NFRS are expensed as and when incurred. Assets costing less than or equal to Rs 5,000 (Five Thousand) is expensed in the year of purchase.

The estimated useful lives of various class of PPE are as follows:

Class of PPE	Useful life under SLM method
Vehicles	10 years
Computers and Accessories	5 years
Furniture and Fixtures	10 years
Office equipment	5 years
Partition	10 years
Other fixed assets	5 years

Depreciation on the ICAN main building is charged to income statement over the useful life of remaining period of land lease (44 years remaining period of land lease at the time of capitalization as at 1 Shrawan 2072).

Other fixed assets mainly include generator, shredder machine, vacuum cleaner and refrigerator.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

2.10 Intangible assets

Intangible assets comprise computer software initially recognized at cost incurred to acquire and bring the software in use. Intangible assets are stated at cost less accumulated amortization. Amortization is charged to income statement on a straight line method over 10 years of estimated useful life.

2.11 Inventories

Inventories are carried at lower of cost or net realized value. 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.

Books, publications and other materials purchased and published solely for sale have been booked as inventory and are initially recognized at cost, and subsequently at the lower of cost or net realizable value.

2.12 Financial Instrument

Financial Assets

Initial Recognition and Measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through income statement, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.





Notes to the Financial Statements

Subsequent measurement:

For purpose of subsequent measurement financial assets are classified in three broad categories:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Financial assets at amortized cost.

The Institute currently holds only financial assets subsequently measured at amortized cost mainly comprising receivables, cash and cash equivalents and term deposits with banks and financial institution.

a) Receivables

Receivables comprising of advances are initially measured at their carrying value which is approximate to their fair value and subsequently measured at amortized cost.

b) Cash and cash equivalent

Cash and cash equivalents are short- term balances, with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of cash flow statements, cash and cash equivalents consist of cash in hand and current/call account deposits with banks

c) Term Deposits

Term deposits are measured initially at fair value and subsequently at amortized cost less impairment, (if any). Term deposits of the Institute comprises of deposits made with banks and financial institutions with fixed maturity period. All term deposits have been recorded at fair value.

Impairment of financial assets

The Institute assesses impairment based on expected credit losses (ECL) model at an amount equal to:-

- 12 months expected credit losses, or
- Lifetime expected credit losses

The Institute assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortized cost and are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Financial liabilities

All financial liabilities are initially recognized at fair value plus or minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.



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Notes to the Financial Statements

Financial liabilities of the Institute comprise of accounts payable which is subsequently measured at amortized cost.

d) Account payable

Account payable are initially recognized at fair value and subsequently measured and classified at amortized cost or fair value.

2.13 Employee benefits

The Institute has schemes of post-employment benefits namely provident fund, employee gratuity, leave encashment and medical benefits for its employees.

a) Short term employee benefits

Short term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. It includes salary, wages and other benefits that are expected to be claimed within 12 months from the end of the reporting period.

b) Defined contribution plans

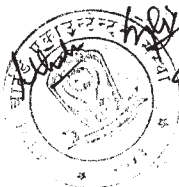
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Contribution to defined contribution plans (Provident Fund) to approved retirement fund are made on a regular basis as per the Retirement Fund Rules and Regulations and charged to income statement in the year in which they arise.

c) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. This plan includes gratuity. The defined benefit is calculated by an independent actuary using Projected Unit Credit (PUC) method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rate future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. Accordingly, the employee benefit liability is based on the actuarial valuation as at end of reporting period. The Institute's accounting policy for gratuity is to recognize actuarial gains and losses in the period in which they occur in full in the statement of other comprehensive income.

Interest is calculated by applying the discount rate to the defined benefit obligation. The Institute recognizes the following changes in the defined benefit obligation to the income statement:

- Service costs comprising current service costs and past service costs
- Interest expenses





Notes to the Financial Statements

Any changes in the liabilities over the year due to changes in assumptions or experience within the scheme are recognized in other comprehensive income in the period in which they arise.

2.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Basis for recognition of revenue for individual items of revenue are as below:

Fee Income – is accounted for on accrual basis except Membership Fee and Student Fee which are recognized as income as and when received. Fee received for the period beyond the period of the financial statement is grouped under current liabilities and booked as income in the year it pertains.

Government Grant – received without any condition or terms of reference is recognized in the income statement in the period in which grant is received. Grants and subsidies related to assets are generally deferred in the statement of financial position and credited to the Income Statement over the useful life of the asset.

Interest Income - on both long term and short term investments are recognized on accrual basis using effective interest rate.

Other Income - mainly includes grant received from Public Expenditure and Financial Accountability (PEFA) Secretariat, election income, recruitment income, gain on sale of assets and amortization of earmarked building fund which is recognized in the period in which it is received. Earmarked building fund is amortized as income over useful life of related building to match proportionate depreciation expense recognized in the income statement.

2.15 Lease

Agreement between Ministry of Finance and ICAN was made on 23 Kartik 2066 for the lease of Land located at ICAN Marg, Satdobato, Lalitpur by the Government of Nepal. As per the lease agreement 6-6-3-1 ropani land has been leased for the period of 50 years from the date of agreement with the yearly lease of Rs. 3,379.08 per ropani. Lease payment for the year 2075/76 has been shown under other expenses as Land Lease at Satdobato. Total lease expense charged to income statement for the period is Rs. 21,714. Future minimum lease payments under such non-cancellable operating lease agreement are presented below:

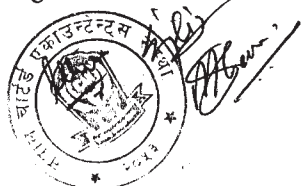
	Not Later than one year	Later than one year and not later than five years	Later than five years
Future minimum lease payments (Rs.)	21,714	86,856	781,704

The Institute has not entered into any finance lease agreement.

2.16 Reserve and funds

Unrestricted funds

Unrestricted funds are those that are available for use by the Institute at the discretion of the Council in furtherance of the general objectives of the Institute. Unrestricted funds mainly include general reserve.






Notes to the Financial Statements

Earmarked funds

Earmarked fund is designated fund for specific purpose which includes scholarship fund, medal fund, employee welfare fund, building fund and member's benevolent fund. Contribution received to and payment made through such fund is shown under movement of earmarked fund (refer note 14).

Reconciliation of Earmarked Fund and Investment

Description	Earmarked Investment	Earmarked Fund
Balance as per Statement of Financial Position	19,837,477	36,267,766
Interest Receivable of 4 th Quarter yet to be transferred to respective Medal Fund Bank Account	18,925	
10% service charge against interest received by each medal fund during FY 2075/76 to be provided to ICAN	(18,376)	
Interest Receivable of 4 th Quarter yet to be transferred to respective Scholarship Fund Bank Account	265,318	
Surplus of FY 2075/76 yet to be transferred to respective Scholarship Fund Bank Account	2,667,633	
AT Scholarship Fund not invested separately	253,000	
NRN Scholarship Fund not invested separately	328,500	
Surplus of FY 2075/76 yet to be transferred to respective ICAN Employee Welfare Fund Bank Account	1,105,291	
Interest Receivable of 4 th Quarter yet to be transferred to respective Employee Welfare Fund Bank Account	22,987	
Building Fund not invested separately	11,787,011	
Calculated Balance	36,267,766	36,267,766

2.17 Provision and contingencies

A provision is recognized in the statement of financial position, when the Institute has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation and the obligation can be measured reliably. Provisions include provision for employee benefits.

Contingencies are:

- possible assets or obligation that arise from past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events not wholly within the control of the Institute; or
- a present obligation that arises from past event but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

In Satdobato, Lalitpur, the Institute has constructed a building spreading in the area of 48,440.76 sq. ft. on the land (6-6-3-1 ropani) leased for 50 years by the Government of Nepal. For granting





Notes to the Financial Statements

the Completion Certificate of aforesaid building, Lalitpur Metropolitan City has determined the tax liability and penalty thereof amounting to Rs.2,250,135.50 till 31 Ashadh 2076.

Particulars	Amount Rs.
Tax Liability till fiscal year 2075/76	1,959,409.74
Penal Liability	290,725.76
Total	2,250,135.50

Since, the building has been constructed on the leased land provided by the Government of Nepal, the Institute has contented on applicability of tax on land and is pending for settlement with the appropriate authority.

2.18 Events after the reporting period

There are no material events occurring after the reporting period which would require adjustment or disclosures.

2.19 Taxation

Income Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income statement except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

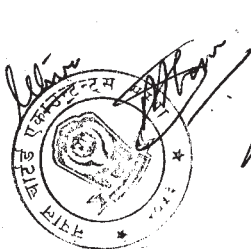
Current Tax

Current tax is the expected tax payable or recoverable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Corporate income tax liability is calculated as per the provisions of Income-Tax Act, 2058. Any variation occurring in the course of final tax assessment is adjusted in the year of acceptance by the Institute.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is determined using tax rate applicable to the entity as at the reporting date which is expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized where it is probable that future taxable profit will be available against which the temporary differences can be utilized.



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Notes to the Financial Statements

2.20 Prior Period Adjustment

a) Amortization of Revaluation Reserve

The Institute has adopted Revaluation Model for recognition of the building located at Satdobato, Lalitpur. Each year, the difference between “depreciation calculated on the revalued amount of the asset charged to income statement” and “depreciation calculated on the asset’s original cost”, is reclassified from the property, plant and equipment revaluation surplus to general reserves.

In past years the effect of such amortization were omitted in the financial statements. The error amounting to Rs.1,700,221 has been rectified giving effect in the general reserve and revaluation reserve. Detail of such omitted amortization has been presented below.

Fiscal Year	Carrying Amount	Original Cost	Depreciation		Difference
			On Revalued Value	On Cost Value	
2072/73	177,798,359	160,846,007	4,040,872	3,655,591	385,281
2073/74	180,794,342	160,846,007	4,204,520	3,646,631	557,889
2074/75	184,396,778	160,846,007	4,390,399	3,633,348	757,051
TOTAL			12,635,791	10,935,570	1,700,221

b) Salary Advance

Employee of the Institute has been entertaining interest free Salary Advance equivalent to six months’ salary which is to be recovered in equal monthly installment within 2 years.

As per Nepal Financial Reporting Standard 9 “Financial Instruments” Paragraph 4.1.2, “A financial asset shall be measured at the amortized cost if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.”

Impact in Financial Statements

Particulars	Salary Advance		
	Non-Current	Current	Total
Balance as at Shrawan 01, 2074	3,940,215	775,482	4,715,697
Advance Granted			4,469,124
Advance Recovered			(4,544,805)
Balance as at Ashadh 32, 2075	3,533,340	1,106,676	4,640,016
Adjustment due to Change in Accounting Policy (Taking effect on General Reserve)	(286,146)	-	(286,146)
Restated Balance as at Ashadh 32, 2075	3,247,194	1,106,676	4,353,870
Advance Granted			7,660,743
Advance Recovered			(6,245,574)
Adjustment due to Change in Accounting Policy (Reflected under Note 21: Employee Benefit Cost)			(135,460)
Balance as at Ashadh 31, 2076	4,606,363	1,027,216	5,633,579



Notes to the Financial Statements

2.21 Changes in Accounting Policy

a) Vehicle under Vehicle Facility Scheme

Institute has been providing Vehicle to the eligible staff under Vehicle Facility Scheme. Previously, such amount financed by the Institute for purchase of vehicle to staff was classified under prepayment which is amortized at the rate of 15% per annum.

For the better presentation of financial statement, such vehicle under Vehicle Facility Scheme has been regrouped under Property, Plant and Equipment to the extent of amount financed by the Institute.

Reconciliation of Reserve

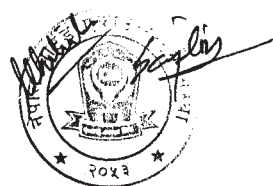
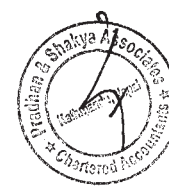
Particulars	Revaluation Reserve	General Reserve
Balance as at Shrawan 01, 2073	23,989,206	229,727,363
Surplus transferred from Income Statement	-	44,609,606
Transfer to Earmarked Fund	-	(8,378,541)
Amortization of Revaluation Reserve	(943,169)	943,169
Gain on account of Revaluation of Building	7,806,955	
Balance as at Ashadh 31, 2074	30,825,992	266,901,597
Surplus transferred from Income Statement	-	55,500,846
Prior Period Adjustment	-	(62,000)
Transfer to Earmarked Fund	-	(8,804,490)
Amortization of Revaluation Reserve	(757,051)	757,051
Interest on salary advance (Prior period amortized income on Staff Advance)		91,842
Depreciation less booked (Changes in Accounting policy)		(106,129)
Balance as at Ashadh 32, 2075	30,095,941	314,278,718
Surplus transferred from Income Statement	-	53,710,277
Prior Period Adjustment	-	(184,449)
Transfer to Earmarked Fund	-	(3,772,924)
Amortization of Revaluation Reserve	(775,516)	-
Balance as at Ashadh 31, 2076	29,320,425	364,031,572

3. Related Party Transaction

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. Following related party transactions are occurred during the current fiscal year:

Key management compensation:

Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the institute, directly or indirectly, including any Council members (whether executive or otherwise) of the institute.



Notes to the Financial Statements

Following were the Council Members for the fiscal year 2075/76 (2018/19)

S. No.	Name	Relationship with The Institute
1	CA. Jagannath Upadhyay (Niraula)	President
2	CA. Krishna Prasad Acharya	Vice-President
3	CA. Surendra Shrestha	Council Member
4	CA. Bishnu Prasad Bhandari	Council Member
5	CA. Bidhyabaridhi Sigdel	Council Member
6	CA. Madan Krishna Sharma	Council Member
7	CA. Kiran Dangol	Council Member
8	CA. Yuddha Raj Oli	Council Member
9	CA. Mahesh Sharma Dhakal	Council Member
10	CA. Peeyush Anand	Council Member
11	RA. Kedar Nath Poudel	Council Member
12	RA. Abdul Karim Khan	Council Member
13	RA. Meera Shrestha	Council Member
14	RA. Bahadur Singh Bista	Council Member
15	Mr. Jeevan Prasad Subedi	Council Member
16	Ms. Chandrakala Paudel	Council Member
17	Mr. Shanker Krishna Shrestha	Council Member

ICAN provides following meeting allowances to the Council Members:

Particulars	Amount (Rs.)
Council Meeting	2,400
Committee Meeting	1,200

(a) *Executive Director (ED)*: Executive Director is a full time employee of the Institute and has a specified decision making role. During this fiscal year, Executive Director CA. Sanjay Kumar Sinha was paid salary and allowances amounting Rs. 3,113,677, a vehicle with monthly fuel limit of 100 litres petrol and mobile facility with monthly bill limit of Rs. 3,000.

(b) *President*: ICAN provides monthly fuel limit of 60 litres petrol, mobile facility with monthly bill limit of Rs. 3,000 and driver facility to the President. However, President CA. Jagannath Upadhyay (Niraula) has not claimed mobile facility.

(c) *Vice-President*: ICAN provides monthly fuel limit of 40 litres petrol and mobile facility with monthly bill limit of Rs 2,000 to the Vice President. However, Vice-President CA. Krishna Prasad Acharya has not claimed any such facilities.

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Awards and Recognition

The Institute recognizes the effort and talent of participants of various programs of Institute. Students who secure rank or score highest marks in different subjects of chartered accountancy examination are awarded with different awards and medal. We are thankful for personals who have contributed in establishing the award. Given below is the name list of winners who were awarded by the Institute.

Recipients of Awards for CA Examination, December 2018

S. No.	Awards	Achievement	Redg. No.	Name of Recipients
1	KB Chitracar Gold Medal	First Rank in CAP-III (Final Level) Examination	FN001019	Mr. Sujal Suwal
2	Shiva Man Singh and Chandra Bhandari Silver Medal	Second Rank in CAP-III (Final Level) Examination	FN001323	Ms. Apekshya Chhetri
3	BK Agrawal Gold Medal	First Rank in CAP-II (Intermediate Level) Examination	KI007728	Ms. Lujala Maharjan
4	Narayan Bajaj Silver Medal	Second Rank in CAP-II (Intermediate Level) Examination	KI007572	Mr. Rochak Shrestha
5	Subhash Kumar Jhunjunwala Gold Medal	First Rank in CAP-I (Foundation Level) Examination	KF0012593	Mr. Saugat Gautam
6	Prakash Jung Thapa Gold Medal	Securing Highest marks in Advanced Financial Reporting (Advanced Accounting) in CAP-III (Final Level) Examination	FN001323	Ms. Apekshya Chhetri
7	Dr. Govind Ram Agrawal Gold Medal	Securing Highest marks in Strategic Management and Decision Making Analysis in CAP-III (Final Level) Examination	FN001323	Ms. Apekshya Chhetri
8	Narendra Vashishtha Gold Medal	Securing Highest marks in Advanced Audit and Assurance in CAP-III (Final Level) Examination	FN001323	Ms. Apekshya Chhetri

Recipients of Awards for CA Examination, June 2019

S. No.	Awards	Achievement	Redg. No.	Name of Recipients
1	KB Chitracar Gold Medal	First Rank in CAP-III (Final Level) Examination	FN001492	Mr. Bipin Timilsina
2	KB Chitracar Gold Medal	First Rank in CAP-III (Final Level) Examination	FN001428	Mr. Pragres Acharya
3	Shiva Man Singh and Chandra Bhandari Silver Medal	Second Rank in CAP-III (Final Level) Examination	FN001408	Mr. Amin Bhandari
4	BK Agrawal Gold Medal	First Rank in CAP-II (Intermediate Level) Examination	KI008227	Mr. Abhiyan Shrestha
5	Narayan Bajaj Silver Medal	Second Rank in CAP-II (Intermediate Level) Examination	KI008443	Mr. Yubaraj Upreti
6	Subhash Kumar Jhunjunwala Gold Medal	First Rank in CAP-I (Foundation Level) Examination	KF0013819	Ms. Anjali Tami
7	Prakash Jung Thapa Gold Medal	Securing Highest marks in Advanced Financial Reporting (Advanced Accounting) in CAP-III (Final Level) Examination	FN001408	Mr. Amin Bhandari
8	Dr. Govind Ram Agrawal Gold Medal	Securing Highest marks in Strategic Management and Decision Making Analysis in CAP-III (Final Level) Examination	FN001428	Mr. Pragres Acharya
9	Narendra Vashishtha Gold Medal	Securing Highest marks in Advanced Audit and Assurance in CAP-III (Final Level) Examination	FN001492	Mr. Bipin Timilsina



List of Winners of ICAN Commerce Olympiad Category A (Grade IX & X)

S. No.	Contestant	School/College	Remarks
1	Neer Jung Katuwal	SwapnaVatika School, Budhanagar, Kathmandu	Winner
2	Prasamsha Phadera	SwapnaVatika School, Budhanagar, Kathmandu	1st Runner Up
3	Alina Chahar	SwapnaVatika School, Budhanagar, Kathmandu	2nd Runner Up

List of Winners of ICAN Commerce Olympiad Category B (Grade XI and XII)

S. No.	Contestant	School/College	Remarks
1	Dibas KC	Trinity International College, Kathmandu	Winner
2	Vivek Raj Shah	Trinity International College, Kathmandu	1st Runner Up
3	Anisha Joshi	Golden Gate International Secondary School, Old Baneswor, Kathmandu	2nd Runner Up

List of Winners of ICAN Quiz Contest

S. No.	Contestant	Registration No.	Remarks
1	Bijay Singh Parajuli	FN 001273	Winner
2	Muna Kumar Shah	FN 001303	1st Runner Up
3	Bhim Bahadur Kunwar	FN 001377	2nd Runner Up

List of Winners of Elocution Quiz Contest

S. No.	Contestant	Registration No.	Remarks
1	Suchana Kafle	FN 001629	Winner
2	Kumudini Rai	FN 001606	1st Runner Up
3	Prakriti Aryal	FN 001841	2nd Runner Up

List of Winners of National BPA for F.Y. 2016/17

S. No.	Category	Contestant	Remarks
1	Banking (Public & Private)	Citizen Bank International Ltd.	Winner
		Standard Chartered Bank Ltd.	1st Runner Up
		Nepal SBI Bank Ltd.	2nd Runner Up
2	General Category	Karja Suchana Kendra Ltd.	Winner
3	Service Sector	Oriental Hotel Ltd. (Radisson Hotel)	Winner
4	Manufacturing Sector	Bottlers Nepal Ltd.	Winner
		Butwal Power Company Ltd	1st Runner Up

The Institute of Chartered Accountants of Nepal

Past Presidents



CA. Komal Bahadur Chitracar
(1997-1998)



CA. Tirtha Raj Upadhyay
(1998-1999)



CA. Kaushalendra Kumar Singh
(1999-2000)



CA. Gopal Prasad Rajbahak
(2000-2001)



CA. Prabhu Ram Bhandary
(2001-2002)



CA. Bijay Kumar Agrawal
(2002-2003)



CA. Pradeep Kumar Shrestha
(2003-2004)



CA. Pushpa Lall Shrestha
(2004-2005)



CA. Narayan Bajaj
(2005-2006)



Late. CA. Binod B. Rajbhandary
(2006-2007)



CA. Ratna Raj Bajracharya
(2007-2008)



CA. Tanka Prasad Paneru
(2008-2009)



CA. Suvod Kumar Karn
(2009-2010)



CA. Sunir Kumar Dhungel
(2010-2011)



CA. Sudarshan Raj Pandey
(2011-2012)



CA. Madhu Bir Pande
(2012-2013)



CA. Mahesh Kumar Guragain
(2013-2014)



CA. Narendra Bhattarai
(2014-2015)



CA. Prakash Lamsal
(2015-2016)



CA. Mahesh Khanal
(2016-2017)



CA. Prakash Jung Thapa
President (2017-18)



CA. Jagannath Upadhyay (Niraula)
President (2018/19)

Branch Offices

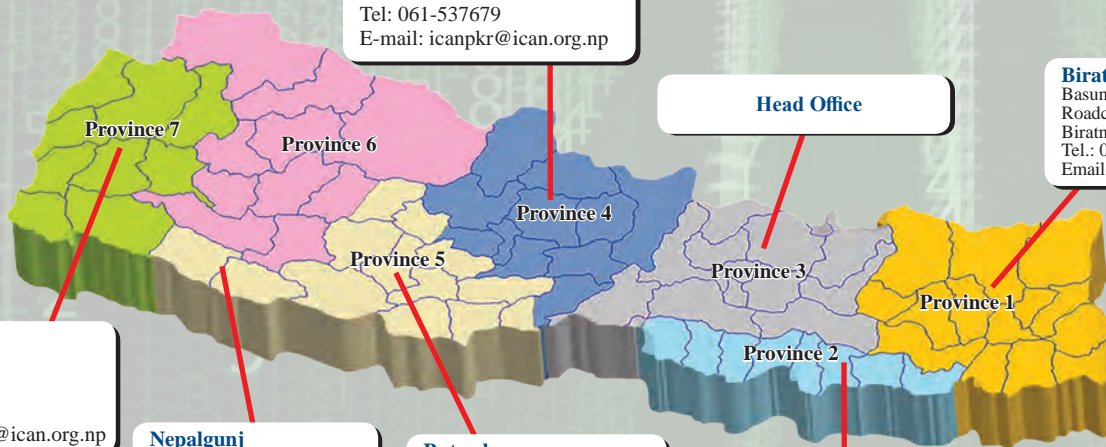
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