



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

ANNUAL REPORT 2019/20

24 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 inscribed with a rich moral lesson- पुनन्तु मनसा धियः. It is extracted from second line of the four line stanza in Chapter XIX (text line no.39) of the Shuklayajurveda. 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 recited as swosti vachana (invocation of auspiciousness) for purification of mind, body and environment.

ICAN believes and propagates that internally purified mind enlightened with wisdom 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.

We wish to be blessed with your best wishes for our success.



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 under Special Act, 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 under take 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 and Accounting Technician 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.



YEAR AT GLANCE (2076/77)

Members

New Membership	125
New FCA	21
New CoP- CA	72
Total Members	8,752
Chartered Accountant Members	1,504
B Class Registered Auditor Members	3,419
C Class Registered Auditor Members	1,569
D Class Registered Auditor Members	2,260
Year on Year Increase	1%
FCA Members	362
Members Upgraded from C Class to B Class	3
Members Upgraded from D Class to C Class	1
Non Practicing Members	5,252
CoP Renewed	3,500
Firm Renewed	3,390
Proprietorship Firm	3,307
Partnership Firm	83
Percentage of Female Members	4%
Percentage of CA Members Residing Abroad	7%

Students

New Admission – Membership Scheme	
Total Enrollment in Different Level	3,116
Enrollment in CAP I Level	1,196
Enrollment in CAP II Level	1,544
Enrollment in CAP III Level	369
Enrollment in AT	7

Professional Development

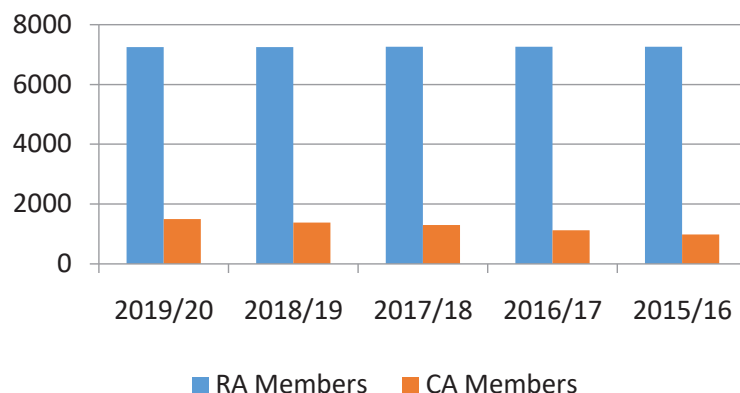
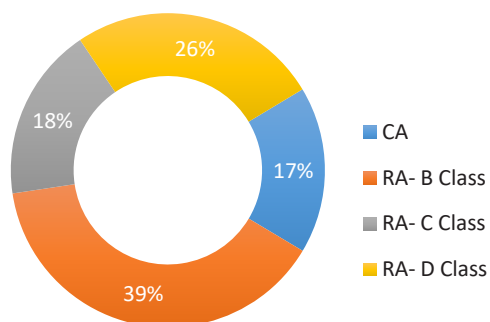
CPE Events	11
Workshops/Seminars/Training and Similar Events Organized	10
Beneficiaries	1,824
Virtual Program Organized	19

Regulation

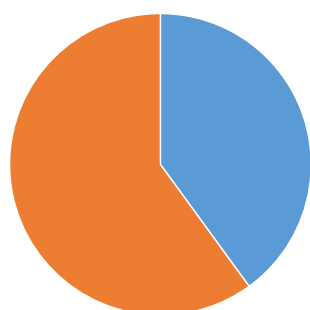
Quality Review of CA Audit Firms	23
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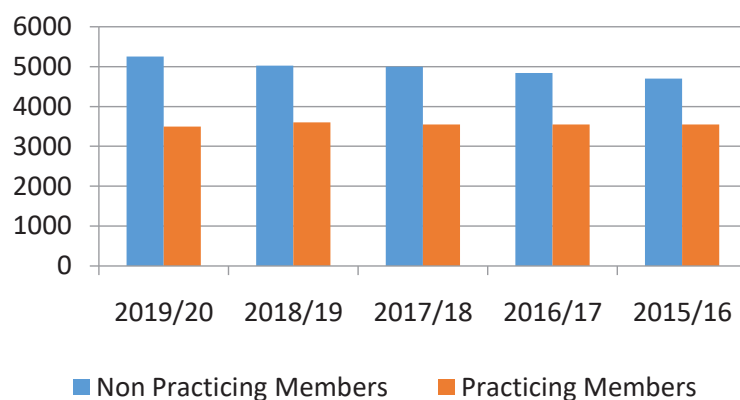
Total Members 2019/20



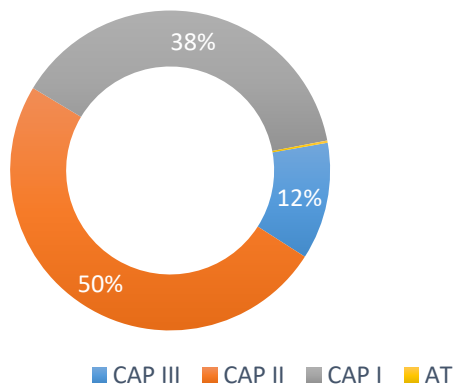
Practicing and Non Practicing Members 2019/20



■ Practicing Members
■ Non Practicing Members

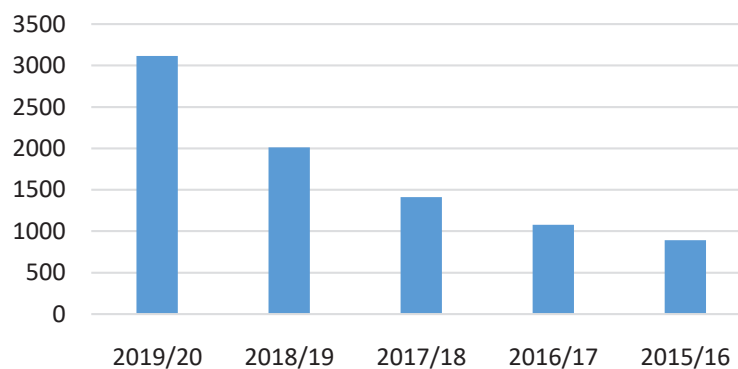


Enrollment



■ CAP III ■ CAP II ■ CAP I ■ AT

Enrollment





Rs. 652,877,197

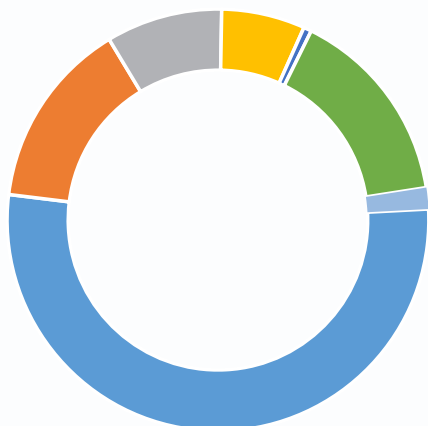
TOTAL ASSETS

Rs. 511,495,643

TOTAL FUND AND RESERVES

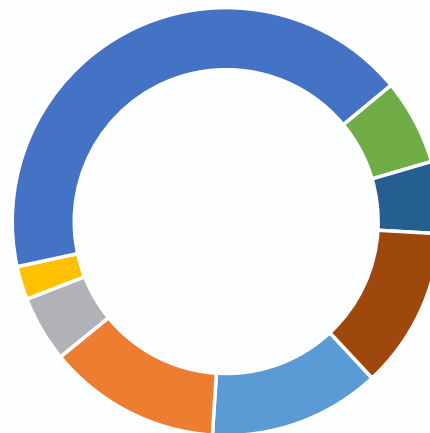
SOURCES OF REVENUE

- 53% from Educational Activities
- 14% from Examination Activities
- 9% from Members Activities
- 6% from Professional Development Activities
- 1% from Government Grant
- 15% from Interest Income
- 2% from Other Income



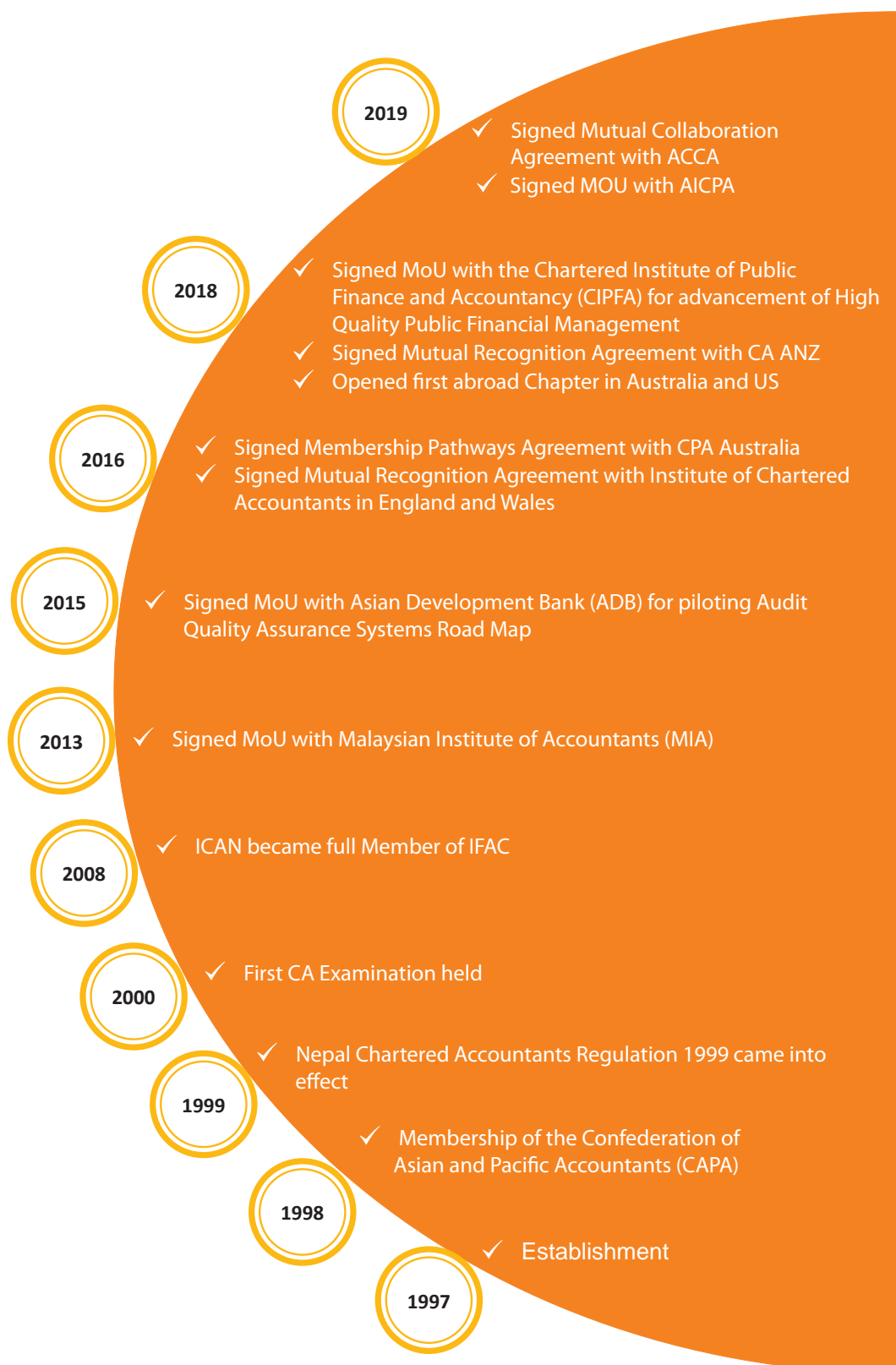
EXPENSES

- 13% on Educational Activities
- 13% on Examination Activities
- 5% on Member and Prof Dev Activities
- 3% on International Affairs
- 42% on Employee Benefit
- 7% on Depreciation & Ammortisation
- 5% on Donation
- 12% Other expenses





MILESTONES





STRATEGIC DOMAINS

The Institute has implemented ICAN Strategic Plan (Year 2018-20) as Second Strategic Plan and is in the process of finalizing Plan for the year 2021-24. The Strategic Plan identifies seven domains and sets the strategies, goals, priorities and action plans for each domain.



President's Review

Dear Members,

Today, we are celebrating the completion of 24th year of excellence of our Institute. On this auspicious occasion, I feel very proud to present before you the Annual Report of The Institute of Chartered Accountants of Nepal for the fiscal year 2076/77 (2019/20). Our activities during the year were guided by the priorities laid down in the strategic plan (2018-20) and the budget and workplan approved by the Council. It is satisfying that the Institute is striving towards attainment of the objectives laid down by the Parliament while approving Nepal Chartered Accountants Act 1997 and the visions set by our predecessors.

The ever evolving global challenges including technological innovations, complexities of business environments, effects of environmental degradation and natural imbalances and their resultant effects on the expectations of the stakeholders have impacted the professional domain of Chartered Accountants as never before. Over the years, the Institute is focused to ensure that our members are able to meet the market challenges with the necessary skills and intellect. Towards the end, the conduct of our members speaks about the value addition that our profession makes to the Nation and the National Economy.

The Institute is determined to ensure that members continuously strengthen their professional competence while complying with robust ethical practices that this profession demands. In this regard, we continued to conduct various trainings, workshops, seminars on contemporary topics apart from regular Continued Professional Education (CPE) Program to members through both physical and virtual means. I believe that the subject matters of these events benefitted our members at large.

Meeting the expectations of our students for quality of education and learning materials with relevant curriculum, career aspects, and competitiveness remain one of the primary focused areas of the Institute. The Institute thrives to provide aspiring professional with futuristic knowledge and skills needed to produce future ready Chartered Accountants. During the year under review the Institute has worked in the areas of development and updating course materials, practical exercise materials, compilation and other preparation



CA. Madan Krishna Sharma
President

materials. With the technological support, students can access all the study materials online through student login in the ICAN portal. Moreover, online crash courses and online revision classes were introduced for the ease of the students. For all round development of students, the Institute has organized Quiz Contest and Elocution Contest too. Also, we facilitated our students to participate in International CA Students' conferences organized by other regional professional organizations. Nevertheless, we continuously strive to move forward together to establish and maintain the standard of the education at par with International Standards.

As a regulator, we are committed to superintend the Accounting Profession through establishment, monitoring and enforcement of standards of practice and codes to enhance the quality so that the members avoid incompetent performance of duties and professional misconduct. In furtherance of this, Quality Assurance and Regulation Division under Quality Assurance Board of the Institute conducted quality assurance review of selected 23 Audit Firms engaged in the audit of listed entities. Simultaneously, we pay equal attention to equip our members with the required sets of skill and knowledge for excellence in the profession. And accordingly, members of the Institute were provided with training on Audit Practice Manual and other capacity development trainings. During the year under review, UDIN was made Compulsory and is being successfully implemented.

The COVID -19 Pandemic spread globally has affected Nepal since last Chaitra 2076. The Pandemic has imposed serious implication on business and other activities of the society as a whole, not only in Nepal but throughout the globe and has directly affected the economy of the country.

Thus, the year 2019/20 has been tough and challenging year to the Nation as a whole.



Despite the challenges posed by the Pandemic, the Institute continued to serve in the best possible manner for the benefits of its students, members and the wider stakeholders. In this regard, with the objective of issuing uniform guidance, ICAN issued "Advisory Note on COVID – 19 Impact on Financial Reporting and Auditing". During the period of lockdown, the Institute managed to organize more than 20 online programs for its members. To facilitate the students, the Institute organized online revision classes for different levels of students perusing CA education. Also, for the first time in the history of the Institute, online pretest and online training classes were introduced for ease of students. Despite all our efforts, due to complete lockdown resulting in travel restriction imposed throughout Nepal as a preventive measure to contain the Pandemic, the regular Chartered Accountancy Examination of June, 2020 was postponed and was successfully conducted along with the December, 2020 examination.

For aligning the Financial Reporting practices with IFRS and following global standards, the Institute has pronounced Nepal Financial Reporting Standards (NFRS) 2018 on the recommendation of Accounting Standards Board (ASB). Various events were held to discuss and address challenges that were faced while implementing those standards. To strengthen the regulatory efforts, the Institute has moved ahead in mutual exchange of information and improved coordination with Government Offices and other Regulators as well.

The Institute also participated in various programs at National and International level. Our participation enhanced the strength, role, and credibility of our members in those arenas. ICAN has shown its strong presence in various International forums like IFAC, CAPA, IPSASB and SAFA and strives to deepen the engagement with the International and Regional Bodies and further strengthen the working relationships. The Institute participated in the various roundtable meetings, conferences, panel discussions, and webinars organized by these Accounting Bodies and put forward issues and ideas for the overall betterment of the profession. Continuing our participation at international and regional sphere, the Institute successfully hosted one South Asian Federation of Accountants (SAFA) Webinar besides a Global Webinar with the active participation of International Professional Bodies including the President of IFAC.

On way forward, we shall harmonize our process and practices with International Standards in the areas of regulation, education and other technical standards. Our focus will be to create an environment of mutual recognition and understanding with Accounting Bodies in other countries through MOU/MRA and foster international relationship to recognize ICAN as a world class Accounting Body that will directly contribute to broaden the professional horizon of the members globally. Our students are the future of our Institute and we look forward to impart world class education, training and professional development opportunities to our students. Education we provide should enable our students to compete globally. Moreover, we are planning on the development of

ICAN Academy. Strengthening the capacity of members through training and development will always remain on our priority. For continuous development of our members, we shall conduct relevant post qualification courses or certification courses and take the lead to launch learning platform for Public Financial Management, which may help strengthen their standings not only in national level but internationally. In the days ahead, we shall be focusing on standardization of audit firm's quality and audit fees charged by the firms to grow and drive the profession in the right direction.

We are exploring ways to strengthen our institutional capacity with commitment to establish the Institute as Center for Excellence with organizational revamping to improve its capacity to deliver as a professional body self-regulated by its members. Going ahead, we shall not permit setbacks whether legal or procedural that is detrimental to the brand of the Institute or the public trust on the profession and its members. It is our expectation that an effective implementation of our strategy will enhance credibility of the Institute, its members and the profession we represent.

This reporting year, the Institute added Rs. 8.37 million in its fund and reserve. The Institute reported net surplus of Rs. 6.87 million including other comprehensive income even during the adverse situation created by COVID 19. The financial standing of the Institute reached Rs. 652.88 million which is an increase of 8% over the preceding year. Though the revenue from operating activities decreased and the fund and reserve did not increase significantly during the year due to COVID 19, it is expected that the Institute will generate sufficient surplus to ease the functioning of the Institute in the coming year as the Institute has prepared action plan to operate the Institute and its activities even during such Pandemic situation in upcoming years.

The Institute represents its members and this journey of 24 years wouldn't have been possible without contribution of our past Presidents, Council Members, and Stakeholders. Activities for the Institute for the year would not have been possible without the tireless effort and dedication of the fellow council members lead by immediate past president CA Krishna Prasad Acharya, Committee Members, Members of work groups, Executive Director and other employees. On behalf of the Council Members, I take this opportunity to acknowledge the positive support and contribution made by the Ministry of Finance, Office of Auditor General, Development Partners, Government Organization, other Professional and Regulatory Bodies, our members serving in the various committees, resource persons and members for their continuous support in the activities of the Institute.

With Best Wishes

CA Madan Krishna Sharma
President

30 January 2021



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 stakeholders including Government, development partners, society, members and 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. At national level, we cannot remain aloof from the changes in global front. Also, the Institute has made its best effort towards development of Members and Students by organizing online CPE programs and student revision classes, despite challenges imposed by COVID -19 Pandemic during the year.

What we delivered

In 2019/20 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 members, regulatory cooperation, sharing of information, exploring areas for future course of actions 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 had launched UDIN application that allows generation of 18 digits Unique Document Identification Number (UDIN) for every certification / audit service provided by ICAN members having Certificate of Practice (CoP). UDIN system was launched with voluntary compliance from 01 Shrawan, 2076 and mandatory compliance from 01 Kartik, 2076.



Workshop on NFRS for Governance and Management

The Institute has organized a “Workshop on NFRS for Governance and Management” exclusively focused for State Owned Enterprises (SOEs) (Companies and Corporations) that are required to present their financial statements as per Nepal Financial Reporting Standards (NFRS). The workshop was organized at Indrendi Foodland, New Baneswor, Kathmandu on 08 July, 2019.

Three different technical sessions related to NFRS were organized. First technical session was the Information Session on NFRS. In second session CA members shared their experience of NFRS implementation in one of the SOEs. The last technical session was presentation on Model Financial Statement based on NFRS

Conference on Contemporary Issues of Accounting Profession

Coinciding with Oath Taking Ceremony of newly elected President and Vice President, the Institute organized a full day Conference on the theme “Contemporary Issues of Accounting Profession” on 23 July 2019 at Radisson Hotel, Lazimpat Kathmandu.



A glimpse of one of the sessions in the Conference.

Conference comprised of three different technical sessions; the first session on Ethical Values and Accounting Profession, the second session on Determining Whether an Arrangement Contains a Lease and the third session on Service Concession Arrangement (IFRIC 12). The conference was attended by members of the Institute and representative of Government Bodies and other Regulatory Authorities.

More than 180 accounting professionals participated in the conference.



Participants at the Conference.

Coordination Workshop on Updates in Financial Reporting Standards and Auditing Standards

The Institute organized a “Coordination Workshop on Updates in Financial Reporting Standards and Auditing Standards” on 29 July, 2019 at Hotel Radisson, Kathmandu. The program was focused on exploring gap between the Nepal Financial Reporting Standards (NFRS), Nepal Standards on Auditing (NSA), Nepal Public Sector Accounting Standards (NPSAS) and existing curriculum of various Universities and Higher Secondary Level.

Ministry of Education Science and Technology Mr. Ram Saran Sapkota, CA. Arun Raut, CA. Ramesh Dhital and Under Secretary, Financial Comptroller General Office (FCGO) Mr. Baburam Subedi, presented respectively on education policy of Government of Nepal, Nepal Financial Reporting Standards (NFRS), Nepal Standards on Auditing (NSA) and Nepal Public Sector Accounting Standards (NPSAS).

Representative of Faculty of Management of Tribhuvan University, Pokhara University, Far Western University, Nepal Open University and Purbanchal University also presented briefly on their curriculum related to Accounting and Auditing.

This workshop was organized in coordination with the Ministry of Education, Science and Technology, in partnership with Public Expenditure and Financial Accountability (PEFA) Secretariat and was also supported by the World Bank.

Meeting with Nepal Rastra Bank

President CA. Krishna Prasad Acharya along with Vice President CA. Madan Krishna Sharma and Executive Director CA. Sanjay Kumar Sinha had a courtesy meeting with Governor of Nepal Rastra Bank Dr. Chiranjivi Nepal on 11 August, 2019.

During the meeting, ICAN and NRB stressed on requirement to monitor NFRS compliance by Bank and Financial Institutions after ICAN granted carve outs on NFRS to Banks and Financial Institutions. ICAN also agreed to review the level of fundamental risk involved in the audit of banks and financial institutions and auditors involved in it

Meeting with Inland Revenue Department

President CA. Krishna Prasad Acharya along with Vice President CA. Madan Krishna Sharma and Executive Director CA. Sanjay Kumar Sinha had a meeting with Director General, Inland Revenue Department (IRD) Mr. Bishnu Prasad Nepal on 11 August, 2019. ICAN had entered into Memorandum of Understanding (MoU) with IRD for information sharing between two Institutions, to develop format of tax audit report and other documents to standardize tax administration and to strengthen regulatory function of both the Institutions.

Meeting with Insurance Board

President CA. Krishna Prasad Acharya along with Vice President CA. Madan Krishna Sharma and Executive Director CA. Sanjay Kumar Sinha had a meeting with the Insurance Board on 11 August, 2019 at Office of the Insurance Board.

The meeting focused to identify avenues of coordination between the Institute and the Board to strengthen regulatory function of both the Institutions and to enhance scope of ICAN members as well as Insurance Business in Nepal.

Interaction Program to Address Issues of Implementation of Standards in Hydropower Sector

The Institute organized an "Interaction Program on Issues observed in Adoption of Standards in Hydropower Sector" on 25th August, 2019 at ICAN Building, ICAN Marg, Satdobato, Lalitpur. The program aimed to discuss on the issues observed in implementation of Nepal Financial Reporting Standards (NFRS) by the Hydro Power Companies.



A glimpse of the Interaction Program.

The program witnessed two sessions. The first session was presentation on Nepalese Hydropower Sector, difficulties of shifting from Nepal Accounting Standards (NAS) to NFRS, areas where compliance to NFRS and IFRS Interpretation Committee's interpretation on IFRIC -12 is difficult and impact of NFRS compliance on taxation, dividend and bonus expense of Hydro Power Companies. The second session of the program was an open floor discussion where queries of the participants were responded.

Interaction Program on Future Direction of ICAN

The Institute organized a half-day interaction program with the Stakeholders on "Future Direction of ICAN" on 26 August 2019 in Lalitpur. The objective of interaction program was to collect suggestions and feedbacks from the stakeholders for improvement of ICAN.



Resource Person presenting at Interaction Program.

The program was participated by President, Vice president, Council Members, Past Presidents, Representatives of Office of Auditor General, Financial Comptroller General Office, Office of the Company Registrar, Nepal Rastra Bank, Securities Board of Nepal, Beema Samiti, Association of Chartered Accountants of Nepal, Auditor Association of Nepal, Accounting and Auditing Standard Board of Nepal, Committee Members, Quality Assurance Board, Members of ICAN and Senior Officials of ICAN. More than 40 participants participated in the program.

Participation in Nepal Infrastructure Summit, 2019

Confederation of Nepalese Industries (CNI) had organized Nepal Infrastructure Summit, 2019 from 11- 12 September, 2019 in Kathmandu with the objective of attracting large private investments. President CA. Krishna Prasad Acharya represented the Institute in this conference and participated as panelist of panel discussion "Government Policies on Infrastructure and Financing".

Participation in Interaction Program Organized by FCGO

The Financial Comptroller General Office (FCGO) had organized an interaction program on 25 October, 2019 to explore avenues for increasing effectiveness of internal audit of the Government of Nepal. President CA. Krishna Prasad Acharya represented the Institute in the program.

International Accounting Day Celebrated



Vice President of the Institute CA. Madan Krishna Sharma delivering speech in the program.

On the occasion of International Accounting Day, the Institute organized Walkathon Program on 10 November, 2019 at Kathmandu and its Branch Offices. More than 800 participants including Council Members, Past Presidents, ICAN Members, CA Students, ICAN employees and other accounting professionals participated in the walkathon program. Acting Executive Director of the Institute, Mr. Binod Neupane highlighted the importance of accounting education along with the relevance of celebration of International Accounting Day.



A glimpse of celebration of International Accounting Day, 2019.

Conference on Professional Integrity for Combating Corruption and Fraud

The Institute organized one-day national conference on the theme "Professional Integrity for Combating Corruption and Fraud" on 22nd December, 2019 at Hotel Radisson. The objective of the conference was to exchange experiences and challenges; and explore the possible sustainable measures/ways and collaborative mechanism to strengthen the role of the oversight agencies and professional accountants in combating corruption and fraud.



Hon'able Finance Minister Dr. Yuba Raj Khatriwada inaugurating the National Conference.

The conference observed three technical sessions and a panel discussion on "Professional Integrity for Combating Corruption and Fraud". The first technical session was on Corruption and Fraud – urgent trend and outlook, second session was on Corruption Fraud an impediment to national development and the third session was on Corruption and Fraud Impact in Business Environment

Interaction Program with Auditor General

The Institute organized an interaction program with the Office of Auditor General on 30th December, 2019. The interaction program was focused on the overall functioning modality of the Institute and various aspects taken into consideration to regulate and monitor its member and accounting profession. The program was attended by the Hon'ble Auditor General, Deputy Auditor General, Senior Officials of Auditor General Office, Chairman of Quality Assurance Board, President, Vice President, Council Members including representative of Monitoring Committee, Ethics Committee, Public Finance and NPSAS Committee, ACAN and AuDAN Presidents,



Webinar on “Impact of COVID -19 on Accounting Profession”

The Institute hosted a webinar on the topic “Impact of COVID -19 on Accounting Profession” on 24 April, 2020. This webinar was the first ever-online webinar hosted by the Institute.

The Webinar started with welcome remarks by the Executive Director CA. Sanjay Kumar Sinha. Addressing the webinar as the moderator, ICAN President CA. Krishna Prasad Acharya, briefly outlined the objective of the webinar being brain storming on impact of COVID-19 on overall businesses and the subsequent effect on accounting profession. Vice President (Also the Coordinator of the Technical Committee to study impact of COVID – 19) of the Institute CA. Madan Krishna Sharma as a speaker presented on the global and national impact of COVID - 19 in businesses, accounting profession and other sectors.

Chairman of Accounting Standards Board CA. Mahesh Khanal presented briefly on the effect of COVID-19 on implementation of various Nepal Financial Reporting Standards (NFRSs).

Similarly, Chairman of Auditing Standards Board CA. Anup Kumar Shrestha presented on the effect of COVID-19 on various Nepal Standards on Auditing (NSAs).

CA. Shashi Satyal, practitioner presented on various aspects of audit processes and challenges that practitioners might face post Pandemic. CA. Anand Sharma Wagle, President of Association of Chartered Accountants of Nepal (ACAN) and RA. Mohan Raj Regmi, President of Auditors Association of Nepal (AuDAN) presented on the effect of COVID- 19 on the profession. The webinar was participated by more than 700 participants.

National Webinar on “Alleviating the Distress of COVID – 19: Role of Financial Sector”

The Institute of Chartered Accountants of Nepal (ICAN) hosted a National Webinar on the topic “Alleviating the Distress of COVID – 19: Role of Financial Sector” on 1st May, 2020. The webinar was organized to give an insight on the role of financial sector to overcome post Pandemic financial crisis in the Nation.

The webinar started with welcome remarks by the President CA. Krishna Prasad Acharya followed by his presentation on “Role of Accounting Profession in Revival

Process of Economy”. The Chief Guest of the program was Hon'ble Finance Minister Dr. Yuba Raj Khatriwada.

A panel discussion consisting of representatives from different regulators and associations to discuss on initiatives of their respective organizations and their role to revive economy post COVID – 19 Pandemic was organized.

Mr. Buvan Kumar Dahal, Chairman, Nepal Bankers Association, presented a paper on “Role of Financial Sector in Minimizing Economic Impact of COVID- 19 and Boosting the Economic Growth” in the panel discussion session.

Similarly, Governor of Nepal Rastra Bank, CA. Maha Prasad Adhikari, as a member of panel discussion, highlighted the efforts being undertaken by Nepal Rastra Bank for fighting against the COVID-19 impact. Other panel members were Chairman of Securities Board of Nepal (SEBON) Mr. Bhisma Raj Dhungana, Chairman of Insurance Board of Nepal Mr. Chiranjibi Chapagain and Vice President of Federation of Nepal Chamber of Commerce and Industries (FNCCI) Mr. Chandra Prasad Dhakal. The webinar was participated by more than 1,150 individuals.

Post Budget Interaction Program

The Institute organized online post budget interaction program on 29 May 2020 – a day after the federal budget for the fiscal year 2077/78 (2020-21) was tabled. The objective of the interaction program was to review the budget speech and assess its impact on various business sectors and in overall economy of the country.

The interaction program broadcasted online, had three different technical sessions – Stakeholders discussion on impact of budget in various sectors of business along with effect of COVID – 19, Impact on overall business due to changes in tax laws and Impact of budget in overall economy.

The program was participated by more than 1,700 members, students and other professionals.

Webinar on Digital Signature and Online Trading

The Institute organized a webinar on Digital Signature and Online Trading on 12 June 2020. The objective of the webinar was to impart knowledge among members about digital signature, use of digital signature, benefit of digital signature and ways to get digital signature. Mr. Biplav Man Singh, Co-Chairman, Nepal Certifying Company and



Former President, Federation of Computer Association of Nepal as a resource person facilitated the Webinar.

National Best Presented Annual Report Award 2018 Distributed

Coinciding with the Oath taking Ceremony, the Institute awarded National Best Presented Annual Report Award for the fiscal year 2017/18.

The National BPA Award 2018 arranged under the category of Banking Sector (Private and Public Sector), Financial Sector (Including Development Banks and Finance Companies), Insurance Sector, Public Interest Entity, General Sector, Service Sector, Manufacturing Sector and Others. Organizations having their audited financial statements based on Nepal Financial Reporting

Standards (NFRS) and having fulfilled minimum standards were considered for evaluation and selection.

Webinar on Evolving Entrepreneurship, You and Business Success – SMEs Perspective

The Institute organized business coaching on Evolving Entrepreneurship, You and Business Success – SMEs on 14 June 2020.

The objective of the coaching session was to shed light on various techniques professional accountants are required to adopt for developing entrepreneurship. CA. Dr. Chamara Bandara, CEO/Consulting Entrepreneur from Sri Lanka, as a resource person, facilitated the coaching session. He deliberated the coaching on theoretical and practical aspects of business success and failure to encourage in business with confidence.



The winner of the National BPA Award receiving the award.



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.

Members are strength of the Institute 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 2019/20 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 with the profession. 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 members. Despite of the complexities resulting from COVID -19 Pandemic we continued to work for growth and developments of our members. Though the journey of change and equipping oneself does not end, we thrive to upgrade our delivery embracing the technological changes. Number of activities and events were conducted to support learning of members.

During the year a total of 125 members were granted new CA Membership Certificate and a total of 21 CA members were granted Fellow Membership Certificate. In the period under review, 72 CA members opted to hold Certificate of Practice and total number of CA members holding CoP has reached to 597 whereas RA members holding CoP has reached to 2,903 RA.

Our membership continues to grow and at the end of the financial year under review, we have total strength of 8,752 members, of them 1,504 are CA members and 7,248 are RA members

Key Activities and Achievements

Continuous 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 changes. The Institute with a view to enhance the competencies of its members, has been regularly conducting Continuous Professional Education (CPE) Programs, Members Capacity Development Program 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 parts 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 11 CPE trainings were conducted nationwide, out of which 7 trainings were outsourced. Altogether around 1,130 members benefitted from the CPE trainings.

Capacity Development Training on Cooperative

The Institute has organized a two-day "Capacity Development Training on Audit Process of Cooperative Institutions" from 6-7 September, 2019 in Dhangadi, Kailali and from 15-16 November, 2019 in Dang. Similarly, the Institute also organized a two-day "Capacity Development Training on Audit Process of Cooperative Institutions" from 23-24 September and 25- 26 September, 2019 in Janakpur and Lahan respectively. Moreover, 3 days online capacity development training on Cooperative Audit was also organized from 28 to 30 May 2020.



This training covered various topics such as Acts and Regulations governing operation of cooperative institutions, guidelines to cooperative institutions, accounting policies adapted by cooperative institutions, code of ethics applicable to auditors of cooperative institutions and model financial statements of cooperative institutions.

Training on NFRS for SMEs and MEs

The Institute has organized a three-day Capacity Development Training on Nepal Financial Reporting Standards for Small and Medium Sized Entities (NFRS for SMEs) for ICAN Members from 6 to 8 December, 2019 in Nepalgunj, Banke and a five days online training on NFRS for SMEs from 5 to 10 May 2020 for its Members.

Likewise, the Institute also organized a two-day online capacity development training on 'NAS for MEs' from 25-27 May 2020.

The objective of this capacity development training was to educate the applicability of Nepal Accounting Standards while preparing and reporting Financial Statements of SMEs and MEs and to support professional development of Members.

Certificate Course on Forensic Accounting and Fraud Detection

The Institute, for the first time, conducted a seven-day "Certificate Course on Forensic Accounting and Fraud Detection" in Kathmandu from 14 December to 20 December, 2019. The training was organized in technical support of the Institute of Chartered Accountants of India (ICAI).



ICAN Officials and resource person along with Hon'ble Auditor General Mr. Tanka Mani Sharma Dangal in the Certification Course.

The opening ceremony of the training started with the welcome remarks by President CA. Krishna Prasad Acharya and was attended by Vice President, Immediate

Past President, Council member, and Executive Director. The Chief Guest of the program was Hon'ble Auditor General Mr. Tanka Mani Sharma (Dangal). Addressing the ceremony, he appreciated the effort of the Institute on facilitating its members by providing post qualification courses and he also highlighted on the importance of the certification course in the context of Nepal.



Group photograph of participants of Certification Course with Hon'ble Auditor General and ICAN Officials.

Altogether 40 participants were actively participated in the Training. The participants of the training were felicitated with the certificate by the Hon'ble Minister for Water Resources, Energy and Irrigation Mr. Barsha Man Pun "Ananta" on 22 December 2019 at Hotel Radisson.

Training Program on Audit Practice Manual

The Institute organized a two-days training program on Audit Practice Manual on 18 and 19 January, 2020 at ICAN Building ICAN Marg, Satdobato, Lalitpur. The two days training covered fundamentals of an ISA compliant audit, meeting quality control standards (NSQC1) etc. Similar, five days online training on Audit Practice Manual was organized from 10 to 14 May, 2020 with the objective of the training program was to equip members with knowledge required to execute and document the complete audit system in compliance of professional standards. More than 900 members of the Institute participated in the training.

Member's Welcome Program

The Institute organized welcome program for New Chartered Accountant members of the Institute on 19 January 2020 at ICAN Building ICAN Marg, Satdobato, Lalitpur. Addressing the program, ICAN President CA, Krishna Prasad Acharya congratulated the new members for their success. During the program, 40 new CA

members of the Institute were felicitated by the President with the certificate.

Women Leadership Training

The Institute organized a one day "Training Program on Women Leadership" on 25 January, 2020 at ICAN Building ICAN Marg, Satdobato, Lalitpur. Chairperson of the Women Leadership Committee and Council Member, RA. Meera Shrestha welcomed the participants in the program. ICAN President CA. Krishna Prasad Acharya and Vice President CA. Madan Krishna Sharma also addressed the participants.

The training comprised various sessions such as Initiative to Alternative Investment: Prospective for Women Entrepreneur in Nepal, Contemporary Taxation Issues, and Professional Women: Work Life Balance and Women Empowerment.

The training program was participated by 45 female members of the Institute, Members of the Women Leadership Committee, ICAN President, Vice President, Council Members, Executive Director, and Staff Members of the Institute.

2nd Chartered Accountants Convocation Ceremony

Coinciding with the 23rd Anniversary Celebration, the Institute organized the "2nd Chartered Accountants' Convocation Ceremony" at Kathmandu on 31 January 2020.



ICAN President CA. Krishna Prasad Acharya addressing the Convocation Ceremony.

The convocation ceremony was organized to confer Chartered Accountancy degree to its graduates and to celebrate this very important and well-deserved

achievement of its members. The convocation ceremony was chaired by ICAN President CA. Krishna Prasad Acharya. The Hon'ble Minister of Education, Science and Technology Mr. Giriraj Mani Pokharel and Hon'ble Auditor General Mr. Tanka Mani Sharma (Dangal) also graced the event as Chief Guest. Special Guest. Prof. Dr. Pushkar Bajracharya of Tribhuvan University was the keynote speaker of the event.



Participants in the Convocation Ceremony.

Altogether, 105 Chartered Accountants qualified from ICAN were facilitated in this occasion

Member Capacity Development Training

The Institute organized a three-days "Capacity Development Training on Audit Documentation" from 21-23 February, 2020 at Dhangadi for practicing Registered Auditor members of the Institute.

Various aspects of audit such as Appointment of Auditor, Correspondence with Previous Auditor, Audit Planning, Evaluation of Threat, Mobilization of Audit Team, Review of Audit Documentation, Reporting etc., were covered during the training.

CA. Nanda Kishor Sharma delivered the training in which 31 practicing Registered Auditor members of the Institute participated in the program.

Diploma in IFRS

The Institute continuing with its objective to enhance professional capacity of its members organized a six days Diploma in IFRS course in technical support of the Association of Chartered Certified Accountants (ACCA).

This course was conducted from 1st to 6th of March, 2020 at ICAN premises. Altogether 37 participants participated in the course.



Training on School Audit

The Institute organized a two-days training on School Audit from 20 to 21 March, 2020 at Lahan, Siraha. CA. Ananda Shrestha facilitated the participants of the training. The training was also addressed by Council Member and Chairman of RA Member Capacity Development Committee RA. Kedar Nath Poudel.

Similarly, four days online capacity development training on School Audit has been organized from 12 to 15th May, 2020 was organized for the members. CA. Ananda Shrestha delivered the training where more than 800 members participated.

Training on Public Procurement

The Institute organized a four days online training on Public Procurement for its members from 4 to 7 May 2020. The training was designed to focus on requirements of various Acts and Regulations related to Public Procurement and to address the complication of interpretation of various interrelated clauses of the Act by the professionals. The training program was addressed by President CA. Krishna Prasad Acharya.

Advocate Baburam Dahal delivered the training and more than 900 members of the Institute participated in the training.

Training on Nepal Financial Reporting Standards (NFRS)

The Institute organized eight days online training on NFRS from 11 to 18 May 2020. The objective of the training was to provide in-depth knowledge of Nepal Financial Reporting Standards (NFRS). The training mainly focused on Conceptual Framework, Consolidated Financial Statements and Financial Instrument aspects of NFRS.

CA. Arun Raut, CA. Jitendra Mishra, CA. Mahesh Godar, CA. Ramesh Dhital, and CA. Bidur Luitel delivered the training and more than 850 members of the Institute participated in the training.

Training on Key Audit Matters and Code of Ethics

Considering the mandatory compliance of Nepal Standards on Auditing (NSA) – 701 “Communicating Key Audit Matters in the Independent Auditor’s Report” in issuing auditor’s report of Multinational Companies, Listed Companies and State-Owned Enterprises after 16th July, 2020 (1st Shrawan, 2077) and its subsequent application in other sectors from 1st Shrawan, 2078, the Institute organized an online training on “Key Audit

Matters” on 19th May 2020. Simultaneously, the Institute also organized three hours online training program to impart understanding on Code of Ethics on 20th May, 2020. These online trainings had objective to educate its members on requirements of NSA – 701 and various requirements of ethical compliance, understanding of interrelated provisions of guidelines issued for the Code of Ethics.

The training was delivered by CA. Shashi Satyal, Practitioner, and CA. Madan Krishna Sharma, Vice President on Key Audit Matters and Code of Ethics respectively. More than 900 members participated in the training.

Online Excel Training

The Institute with objective of equipping its members in information technology, organized a five days online Excel Training from 6 - 10 June 2020. The objective of the training was to focus on conceptual understanding of the excel features, paste special, logical functions, data validation, power function, conditional formatting, text function, lookup function, pivot table and various complex features of the excel and more.

Online Training was facilitated by CA. Manoj Kafle as a resource person.

NFRS, 2018 Pronounced

Accounting Standards Board (ASB), an independent statutory body responsible to set and issue Accounting Standards has handed over Nepal Financial Reporting Standards (NFRS), 2018 for pronouncement by the Institute. These standards were handed over by Chairman of Accounting Standards Board and ICAN Past President CA. Mahesh Khanal to President CA. Krishna Prasad Acharya in the occasion of Oath Taking Ceremony of Newly Elected President and Vice President.

The Institute in exercise of powers conferred by Section 11 (m) of Nepal Chartered Accountants Act 2053 has pronounced Nepal Financial Reporting Standards (NFRS), 2018 with different dates of applicability for each NFRS, Nepal Accounting Standards (NAS), IFRICs and SICs.

Audit Practice Manual Released

In order to achieve the objectives of regulating and developing the accounting profession and complying with the Statements of Membership Obligation (SMOs) issued by IFAC, Institute is committed to monitor the quality of

audit and assurance work conducted by its member firms. In the light of this, Institute has released the Audit Practice Manual in occasion of Oath Taking Ceremony of Newly

Elected President and Vice President. The manual was released by Chief Guest Hon'ble Finance Minister Dr. Yuba Raj Khatriwada.



Hon'ble Finance Minister Dr. Yuba Raj Khatriwada releasing the Book of Audit Practice Manual in the Ceremony

Nepal Accounting Standards for Not for Profit Organization (NAS for NPOs) 2018 and Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018

The Institute announced Nepal Accounting Standards for Not for Profit Organization (NAS for NPOs) 2018 and Nepal Accounting Standards for Micro Entities (NAS for MEs) 2018 from 17th July, 2019 (1 Shrawan 2076) in voluntary basis while it will be fully implemented mandatorily from 16th July, 2020 (1 Shrawan 2077).

Implementation of NSA, 2018

The Institute has published notice regarding mandatory Compliance to Nepal Standards on Auditing, 2018 (Except NSA 701- Communicating Key Audit Matters in Independent Auditor's Report) pronounced by the Institute on recommendation of Auditing Standards Board (AuSB). These standards are issued for mandatory compliance from 17th July, 2019 (Shrawan 01, 2076).

Implementation of NSA 701: Communicating Key Audit Matters in the Independent Auditor's Report

Council meeting of the Institute held on Falgun 16, 2076 has prescribed the implementation date of Nepal Standards on Auditing (NSA)–701: Communicating Key

Audit Matters in the Independent Auditor's Report in phased manner. This standard is a part of NSA, 2018 which was deferred for implementation until further notice on pronouncement of NSA, 2018.

It is subject to compulsory compliance in audit of multinational companies, listed companies and state owned enterprises from 1st Shrawan, 2077. Similarly, it is applicable in audit of all other organizations from 1st Shrawan, 2078.

ICAN Advisory Note

The Institute has issued "ICAN Advisory Note on COVID – 19 Impact on Financial Reporting and Auditing" to provide guidance to business organizations in devising appropriate and uniform approach in preparing the Financial Statements. It also aims at guiding ICAN members in practice and service amid effects of COVID – 19 in Business and Economy.

It includes advisory on requirement of various Nepal Financial Reporting Standards (NFRS) standards, Nepal Standards on Auditing (NSA) standards, analysis of impact of COVID – 19 on compliance to these standards and Institute's recommendation.



International Accounting Day Celebration.

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 an 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

ICAN Members Access to ICAI Digital Learning Hub

For the capacity enhancement of its members, the Institute has arranged for access to Digital Learning Hub of the Institute of Chartered Accountants of India (ICAI) for ICAN members. The members of the Institute are now allowed to access materials on Information System Audit, Early Signals of Fraud in Banking Sector, Block-Chain Technology and Accountancy and Embracing Robotic Process Automation in the initial stage. Members will be awarded Continuing Professional Education (CPE) credit hours after successful study of above topics. For registration to the online learning portal of ICAI, members should go through member's login in ICAN's Website.



Glimpse of Meeting with Hon'ble Auditor General at ICAN Premises.



Glimpse of Convocation Ceremony



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 Articleship Training and General Management and Communication Skill (GMCS) training. The Institute also runs education scheme for Accounting Technician.

During the year 3,116 students enrolled in different level of Chartered Accountancy Course and Accounting Technician course. 1875 new students registered for Chartered Accountancy Education and no students registered for education scheme of Accounting Technician.

Examination

The Institute held the examination twice a year - one in June and other in December. The Chartered Accountancy Examination of December 2019 was conducted successfully. However, because of lockdown announced by the Government imposing travel restriction to prevent spread of COVID -19, Chartered Accountancy Examination of June 2020 has been postponed and conducted along with December, 2020 examination. Of the student appearing in December 2019 examination, 792 students qualified in CAP I level examination, 151 students qualified in CAP II level examination and 37 students qualified in CAP III level examination as follows:

December 2019 Examination:

Details	CAP I	CAP II			CAP III		
	Total	Group I	Group II	Both	Group I	Group II	Both
Applicants	1405	459	254	1283	259	271	266
Appeared	1320	341	210	1226	230	235	262
Passed	792	76	75	91	23	111	7
Qualified	792	151			37		

(Note: The figures of students who passed a single group (Group I or Group II) also include those students who appeared for both group but were successful in single group only.)

Of the ten students appearing in examination of AT scheme, none of the student qualified in the examination.

The Institute also conducted CA membership examination during September 2019 and March 2020 for students completing CA education course from foreign accounting body. In both the examination a total of 471 students applied for examination whereas 421 students appeared the examination and 119 students qualified in the examination.



Orientation Program to CAP-I Students

The Institute has organized an orientation program for newly enrolled CAP I students appearing in December 2019 examination. The orientation was organized at Butwal and Pokhara Branch of the Institute on 21 July 2019. Similarly, the Institute organized an orientation program for newly enrolled Chartered Accountancy Professional (CAP – I) level students appearing in June 2020 examination from 24th to 26th December, 2019 at ICAN Building.

Crash Course

The Institute conducted an intensive Crash Course for CAP – II and CAP – III level from 1st September, 2019 with major objective to support students appearing CA examination in December 2019. Altogether 62 students in CAP II and 15 students of CAP III attended the course.

ICAN Quiz and Elocution Contest

The Institute organized “ICAN Quiz and Elocution Contest, 2020” from 16 to 17 January, 2020 in ICAN Building, ICAN Marg, Satdobato, Lalitpur. CAP III level students



A glimpse of Orientation Program of CAP- I level students.

undergoing articleship and age below 27 years on 31st December, 2019 were eligible to participate in the contest.

Altogether 19 and 17 students of CAP – III participated in ICAN Quiz and Elocution Contest respectively.

General Management and Communication Skill (GMCS) Training

As a part of the Curriculum of CA Education Scheme, the Institute conducted mandatory 15 days General

Management and Communication Skills (GMCS) training for its 16th Batch and 17th Batch at ICAN premises. The training was targeted to enhance presentation, communication and interpersonal skills of the newly qualified Chartered Accountants. The training was also aimed at imparting understanding of contemporary business environment and career opportunities.

Altogether 87 participants attended training in two different batches.



ICAN President CA. Krishna Prasad Acharya addressing the Closing Ceremony of GMCS Training.

Participation in International CA Students' Conference

Three students of Chartered Accountancy Professional III (CAP-III) level participated in International CA Students' Conference held on 26 September 2019 in Karachi, Pakistan. Similarly, 6 students of CAP III level have participated in International CA Students' Conference held on 14 and 15 December 2019 in Pune, India and 3 students of CAP III level have participated in International CA Students' Conference held on 11 February, 2020 at Colombo, Sri Lanka. The students were nominated on the basis of essay writing and presentation on provided topics.

Student Interaction Program

The Institute organized interaction program with students of Chartered Accountancy Professional – II (CAP – II) and Chartered Accountancy Professional – III (CAP – III) level on 10 March, 2020 at ICAN Building, ICAN Marg, Satdobato, Lalitpur. The purpose of the program was to interact with students, understand their concerns regarding CA education and to receive suggestions and constructive feedback to uplift the education system.

Online Study Materials

The Institute has started uploading study materials, practice manuals, compilations of suggested answers of past questions and other material resources in the Student Login Portal in the website of Institute.

Online Revision Class

The Institute with an objective to facilitate its students to prepare for their examination has started online revision classes of all level of Chartered Accountancy Courses, altogether 1341 students from different level of Chartered Accountancy Courses availed the facility of online revision classes conducted in May/June 2020.

ICAN Library

The ICAN library has been enriched with professional books, journals and periodicals of updated versions. ICAN Library is accommodated with wonderful arrangements at ICAN Building 1st Floor.

During the COVID-19, ICAN Library continue to remain closed to avoid mass gathering and safety of the students. To ensure the health and safety of Library staff and users, ICAN is not providing face-to-face assistance but Library Team is committed and active to provide any kind of information if required, through email and phone.

Stocks of Books as on 15 July 2020

Particulars	Number
Total Stock of books as on 16 July 2019	13,827
Add: Purchased during the year	306
Total Stock of books as on 15 July 2020	14,133



Hon'ble Minister for Water Resources, Energy and Irrigation Mr. Barsha Man Pun Delivering Speech in the National Conference.



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

Participation in the SAFA Conference

President CA. Krishna Prasad Acharya, Vice President CA. Madan Krishna Sharma and Past President and SAFA Coordinator CA (Dr.) Suvod Kumar Karn has participated in

South Asian Federation of Accountants (SAFA) Board and Committee Meeting organized from 29 - 30 July, 2019 at Colombo, Sri Lanka. President CA. Krishna Prasad Acharya presented a paper on the topic "Nepal's Prospective on Combatting Bribery and Corruption" in this forum.

Participation in SAFA Foundation Day Conference

President CA. Krishna Prasad Acharya has participated in SAFA Foundation Day Conference on the theme "Emerging Challenges and Opportunities for Professional Accountants in South Asia" on 22nd August, 2019 at Hyderabad, India. The Institute of Cost Accountants of India (ICAI) had hosted this event in occasion of South Asian Federation of Accountants (SAFA) foundation day celebration.

President CA. Krishna Prasad Acharya was panelist in panel discussion on "Emerging Challenges and Opportunities for Professional Accountants in South Asia" besides presenting a paper on the above theme where he stressed on the recognition of the profession and need for proper monitoring and supervision of members.

Participation in Workshop Organized by ADB

Executive Director CA. Sanjay Kumar Sinha and Joint Director CA. Kiran Kumar Khatri represented the Institute and presented paper on "Support extended by the ICAEW for the implementation of Quality Assurance (QA) review process in Nepal and challenges faced in its effective implementation" in a workshop entitled "Technical Assistance Project for Strengthening Financial Management in Asia and Pacific" organized by the Asian Development Bank (ADB) and Institute of Chartered Accountants in England and Wales (ICAEW) on September 18 and 19, 2019 in Manila, Philippines.

Participation in IPSASB Roundtable Meeting and Capacity Building Forum

International Public Sector Accounting Standards Board (IPSASB), Asian Development Bank (ADB) and Confederation of Asian and Pacific Accountants (CAPA) had jointly organized 2019 IPSASB roundtable meeting and capacity building forum's meeting from 09-10 October, 2019 at ADB Headquarter, Manila, Philippines. These events comprised of various technical sessions such as session on IPSASB update, strategy implementation, revenue project, transition to accrual basis of accounting, comparative approaches, and experience sharing of adapting accrual basis of accounting, digital transformation, and technology for public sector etc. Simultaneously, meeting of Public Sector Financial Management Committee (PSFMC) was also organized.

Council Member and Chairman of Public Finance and NPSAS Committee CA. Yuddha Raj Oli represented the Institute in these events and meetings.



Participation in SAFA Events

South Asian Federation of Accountants (SAFA) organized conference marking session for the SAFA Best Presented Annual Reports Award (SAFA BPA Awards) and SAARC Anniversary Awards for Corporate Governance, 2018 on 16 - 17 October, 2019 in Colombo, Sri Lanka.

Annual Reports of various Institutions from SAFA member bodies were evaluated for SAFA BPA Awards and SAARC Anniversary Awards for Corporate Governance, 2018. On that occasion, meeting of SAFA's Committee for Improvement in Transparency, Accountability and Governance was also organized on 18 October 2019.

President CA. Krishna Prasad Acharya, Vice President CA. Madan Krishna Sharma, Council Member RA. Abdul Karim Khan and Acting Director Mr. Binod Neupane represented the Institute in various meetings of SAFA, SAFA International Conference and an award distribution ceremony which was hosted by The Institute of Chartered Accountants of Bangladesh (ICAB) in Dhaka, Bangladesh.

Various Companies from Nepal were also felicitated during the award distribution ceremony organized to distribute SAFA Best Presented Annual Report Awards, Integrated Reporting Awards and SAARC Anniversary Awards for Corporate Governance Disclosures Competition, 2018.

Visit of ICAEW QA Consultants

Quality Assurance Review Consultants from the Institute of Chartered Accountants in England and Wales (ICAEW) Mr. Alan Hind and Ms. Linda Barnes visited ICAN from 4-15 November, 2019.



Quality Assurance Unit presenting the progress and Status of Quality Assurance Review with Council, QAB and Consultant from ICEAW.

During their visit discussion sessions were held with the Council members, members of the Quality Assurance Board, ICAN members and ICAN officials regarding Quality Assurance review process adapted by the Institute.

Participation in CAPA and IFAC Meetings

Confederation of Asian and Pacific Accountants (CAPA) had organized CAPA Committee and Board Directors Meeting, Members Meeting and Assembly of Delegates and Board from 10-15 November, 2019 in Vancouver, Canada. Alongside these meetings, International Federation of Accountants (IFAC)'s Council and Assembly meetings were also organized. President, CA. Krishna Prasad Acharya, participated in these meetings representing ICAN.

Representation in "The Belt and Road" Forum

Accounting Regulatory Department of Ministry of Finance, People's Republic of China jointly with Xiamen National Institute Research Center organized "The Belt and Road" National Accounting Standards Cooperation Forum on 7-8 November, 2019 in Xiamen, China for Financial and Economic Development in the sector. Council Member CA. Kiran Dongol, RA. Meera Shrestha and Executive Director CA. Sanjay Kumar Sinha represented the Institute in the forum.

Chairman of the Accounting Standard Board of Nepal CA. Mahesh Khanal presented a progress report on the implementation of Accounting Standards (Nepal Financial Reporting Standards) in Nepal. The forum was also participated by the Chairman of the Auditing Standard Board of Nepal CA. Anup Kumar Shrestha, members of Accounting Standards Board and Auditing Standards Board.

Participation in IFAC Conference

International Federation of Accountants (IFAC), in partnership with the Malaysian Institute of Accountants (MIA) organized a conference with the theme "A Future Ready Accountancy Profession: Developing Accountancy Capacities in Emerging Economics" at Kaula Lumpur, Malasiya from 10-12 December, 2019. The conference was participated by President CA. Krishna Prasad Acharya, Vice President CA. Madan Krishna Sharma, Council Member RA. Bahadur Singh Bista and Executive Director CA. Sanjay Kumar Sinha.

Meeting with the Bhutanese Delegates

The representatives of the Institute, Accounting Standards Board (ASB) Nepal had a meeting with the delegates from Accounting and Auditing Standards Board of Bhutan (AASBB) at ICAN Building, ICAN Marg, Satdobato, Lalitpur on 27 January 2020. The delegates of AASBB



and the representative of the ASB Nepal shared the status of implementation of IFRS and Financial Reporting Standards in Bhutan and Nepal respectively.

The meeting was also participated by the Executive Director, Acting Director, Auditor General and Chairman AASBB.

Global Webinar on Role of Professional Accountants in Business Continuity, Crisis Management and Financial Reporting: Post COVID – 19 Pandemic

The Institute organized Global Webinar on the topic “Role of Professional Accountants in Business Continuity, Crisis Management and Financial Reporting: Post COVID-19 Pandemic” on 22 May 2020.

In the Webinar, eminent and known personalities representing from Professional Accounting Bodies across the globe presented their views and ideas on the roles of Professional Accountants and initiatives taken for uniformity in reporting by Professional Accounting Bodies to overcome post COVID-19 impact.

In the Program CA. Maha Prasad Adhikari, Governor of Nepal Rastra Bank, Prof. Dr. In-Ki Joo, President of IFAC, Mr. Zia-UI-Mustafa Awan, President of SAFA, Fiona Wilkinson, President of ICAEW, Mr. Peter Rupp, President of CA ANZ, CA. Atul Kumar Gupta, President of ICAI, Elaine Hong, Executive Director, Stakeholders and Strategy, CAPA, Mr. Ram Subramaniam, Policy Adviser of CPA Australia, FCA. Sabbir Ahmed, Vice-President of ICAB, Dr. CA. Chamara Bandara, Consulting Entrepreneur, Sri Lanka presented their views.

Topics on Monetary and Financial Sector Intervention against COVID-19 Pandemic, IFAC Initiatives for Accounting Profession in the light of COVID-19 Pandemic, Crisis Management by Professional Accountants arising from COVID-19 Pandemic, UK Perspectives on COVID-19 Supporting Members and Building Something Better, Impact of COVID-19 on Accounting Profession-Big 4 Perspectives, Role of Accounting Professionals in Stabilizing Economy - Post COVID 19 Pandemic, COVID-19 Impacts - Challenges Facing Professional Accountants in Asia Pacific, Role of Professional Accountants in Financial Reporting: Post COVID-19 Pandemic, Role of Professional Accountants in Revival of SMEs- Post COVID -19, Ways for SMEs to Evolve and Thrive from COVID-19 Environment- Role of Professional Accountants were discussed in Webinar.

More than 2500 professionals participated in the webinar through online platform of ICAN.

Webinar on Impact of COVID-19 on Global Economy and Nepal Budget 2020/2021

Nepal US Chapter of the Institute organized a one and half hour online program on Impact of COVID-19 on Global Economy and Nepal Budget 2020/2021 in association with the Institute of Chartered Accountants of Nepal on 14 June 2020. The objective of the program was to discuss on the impact of COVID-19 on Global Economy and Nepal Budget 2020/21.

The Program started with the welcome speech by ICAN President CA. Krishna Prasad Acharya and Coordinator of US Chapter CA. Ganesh Chandra Baniya.

Dr. Ram Prasad Phuyal, Member, National Planning Commission, Nepal and Mr. Prem Sangraula, Economist, The World Bank, Washington DC were panelists in the program.

SAFA Webinar on Managing Risk and Challenges of Financial Sector- Post COVID-19 Pandemic

The Institute hosted a three hours online SAFA webinar on Managing Risk and Challenges of Financial Sector- Post COVID Pandemic on 16 June 2020. The objective of the program was to focus on managing risk and challenges of financial sector that is caused by COVID -19 Pandemic.

CA. Atul Kumar Gupta, President of ICAI, Mr. Zia UI Mustafa Awan, President of SAFA, Mr. Sabbir Ahmed, Vice President of ICAB, Anil Bhandari, Central Council Member of ICAI, Mr. Anil Keshari Shah, CEO of Nabil Bank Ltd, Mr. Ather Saleem, Member of National Council ICMAP, Mr. Sanath Farnando, ICASL presented the papers on Financial Reporting on Risk and Challenges due to COVID-19 Pandemic, Managing Risk and Challenges due to COVID-19 Pandemic-South Asian Perspective, Managing Risk and Challenges Posed by COVID-19 Pandemic- Role of Chief Risk Officer, Managing Risk and Challenges Posed by COVID-19 Pandemic- Role of Internal Auditor, Managing Risk and Challenges Posed by COVID-19 Pandemic- Role of CEO, Committees and Board, Managing Risk and Challenges Posed by COVID-19 Pandemic- Role of Chief Financial Officer, Managing Risk and Challenges Posed by COVID-19 Pandemic- Role of External Auditor respectively in the respective area. More than 500 participants attended the program.



Dr. Yuba Raj Khatiwada Delivering Speech in the Program.

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.

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.



Glimpse of Panel Discussion in the National Conference.



Vice President CA. Madan Krishna Sharma Taking Oath of Office from the President CA. Krishna Prasad Acharya.

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

Unique Document Identification Number (UDIN)

The Institute had launched UDIN application that allows generation of 18 digits Unique Document Identification Number (UDIN) for every certification / audit service provided by ICAN members having Certificate of Practice (CoP). UDIN system was launched with voluntary compliance from 01 Shrawan, 2076 and mandatory compliance from 01 Kartik, 2076.

Oath Taking Ceremony of Newly Elected President and Vice President



President CA. Krishna Prasad Acharya taking Oath from Deputy Auditor General Mr. Babu Ram Gautam.

The oath taking ceremony of President CA. Krishna Prasad Acharya and vice President CA. Madan Krishna Sharma for 2nd term of the 8th Council of the Institute was held at Hotel Radisson, Lazimpat, Kathmandu on 23 July, 2019. Deputy Auditor General of Nepal Mr. Babu Ram Gautam, in the presence of Chief Guest Hon'ble Finance Minister Dr. Yuba Raj Khatriwada, administered the oath to newly elected President and subsequently President administered the oath to newly elected Vice President.

Outgoing President CA. Jagannath Upadhyay (Niraula) handed over the "President Medallion" to the newly elected President CA. Krishna Prasad Acharya highlighted the various milestones achieved by the Institute during his tenure. Recognizing the contribution of the then President CA. Jagannath Upadhyay (Niraula) Executive Director, CA. Sanjay Kumar Sinha presented a token of love to him, on behalf of the Institute.



President CA. Krishna Prasad Acharya accepting President Medallion from then President CA. Jagannath Upadhyay Niraula.

Celebration of 23rd Anniversary

The Institute celebrated its "23rd Anniversary Program" on 31 January, 2020 (17 Magh 2076) at Hotel Yak & Yeti, Kathmandu, Nepal. The program was inaugurated by Chief Guest of the program Hon'ble Auditor General Mr. Tanka Mani Sharma Dangal. Addressing the program, Hon'ble Auditor General Mr. Dangal congratulated the Institute on completion of 23 years' journey and urged the Institute and its members for more contribution in Economic Development of the Nation.



President CA. Krishna Prasad Acharya, during his address, elaborated on the various milestones achieved by the Institute during the fiscal year 2018/19 and future strategy of the Institute. President also presented Annual Report of fiscal year 2018/19 (2075/76).



Hon'ble Auditor General Mr. Tanka Mani Sharma Dangi inaugurating the Ceremony.

Following Annual Report presentation, certificates and medals were distributed to Merit Holder Students of Chartered Accountancy Examinations conducted in December, 2018 and June, 2019. Winners of ICAN Quiz and Elocution Contest, 2019 were also felicitated with certificates and prize during the programs.



ICAN Past President CA. Madhu Bir Pande felicitated during the Program.

Similarly, the Past Presidents of the Institute CA. Madhu Bir Pande, CA. Narendra Bhattarai, CA. Prakash Lamsal, CA. Mahesh Khanal and CA. Prakash Jung Thapa were felicitated for their valuable services and contribution to the Institute during their tenure.

The Institute also felicitated two of its employees Ms. Poonam Bajrachayra and Mr. Ram Kumar Nepal in recognition of their untiring performance and contribution to the Institute during fiscal year 2075/76.

Anniversary Program was attended by Past Presidents, Council Members, Committee Members, Students and Staff Member of the Institute. More than 450 guests participated in the program.

ICAN E-news

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

Scaling up of Institute's Management

During the year Organogram of the Institute has been revamped to centralize the functioning of management under two directorate, Technical Directorate and Administrative Directorate. Revised Organogram has facilitated positioning of qualified Chartered Accountants at various technical positions to provide dedicated services to the members, students and stakeholders.

The Technical Directorate has been made responsible to cater specialized services through Center for Excellence in the areas of Quality Assurance, Disciplinary Actions, Monitoring Activities, Information and Technology, Research and Survey etc., whereas the Administrative Directorate has been made responsible to handle day to day and ongoing recurring activities of the Institute in systematic way.

The Administrative and Financial Bylaws of the Institute has been amended to accommodate the changes in the Organogram and to empower management to accomplish goals of the Institute in more systematic and unified manner.





Financial Review

Financial Review

The financial objective of the Institute is to ensure that it has sufficient reserves to conduct activities for attainment of its establishment objectives.

Financial Results and Standing

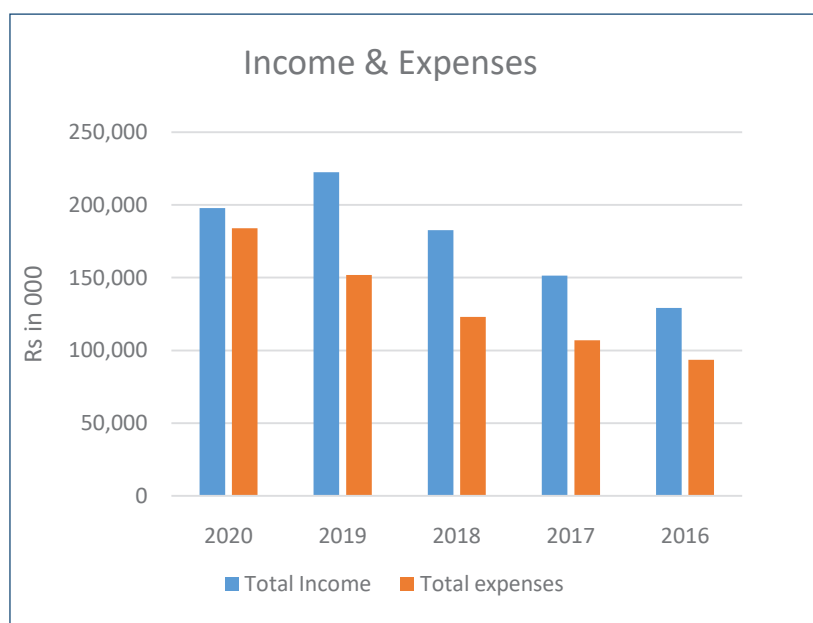
This year the Institute reported net surplus of Rs. 10.35 million after taxes. The total income of the Institute decreased by 11 % and reached to Rs. 197.92 million whereas the total expenses increased by 21 % and reached to Rs. 183.89 million. The decrease in reported income and surplus is due to postponement and cancellation of examination, education and professional development activities during COVID-19 Pandemic. By the end of the year funds and reserves of the Institute is Rs. 511.50 million and total assets has reached Rs. 652.88 million.

Income

Income from educational and examination activities is the most significant source contributing 67% to the total income. The contribution to total income of interest income, member and professional development activities, and Government Grant and other income is 15 %, 15 % and 3 % respectively. The income from examination activities, professional development activities and other activities decreased by 31%, 19% and 53 % respectively in comparison to previous year. Due to postponement and cancellation of examination, education, professional development and other activities during the COVID-19 Pandemic, the income of the Institute decreased by 11 % during the year.

Expenses

For the year under review, the Institute expended 87% (64% in previous period) of its total income for its activities other than expenses of Rs. 11.89 million in depreciation and amortization. Out of the total expense, 42% expenses incurred



towards employee benefit, 26% on education and examination activities, 5% on member and professional development activities, 3% on international affairs, 5% on donation and 12% on other expenses. On year-to-year basis expenses on education and examination activities increased by 14%, employee benefit expense increased by 65% whereas expenses on members' activities, expenses on International affairs and other expenses decreased by 22%, 55% and 26% respectively. The Institute contributed Rs. 10 million into Corona Virus Prevention, Control and Treatment Fund established by Government of Nepal.

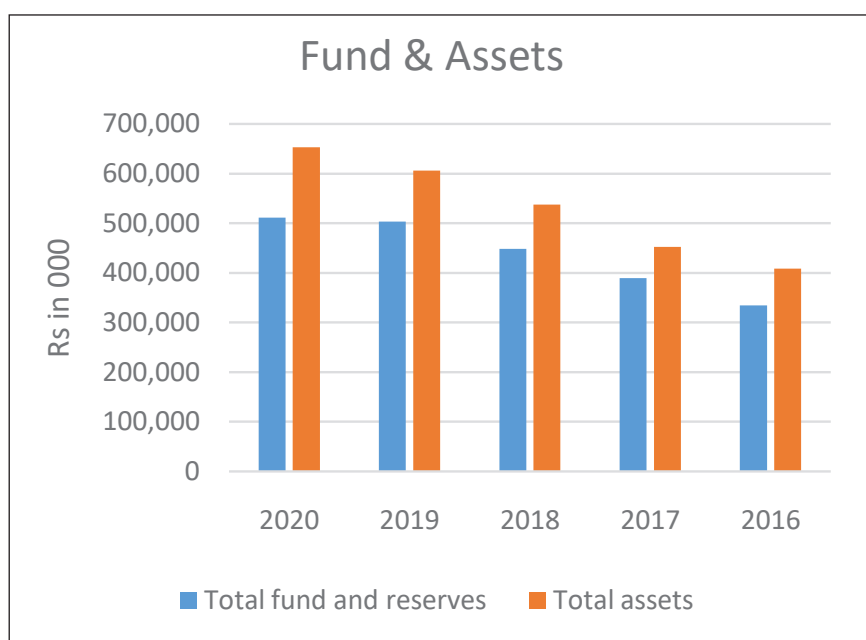


Liabilities and Assets

The non-current and current liabilities of the Institute are 14% and 8% respectively of its total assets. Employee benefits obligation determined based on actuarial valuation makes up 99% of non-current liability. To meet the liability, the Institute has not invested in any plan assets as the Institute has sufficient investment to meet the obligation. Current Assets of the Institute is sufficient to meet the obligation of current liabilities. Surplus of fund after investing in property 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. 274.04 million which is 54% 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 builds funds and reserve of the Institute. By the end of the year funds and reserves of the Institute is Rs. 511.50 million with increase of 2% on previous year balance of fund and reserve. Out of the surplus of current period, the Institute has appropriated Rs. 1.04 million to earmarked fund i.e. to scholarship fund and employee welfare fund.





Five years' Financial Summary

	Year ended Mid July				
	Amount in Rs. '000				
	2020	2019	2018	2017	2016
Total Income	197,917	222,464	182,681	151,462	129,225
Total Expenses	183,893	151,922	123,049	106,852	93,569
Surplus/(Deficit) before Tax	14,024	70,542	59,632	44,610	35,657
Tax Expenses	3,672	18,384	4,146		
Surplus/(Deficit) after Tax	10,352	52,158	55,487	44,610	35,657
Actuarial gain/ (loss) on defined benefit plan schemes	(3487)	2,645	3,265	-	
Total comprehensive surplus/(deficit)	6,865	54,803	58,752	44,610	35,657
Property and Equipment	206,483	214,032	206,704	204,381	196,968
Intangible Assets	2,208	1,816	1,534	1,438	1,504
Financial Assets	1,359	1,764	3,712	54,602	33,818
Prepayment	543	501	378	2,739	3,320
Deferred Tax Assets	12,486	4,478	11,451	-	-
Total Non-current Assets	223,078	222,591	223,779	263,159	235,611
Total Current Assets	429,799	383,731	314,151	188,868	173,262
Total Assets	652,877	606,322	537,930	452,027	408,874
Total Non-current liabilities	(90,006)	(68,175)	(58,199)	(53,245)	(52,461)
Total Current Liabilities	(51,376)	(35,025)	(31,470)	(9,304)	(22,118)
Total Net Assets	511,495	503,122	448,261	389,479	334,294
Reserves	410,800	405,927	359,288	304,403	256,492
Earmarked Fund	45,555	40,641	31,005	25,694	19,603
ICAN Main Building Fund	55,140	56,554	57,968	59,381	58,197
Total Fund and Reserves	511,495	503,122	448,261	389,479	334,294



Way Forward

In the current year the Institute has completed implementation of its three year Strategic Plan 2018-2020 and will develop a new strategic plan for the coming years building on the achievements made so far and incorporating the plans for meeting the challenges ahead in the pursuit of professional excellence to fulfill the obligations of the accounting profession towards serving in the public interest.

The Institute, as a sole regulator of accountancy profession within the jurisdiction of Nepal, has been continually directing its efforts to promote and regulate the accounting profession. Functions and operations of the Disciplinary Committee and the Quality Assurance Board have moved the regulatory function of ICAN in a new era by putting in place a transparent and effective system with documented process and procedures in accordance with the applicable laws. Likewise, mandatory use of UDIN and enhancing the scope of Supervision and Regulation is expected to excel regulatory function in the days ahead. Besides this, for systematizing the work and the records of the Audit Firms, the Institute is exploring the means to encourage the firms to use Audit Management System Software. The Institute will be specifically focusing on quality control of the Audit Firms and standardizing the audit fees of the firm. 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.

As a Membership Body, conduct of our members speaks about the value addition that our profession makes to the national economy. And, we look forward to strengthening their standards not just in national level but internationally. In this regard, the Institute will put its efforts to support its members for implementation of the new standards, timely adoption of new pronouncements and comply with the Code of Ethics. Continued Professional Education and Members Capacity Development Programs shall be conducted both physically and virtually. Nevertheless, review of current process and possibility of blending our process with technology shall be prioritized.

The Institute shall focus vigorously on imparting Post Qualification Certification Courses to its members such as IFRS, Information System Audit (ISA), Forensic Audit, Business Valuation, Public Financial Management, Internal Audit and other relevant topics that will directly benefit the members and the stakeholders. These courses are planned to produce experts in the relevant area. With

a view to enhance knowledge base and uniformity in the services rendered by the members, the Institute plans to bring out with guidelines relating to assurance and other services for different industries.

Efforts for further consolidating the collaboration with international and regional accounting bodies shall be continued to enhance recognition of the Institute in the international arena. Likewise, continuity of the MOU/MRA and Mutual Collaboration Agreement with other Professional Bodies shall be ensured by harmonizing the International Standards in the areas of education and other technical standards. 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. Our priorities shall always be to foster international relationship to recognize ICAN as a world class Accounting Body.

The Institute has always prioritized the need to impart world class education, training, and development to the aspiring Chartered Accountants. In the days ahead, the Institute shall issue new Chartered Accountancy Curriculum by incorporating all latest and relevant developments. Accordingly syllabus and module designed for Information Technology Training and General Management Training shall also be updated with a view to provide more practical and futuristic knowledge to the students. We look forward to launch E-Learning facility for our students. Also, video materials shall be developed for selected subjects at the initial phase. Apart from course materials, the Institute shall also develop other preparation materials including practice manual, compilation, and mock test papers for the ease of students. Career counseling shall be conducted with highest priority to attract the best and brightest student in the Chartered Accountancy Education offered by ICAN. We shall be continuously assessing and updating our education process to provide accountancy education of global standards.

As part of our continued efforts to uphold strengthening Public Financial Management system and practices in the country, the Institute shall launch courses on NPSAS and Public Financial Management (PFM) targeting employees in Public Sector, Government office bearers, and members of the Institute. The Institute shall prioritize updating Financial Reporting Standards with Global Standards. The implementation aspect shall be facilitated by transfer of knowledge, conducting Training of Trainers

(TOT), capacity development programs and publication of self-learning materials. The Institute shall also conduct provincial level workshops on local economy and business environment targeting the officials of Provincial and Local Governments

For extended outreach of the Institute and provision of required infrastructure, we plan to establish new building in coordination with the Government for establishment and operation of ICAN Academy mainly focusing PFM and other post qualification courses. In order to identify the market perception on the current accounting profession and also to understand the market need and demand for Accounting Professional, a Perception Survey is planned to be conducted.

A key focus going forward will be to explore and incorporated the Information Technology in the different processes of the Institute. E-platform shall be introduced for membership renewal, students' registration, examination registration, members training, students' revision class, e-payment including other internal function of the Institute itself. In the days ahead, the Institute plans to introduce online answer sheet evaluation system with the objective to systematize the evaluation process and overcome bottlenecks caused by geographical distance between the examiners and the Institute. The Institute is in the final process for upgrading its ERP in order to optimize the information system of the Institute, for which Software Requirement Specification has already been developed and procurement process is being initiated in near future.

We are determined to unlearning the substandard practices and calibrating our process and functioning for establishing the Institute as a Center for Excellence. We shall further deliver on the expectation of the stakeholders by advancing Research and Development.

- Infrastructure Development
- Branding Institute
- Global Standard Education
- Information Technology Reforms
- New Curriculum
- E-Learning
- Members Capacity Development Programs
- Audit System Development
- Post Qualification Certification Course
- Research and Development





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. Madan Krishna Sharma
President



CA. Yuddha Raj Oli
Vice President



CA. Krishna Prasad Acharya
Immediate Past President



CA. Jagannath Upadhyay (Niraula)
Past President



CA. Surendra Shrestha
Council Member



CA. Bishnu Prasad Bhandari
Council Member



CA. Bidhyabaridhi Sigdel
Council Member



CA. Kiran Dongol
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 and Boards (2076/77)

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
Major Functions	Overseeing the day-to-day Business of the Institute.	Provide guidance and support for Professional Development.
Chairman	CA. KRISHNA PRASAD ACHARYA	CA. KRISHNA PRASAD ACHARYA
Vice- Chairman	CA. MADAN KRISHNA SHARMA	CA. MADAN KRISHNA SHARMA
Members	CA. MAHESH SHARMA DHAKAL RA. MEERA SHRESTHA	CA. PEEYUSH ANAND RA. ABDUL KARIM KHAN MR. JEEVAN PRASAD SUVEDI* CA. BIJAYA RAJ GHIMIRE RA. KAMAL KHAREL
Secretary	CA. SANJAY KUMAR SINHA	MR. BINOD PRASAD NEUPANE

Role	Examination Committee	Disciplinary Committee
Major Functions	Oversee examination related matters	Inquire into a complaint and recommend for necessary action.
Chairman	CA. KRISHNA PRASAD ACHARYA	CA. JAGANNATH UPADHYAY NIRLA
Vice- Chairman	CA. MADAN KRISHNA SHARMA	CA SURENDRA SHRESTHA
Members	CA. BISHNU PRASAD BHANDARI CA. BIDHYABARIDHI SIGDEL RA. BAHADUR SINGH BISTA CA. BINAY PRAKASH SHRESTHA RA. BHARAT KUMAR SHRESTHA	RA. KEDAR NATH POUDEL MS. CHANDRAKALA PAUDEL CA. SUJAN SHRESTHA RA. DOL PRASAD DAHAL MR. TRILOCHAN ACHARYA
Secretary	MR. SHYAM MANI DAHAL	MS. GOMA RAUT

Non-Standing Committees

Role	Standard Implementation Review Committee	Ethics Committee	Public Finance and NPSAS Committee
Chairman	CA. SURENDRA SHRESTHA	CA. KIRAN DONGOL	CA. YUDDHA RAJ OLI
Members	RA. KEDAR NATH POUDEL CA. MANISH AMATYA CA. MAHESH GODAR CA. SURESH RAJ KHAKUREL CA. BISESH BIBU ACHARYA	RA. BAHADUR SINGH BISTA MR. JEEVAN PRASAD SUVEDI* CA. SHAMBHU PRASAD CHAUDHARY CA. RAJESH PARAJULI CA. RANJIT KUMAR YADAV	RA. MEERA SHRESTHA CA. ACHYUT RAJ JOSHI CA. YAGYA RAJ BHATTA CA. NIRMAL BARTAULA CA. GAURAV RIJAL
	CA. ANIL PAUDEL CA. SHIKHA BAGLA RA. RAJENDRA PRASAD DHUNGANA RA. SHANKAR GYAWALI RA. POSHAK LAL SHRESTHA	CA. ANJANA POKHAREL CA. PRIYANK POKHREL RA. SHIVA PRASAD ACHARYA RA. SURYA NARAYAN JHA RA. CHANDRA BHAKTA SHRESTHA MR. PADAM RAJ POUDEL	CA. SUSHIL GHIMIRE CA. BINOD PHUYAL RA. YADAV PRASAD NYAUPANE RA. HEMA RAJ PAUDEL RA. UKU LAL MAHARJAN MR. BABURAM SUBEDI
Secretary	CA. KIRAN KUMAR KHATRI	MS. GOMA RAUT	CA. GHANASHYAM KAFLE



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

Role	Expert Advisory Committee	RA Member Capacity Development Committee	Fiscal, Taxation and Research Committee
Chairman	CA. KRISHNA PRASAD ACHARYA	RA. KEDAR NATH POUDEL	CA. BIDHYABARIDHI SIGDEL
Members	CA. KOMAL BAHADUR CHITRACAR CA. TIRTHA RAJ UPADHYAYA CA. KAUSHALENDRA KUMAR SINGH CA. GOPAL PRASAD RAJBAHAK 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. (DR.) 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 CA. JAGANNATH UPADHYAY NIRLA RA. MOHAN RAJ REGMI CA. ANANDA RAJ SHARMA WAGLE	RA. GOBINDA SHARMA GAIRHE RA. JHALAK MANI LAMSAL RA. PRADIP KUMAR YADAV RA. RAM GOPAL MAHARJAN RA. GANESH RAJ RAI RA. PREM BAHADUR SHRESTHA RA. ATMARAM CHAPAGAIN RA. HARI BAHADUR KARKI RA. BHOLANATH PATHAK RA. SHIBAJI PANDEY RA. SABITRI SHARMA RA. BHIMSEN KUMAR GAUTAM RA. TILAK BAHADUR ADHIKARI RA. BALRAM CHAUDHARI	RA. ABDUL KARIM KHAN CA. SHIVA RAM MISHRA CA. DINESH THAKALI CA. KAUSHLENDRA KUMAR JHA CA. UMESH RAJ PANDEYA CA. SRISTI KOIRALA CA. DEEPAK PANDEY RA. JHANAK RAJ DHUNGEL RA. HIRARATNA BAJRACHARYA RA. MADHU SUDHAN BHATTARAI
Secretary	CA. SANJAY KUMAR SINHA	MR. BINOD PRASAD NEUPANE	CA. HIMAL DAHAL

Role	Audit Committee
Chairman	CA. BISHNU PRASAD BHANDARI
Members	RA. ABDUL KARIM KHAN MS. CHANDRAKALA PAUDEL
Secretary	CA. GHANASHYAM KAFLE



Role	Information Technology Committee	Monitoring and Financial Reporting Review Committee	Women Leadership Committee
Chairman	CA. JAGANNATH UPADHYAY NIRAULA	CA. PEEYUSH ANAND	RA. MEERA SHRESTHA
Members	RA. MEERA SHRESTHA CA. MUKUND POKHAREL CA. DEEPAK PYAKUREL CA. SURYA BIKRAM KUNWAR CA. PADAM BAHADUR THAPA CA. ANUJ ACHARYA CA. SHIVA KUMAR SHAH RA. GANESH RAJ RAI RA. KAMOD JHA RA. KUMAR PRASAD KHATIWADA	RA. BAHADUR SINGH BISTA MR. SHANKAR KRISHNA SHRESTHA* CA. DEVENDRA GAUTAM CA. SUSHANT SHRESTHA CA. ASMITA GORKHALI CA. SUMAN DANGOL CA. AMAN UPRETY RA. DHRUBA PRASAD PAUDEL RA. KESHAB RAJ ACHARYA RA. NIRANJAN PRASAD NEUPANE	CA. ANILA SHRESTHA CA. NALINI BAJRACHARYA CA. PRITI SHARMA CA. RAGNI SINGH CA. SABITA GHIMIRE CA. NABINA DHUNGANA CA. SADHANA SUBEDI CA. AKRITY ACHARYA RA. JAYA KUMARI JHA RA. MAYA BADE SHRESTHA
Secretary	MR. BASANTA KRISHNA LOKESHWOR RANJITKAR	MS. GOMA RAUT	MS. PRAGYA ARYAL

Boards

Role	Board Of Studies	Accounting Technician Board	Quality Assurance Board
Chair	CA. KRISHNA PRASAD ACHARYA	CA. (Dr.) SUVOD KUMAR KARN	RA. DEV BAHADUR BOHARA
Members	CA. MADAN KRISHNA SHARMA CA. SURENDRA SHRESTHA CA. YUDDHA RAJ OLI RA. BAHADUR SINGH BISTA RA. DINKAR MAN SINGH PRADHAN PROF. DR. DILLI RAJ SHARMA 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. HIMAL DAHAL	CA. HIMAL DAHAL	CA. SANJAY KUMAR SINHA

Branch Advisory Committees

Branch Advisory Committees are formed for smooth functioning of branches.

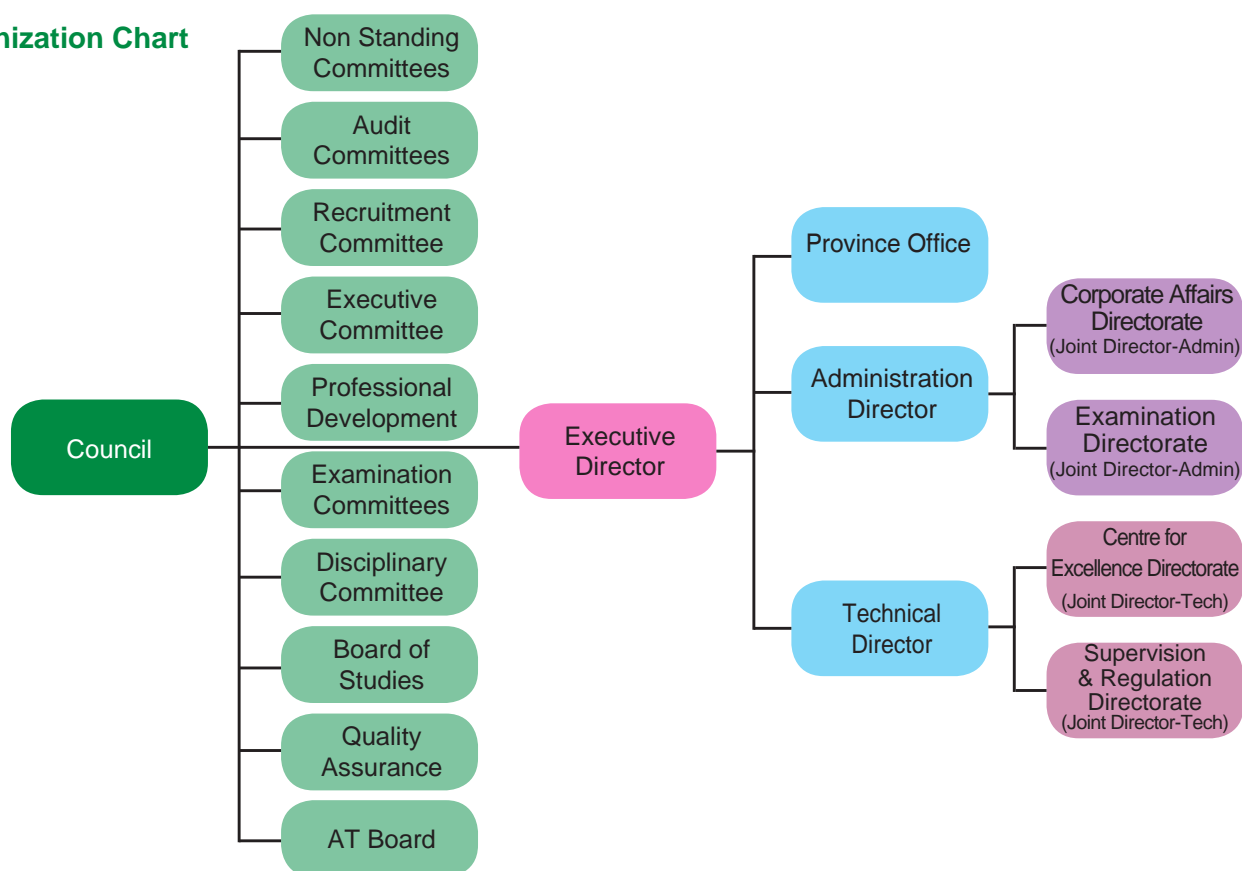
Role	Butwal Branch	Biratnagar Branch	Birgunj Branch	Pokhara Branch
Coordinator	CA. HARI LAMSAL	CA. PAWAN KUMAR RATHI	CA. ARVIND KUMAR KHETAN	CA. RUDRA NATH POKHAREL
Members	CA. PREM BHURTEL CA. PRAMOD PANTHEE RA. SHRIDHAR RAJ SHARMA RA. GOVINDA PRASAD REGMI	CA. SUSHIL KUMAR AGRAWAL CA. MANOJ ADHIKARI 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 SEDAI	CA. AMIT THAPA CA. LAXMAN ADHIKARI RA. KESH BAHADUR K.C RA. CHANDRA SUBEDI RA. CHANDRA BAHADUR THAPA



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



The Institute has revised its Organogram for efficient execution of processes that help achieve goals and thus a satisfactory service delivery to Members, Students and Stakeholders. Under the new structure there are two wings as Technical Directorate and Administration Directorate.

Technical Directorate includes Centre for Excellence (IT and Research and Development Division and Education and Professional Development Division) and Supervision and Regulation Directorate (Quality Assurance and Regulation Division and Disciplinary Investigation Division).

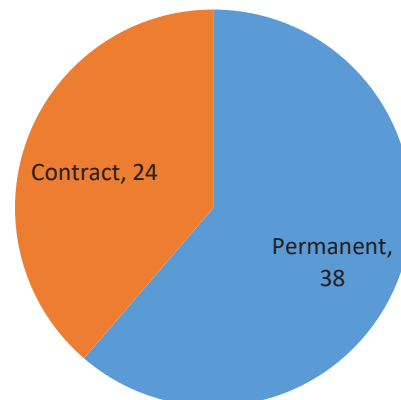
Administration Directorate includes Examination Directorate (Pre Exam Management Division and Post Exam Division) and Corporate Affairs Directorate (HR and Administration Division, Student, Members and International Affairs Division and Account and Finance Division).

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



Human Resource

Human Resource are the enablers for the Institute to achieve its objectives. Our Council, together with employees drives 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.



Total 62 Employees

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 and 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, Institute organized a two days training for it's staff on the theme "New ME for VisioNext Goal YesiCAN" from 27-28 December, 2019 at Nagarkot, Bhaktapur. Addressing the program, President and Vice President mentioned that the Institute is committed for all round development of it's employees and urged all employees to contribute positively for the overall growth of the Institute.

Well Being

The Institute considers wellbeing of the employees. 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 23rd anniversary of the Institute, Ms. Poonam Bajrachayra and Mr. Ram Kumar Nepal were felicitated in recognition of their untiring performance and contribution to the Institute during the fiscal year 2075/76.



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL



Staff Members of ICAN

FINANCIAL STATEMENTS

For the year ended
32 Ashad 2077
(16 July 2020)





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 Firm Regn No: 295

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS,
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL

Report on Audit of Financial Statements

Opinion

We have audited the financial statements of the Institute of Chartered Accountants of Nepal, which comprises the Statement of Financial Position as at Ashadh 31, 2077 (corresponding to July 15, 2020), the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows for the year then ended, the Statement of Changes in Fund & Reserves, 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 Ashadh 31, 2077 (corresponding to July 15, 2020), the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Fund & Reserves, the Statement of Cash Flows for the year then ended is 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 (NFRS) 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.

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

Place: Kathmandu, Nepal
Date: 28 Poush, 2077 (January 12, 2021)

UDIN: 210112CA00365hwzb3



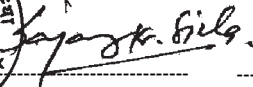
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
STATEMENT OF FINANCIAL POSITION
 AS AT 31 ASHADH, 2077 (JULY 15, 2020)


	Note	As at 31 Ashadh 2077	Amount in Rs. As at 31 Ashadh 2076
ASSETS			
Non-current Assets			
Property and Equipment	4	206,482,819	214,031,628
Intangible Assets	5	2,208,347	1,816,219
Financial Assets			
Term Deposits	6	-	-
Advances	8	1,358,790	1,764,418
Prepayment	9	542,726	500,700
Deferred Tax Assets	10	12,485,505	4,478,144
Total Non-current Assets (A)		223,078,187	222,591,109
Current Assets			
Inventories	11	5,698,556	4,463,825
Financial Assets			
Term Deposits	6	252,246,158	262,161,732
Earmarked Investment	7	21,792,559	20,866,647
Advances	8	4,748,270	4,343,619
Prepayment	9	2,230,031	1,239,082
Other Current Assets	12	18,517,298	17,980,295
Cash and Cash Equivalents	13	124,566,138	72,675,642
Total Current Assets (B)		429,799,010	383,730,842
Total Assets (A+B)		652,877,197	606,321,951
FUND AND LIABILITIES			
Fund and Reserves			
Reserves	14	410,800,312	405,927,523
Earmarked Fund	15	45,555,455	40,641,190
ICAN Main Building Fund	15	55,139,876	56,553,719
Total Funds and Reserves (C)		511,495,643	503,122,432
LIABILITIES			
Non-current Liabilities			
Provision for Employee Benefits	16	88,949,522	58,654,183
Accounts Payable	17	1,056,024	9,520,613
Total Non-current Liabilities (D)		90,005,546	68,174,796
Current Liabilities			
Accounts Payable	17	36,383,181	15,401,370
Provision for Employee Benefits	16	4,475,419	-
Provision for Income Tax		10,517,408	19,623,353
Total Current Liabilities (E)		51,376,008	35,024,723
Total Liabilities (D+E)		141,381,554	103,199,519
Total Fund and Liabilities (C+D+E)		652,877,197	606,321,951

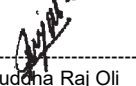
The accompanying notes form an integral part of the financial statements

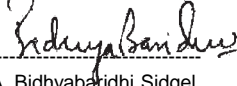
As per our report of even date



 CA. Santosh Bista
 Head-Accounts & Finance Division


 CA. Sanjay Kumar Sinha
 Executive Director


 CA. Madan Krishna Sharma
 President


 CA. Yuddha Raj Oli
 Vice-President


 CA. Bidhyabaridhi Sidgel
 Executive Committee Member


 RA. Abdul Karim Khan
 Executive Committee Member


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

Date: 27 Poush 2077
 Place: Lalitpur, Nepal



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
INCOME STATEMENT

FOR THE YEAR ENDED 31 ASHADH 2077 (JULY 15, 2020)

	Note	FY 2076/77	Amount in Rs. FY 2075/76
Income			
Income from Operational Activities	18	163,660,104	184,660,865
Government Grants	19	1,200,000	1,200,000
Other Income	20	2,891,976	6,488,344
Total Income		167,752,080	192,349,209
Expenses			
Operating Expenses	21	62,984,254	65,609,141
Employee Benefit Expenses	22	77,936,050	47,147,806
Depreciation and Amortization	4 & 5	11,891,758	10,048,737
Other Expenses	23	20,898,937	25,725,958
Total Expenses		173,710,999	148,531,642
Surplus/(Deficit) from Operational Activities		(5,958,919)	43,817,567
Interest Income	24	30,165,493	30,115,298
Non Operating Expenses	25	10,182,244	3,390,231
Surplus/(Deficit) before Tax		14,024,330	70,542,634
Income Tax			
Current Tax		(10,517,408)	(19,623,353)
Deferred Tax	10	6,845,093	1,239,232
Surplus available for Appropriation		10,352,015	52,158,513

The accompanying notes form an integral part of the financial statements

As per our report of even date

 CA. Santosh Bista Head-Accounts & Finance Division	 CA. Sanjay Kumar Sinha Executive Director	 CA. Madan Krishna Sharma President
 CA. Yuddha Raj Oli Vice President	 CA. Bidhyabaridhi Sidgel Executive Committee Member	 RA. Abdul Karim Khan Executive Committee Member
		 CA. Chhetra Gopal Pradhan Partner Pradhan & Shakya Associates Chartered Accountants

Date: 27 Poush 2077
Place: Lalitpur, Nepal

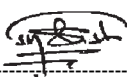

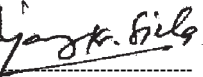


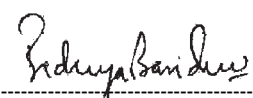




THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 ASHADH 2077 (15 JULY 2020)

	<i>Amount in Rs.</i>	
	FY 2076/77	FY 2075/76
Surplus for the year as per Income Statement (A)	10,352,015	52,158,513
Other comprehensive income that will not be reclassified to Income Statement in subsequent periods		
Actuarial gain/ (loss) on defined benefit plan schemes	(4,649,073)	3,526,662
Income Tax relating to items of OCI	1,162,268	(881,666)
Other comprehensive income for the year (B)	(3,486,805)	2,644,997
Total comprehensive income for the year (A+B)	6,865,210	54,803,510

The accompanying notes form an integral part of the financial statements

As per our report of even date

 CA. Santosh Bista Head-Accounts & Finance Division	  CA. Sanjay Kumar Sinha Executive Director	 CA. Madan Krishna Sharma President
 CA. Yuddha Raj Oli Vice-President	 CA. Bidhyabaridhi Sidgel Executive Committee Member	 RA. Abdul Karim Khan Executive Committee Member
		 CA. Chhetra Gopal Pradhan Partner Pradhan & Shakya Associates Chartered Accountants

Date: 27 Poush 2077
 Place: Lalitpur, Nepal

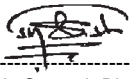


THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 ASHADH, 2077 (JULY 15, 2020)

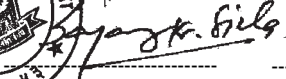
	FY 2076/77	Amount in Rs. FY 2075/76
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus Before Tax	14,024,330	70,542,634
Adjustment For:		
Depreciation and Amortization	11,891,758	10,048,737
Amortization of Building Fund	(1,413,843)	(1,413,843)
(Gain)/Loss on Sale of PPE	4,095	(1,415,878)
Prior Period Adjustments	41,997	(184,449)
Interest from Investment	(30,165,493)	(30,115,298)
Increase/(Decrease) in Provision	30,121,685	8,496,000
Increase/(Decrease) in Account Payable	12,517,222	4,488,430
(Increase)/Decrease in Inventories	(1,234,731)	(466,569)
(Increase)/Decrease in Advances and Prepayments	(1,031,997)	(1,764,154)
(Increase)/Decrease in Other Current Assets	(5,516,886)	(468,332)
Cash Generated from Operation	29,238,137	57,747,278
Income Tax Paid	(14,643,470)	(28,272,065)
Net Cash Inflow from Operating Activities	14,594,667	29,475,213
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(4,389,822)	(21,461,833)
Purchase of Intangible Assets	(658,790)	(497,000)
Decrease in WIP	-	2,738,462
Sale of Property and Equipment	309,440	2,202,494
Interest Received on Investment-Earmarked Funds	314,039	1,498,309
(Increase)/Decrease in Investments	8,989,662	(33,838,023)
Interest Received on Investments	30,165,493	28,899,594
Net Cash Flow from/(used in) Investing Activities	34,730,022	(20,457,998)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution Received to Designated Building Fund	3,085,000	4,372,000
Contribution Received to Designated Medal Fund	111,220	-
Contribution Received to Designated Scholarship Fund	7,015	-
Payment from/Refund of Designated Fund		
- Scholarship Fund	(328,500)	-
- Employee Welfare Fund	(308,928)	(152,628)
Net Cash Flow from/(used in) Financing Activities	2,565,807	4,219,372
Net Increase/(Decrease) in Cash and Cash Equivalents	51,890,496	13,236,586
Cash and Cash Equivalents at the Beginning of the Year	72,675,642	59,439,056
Cash and Cash Equivalents at the End of the Year	124,566,138	72,675,642

The accompanying notes form an integral part of the financial statements

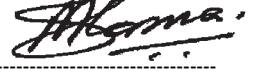
As per our report of even date



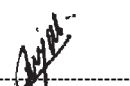
CA. Santosh Bista
Head-Accounts & Finance



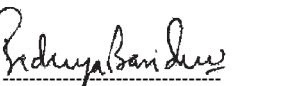
CA. Sanjay Kumar Sinha
Executive Director



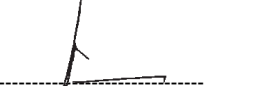
CA. Madan Krishna Sharma
President




CA. Yuddha Raj Oli
Vice President



CA. Bidhyabaridhi Sidgel
Executive Committee Member



RA. Abdul Karim Khan
Executive Committee Member



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

Date: 27 Poush 2077
Place: Lalitpur, Nepal



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL
STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31 ASHADH, 2077 (JULY 15, 2020)

Amount in Rs.

	CAPITAL FUND	GENERAL RESERVE	BUILDING RESERVE	REVALUATION RESERVE	REMEASUREMENT OF NET DEFINED BENEFIT PLAN	ICAN MAIN BUILDING FUND	EARMARKED FUND	TOTAL
Balance as at 1 Shrawan 2075	1,225,500	314,278,718	10,000,000	30,095,941	3,688,293	57,967,562	31,005,414	448,261,428
Correction of Prior Period Error		2,657,460		(7,523,985)	(922,073)		3,535,400	(2,253,198)
Restated Balance as at 1 Shrawan 2075	1,225,500	316,936,178	10,000,000	22,571,956	2,766,220	57,967,562	34,540,814	446,008,230
Surplus Transferred from Income Statement-Restated		52,158,513						52,158,513
Interest Earned during the Year							282,605	282,605
Fund Collection/Refund during the Year							4,372,000	4,372,000
Transfer of Excess Depreciation on Revalued Property and Equipment				(581,637)				(581,637)
Amortization of Building Fund						(1,413,843)		(1,413,843)
Expenses from Fund During the Year								(152,626)
Prior Period Adjustment		(195,806)						(195,806)
Appropriation of Surplus to scholarship fund		(422,715)						(422,715)
Appropriation of Surplus to Employee Welfare Fund		(1,105,291)						(1,105,291)
Appropriation of Surplus to Medal Fund		(56,505)						(56,505)
Appropriation of Surplus to Benevolent Fund		(13,886)						(13,886)
Actual Gain/ (Loss)-Restated					2,644,997			2,644,997
Balance as at 31 Ashadh 2076	1,225,500	367,300,488	10,000,000	21,990,319	5,411,216	56,553,719	40,641,190	503,122,432
Prior Period Adjustment		41,997						41,997
Restated Balance as at 31 Ashadh 2076	1,225,500	367,342,485	10,000,000	21,990,319	5,411,216	56,553,719	40,641,190	503,164,429
Surplus Transferred from Income Statement		10,352,015						10,352,015
Interest Earned During the Year							311,724	311,724
Fund Collection/Refund During the Year							2,877,050	2,877,050
Transfer of Excess Depreciation on Revalued Property and Equipment		549,758		(549,758)				-
Amortization of Building Fund						(1,413,843)		(1,413,843)
Expenses from Fund During the Year								(308,928)
Appropriation of Surplus to Scholarship Fund		(1,509,907)						(1,509,907)
Appropriation of Surplus to Employee Welfare Fund		(517,601)						(517,601)
Appropriation of Surplus to Medal Fund		5,202						(5,202)
Appropriation of Surplus to Benevolent Fund		(12,114)						(12,114)
Actual Gain/(Loss)					(3,486,805)			(3,486,805)
Balance as at 31 Ashadh 2077	1,225,500	376,209,839	10,000,000	21,440,561	1,924,412	55,139,876	45,555,455	511,495,643

As per our report of even date

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

CA. Madan Krishna Sharma
President

RA. Jodul Karim Khan
Executive Committee Member

CA. Santosh Bista
Head-Accounts & Finance Division

CA. Bidhyabandhu Sidgel
Executive Committee Member

CA. Yuddha Rai Oli
Vice-President

Date: 27 Poush 2077
Place: Lalitpur, Nepal



Notes to the Financial Statements

Note 4
Property and Equipment
 See Accounting Policy in Note 3.3

	Vehicles	Computer and Accessories	Furniture and Fixtures	Office Equipment	Other Fixed Assets	Partition	Main Building	Total
Cost								
Balance as at 1 Shrawan 2076	15,968,744	5,961,020	12,063,840	5,189,438	3,131,787	5,576,090	198,554,013	246,444,931
Additions	1,803,278	1,200,315	263,855	998,634	123,740	-	-	4,389,822
Disposal	(600,000)	-	-	-	-	-	-	(600,000)
Balance as at 31 Ashadh 2077	17,172,022	7,161,335	12,327,695	6,188,072	3,255,527	5,576,090	198,554,013	250,234,753
Accumulated Depreciation								
Balance as at 1 Shrawan 2076	2,577,071	2,341,518	4,631,974	2,079,358	1,351,107	2,261,893	17,170,382	32,413,303
Depreciation for the year	1,837,226	1,384,827	1,277,730	1,252,339	729,359	609,025	4,534,591	11,625,096
Disposal	(286,466)	-	-	-	-	-	-	(286,466)
Balance as at 31 Ashadh 2077	4,127,831	3,726,345	5,909,704	3,331,698	2,080,466	2,870,918	21,704,973	43,751,934
Net Book Value								
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
Balance as at 31 Ashadh 2077	13,044,191	3,434,990	6,417,991	2,856,374	1,175,061	2,705,172	176,849,040	206,482,819

Note 4.1

Main Building

The Institute has constructed a building at Satdobato, Lalitpur on the land obtained in lease from Government of Nepal for the period of 50 years. The building has been recognized at revalued amount less accumulated depreciation. The building was revalued through an independent valuator, Elite Consult Pvt. Ltd., as at year end of FY 2073/74. If the building was recognized under cost model, the carrying amount of the building would have been as below:

Cost	166,757,851
Balance as at 1 Shrawan 2076	-
Additions	-
Disposal	-
Balance as at 31 Ashadh 2077	166,757,851
Accumulated Depreciation	
Balance as at 1 Shrawan 2076	14,766,556
Depreciation for the year	3,799,782
Disposal	-
Balance as at 31 Ashadh 2077	18,566,338
Net Book Value	
Balance as at 31 Ashadh 2076	151,991,295
Balance as at 31 Ashadh 2077	148,191,513



Notes to the Financial Statements

Note 5

Intangible Assets

See Accounting Policy in Note 3.4

	Intangible Assets
Cost	
Balance as at 1 Shrawan 2076	2,425,645
Additions	658,790
Disposal	-
Balance as at 31 Ashadh 2077	3,084,435
Amortization and Impairment Losses	
Balance as at 1 Shrawan 2076	609,426
Amortization Charge	266,662
Balance as at 31 Ashadh 2077	876,088
Net Book Value	
Balance as at 31 Ashadh 2076	1,816,219
Balance as at 31 Ashadh 2077	2,208,347

Note 6

Term Deposits

See Accounting Policy in Note 3.6 (c)

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Non-current		
Term Deposit in Banks	-	-
TOTAL	-	-
Current		
Term Deposit in Banks	249,000,000	260,000,000
Add: Accrued Interest on Deposit	3,246,158	2,161,732
TOTAL	252,246,158	262,161,732

Note 7

Earmarked Investment

Earmarked Investment includes Investment in Fixed Deposit and Other Investment in Employee Welfare Fund, Medal Fund and Scholarship Fund. (See Accounting Policy in Note 3.6.(c))

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Medal Fund	2,001,000	2,001,000
ICAN Scholarship Fund	12,985,000	12,985,000
ICAN Employee Welfare Fund	6,479,075	5,573,423
Accrued Interest on Deposit	327,485	307,224
TOTAL	21,792,559	20,866,647



Notes to the Financial Statements

Note 8**Advances**

See Accounting Policy in Note 3.6 (a)

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Non-current		
Salary Advance	1,008,790	1,414,418
Advance for Share in NATI	350,000	350,000
TOTAL	1,358,790	1,764,418
Current		
Staff Advance	154,674	76,175
Salary Advance	4,593,596	4,267,444
TOTAL	4,748,270	4,343,619

Note 9**Prepayments**

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Prepaid Expenses	2,230,031	1,239,082
Employee Benefit Prepayment	542,726	500,700
TOTAL	2,772,757	1,739,782
Non-current	542,726	500,700
Current	2,230,031	1,239,082
TOTAL	2,772,757	1,739,782

Note 11**Inventories**

See Accounting Policy in Note 3.5

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Stock - Publications	435,266	440,881
Stock - Study Materials	2,618,997	2,068,639
Stock - IT and Electrical Items	146,907	107,772
Stock - Gift Items	75,870	68,053
Stock - Member Related Items	352,125	183,061
Stock - Office Stationery Items	2,069,391	1,595,419
TOTAL	5,698,556	4,463,825



Notes to the Financial Statements

Note 10

Deferred Tax

See Accounting Policy in Note 3.12

	As at 31 Ashadh 2077		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred Tax on Temporary Differences on Following Items			
Property and Equipment		(10,896,505)	(10,896,505)
Provision for Employee Benefit	23,356,235	-	23,356,235
Operating Lease Liability	25,775	-	25,775
Net Deferred Tax Assets/(Liabilities) as at 31 Asadh 2077	23,382,010	(10,896,505)	12,485,505
Net Deferred Tax Asset/(Liabilities) as at 31 Asadh 2076			4,478,144
Origination/(Reversal) During the Year			8,007,361
Deferred Tax Income / (Expenses) in SOCI			1,162,268
Deferred Tax Income / (Expenses) in Income Statement			6,845,093

	As at 31 Ashadh 2076		
	Deferred Tax Assets	Deferred Tax Liabilities	Net Deferred Tax Assets/(Liabilities)
Deferred Tax on Temporary Differences on Following Items			
Property and Equipment		(2,855,295)	(2,855,295)
Provision for Employee Benefit	14,663,546	-	14,663,546
Net Deferred Tax Asset/(Liabilities) as at 31 Asadh 2076	14,663,546	(2,855,295)	11,808,250
Net Deferred Tax Asset/(Liabilities) as at 31 Asadh 2076-Restated			4,478,144
Net Deferred Tax Asset/(Liabilities) as at 31 Asadh 2075			11,450,684
Origination/(Reversal) During the Year			357,566
Deferred Tax Income / (Expenses) in SOCI-Restated			(881,666)
Deferred Tax Income / (Expenses) in Income Statement-Restated			1,239,232



Notes to the Financial Statements

Note 12

Other Current Assets

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Account Receivables	1,210,838	1,018,882
Other Receivables	189,607	397,283
Security Deposits	333,781	333,281
Advance Tax	11,250,966	16,230,848
Student Registration Fee Receivable	5,532,107	-
TOTAL	18,517,298	17,980,294

Note 13

Cash and cash equivalents

See Accounting Policy in Note 3.6 (b)

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Cash in Hand	-	-
Balance at Bank	66,976,047	69,024,165
Balance at Bank -Earmarked Fund	7,590,092	3,651,477
Fixed Deposit in Banks	50,000,000	-
TOTAL	124,566,138	72,675,642

Note 14

Reserves

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Capital Fund	1,225,500	1,225,500
General Reserves	376,209,839	367,300,488
Building Reserve	10,000,000	10,000,000
Revaluation Reserve	21,440,561	21,990,319
Re-measurement of Net Benefit Plan	1,924,412	5,411,216
TOTAL	410,800,312	405,927,523



Notes to the Financial Statements

Note 15
Earmarked Fund

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 Fund and expenses incurred in distribution of medals are routed through Income Statement and net surplus/(deficit) is added/(deducted) to the Fund Balance. Scholarship Fund includes amount appropriated from net surplus of the Institute as well as amount contributed by various donors. Interest earned from Scholarship Fund and scholarship expenses incurred from fund are routed through Income Statement and net surplus/(deficit) is added/(deducted) to the Fund Balance. ICAN Employee Welfare Fund includes amount transferred from the Institute surplus. Interest earned from funds during the year are added to funds after deducting the cost incurred for staff welfare expenses. Members Benevolent Fund includes amount transferred from General Reserve to the fund for the welfare of members and interest earned from investment of fund.

	Balance at 1 Shrawan 2076	Addition /transfer from Surplus	Interest earned during the year	Expenses /Refund	Income Tax	Net Surplus/ (Deficit)	Balance at 31 Ashadh 2077
KBC Gold Medal Fund	579,215	111,220	42,570	63,989	-	(21,419)	669,016
BKA Gold Medal Fund	309,356	-	25,200	19,820	1,345	4,035	313,391
Narayan Bajaj Silver Medal Fund	109,677	-	8,725	10,342	-	(1,617)	108,060
Prakash Jung Thapa Gold Medal Fund	285,225	-	23,807	19,702	1,026	3,079	288,304
Shiva Man Singh and Chandra Bhandari Silver Medal Fund	422,425	-	21,813	11,454	2,590	7,769	430,194
Dr. Govind Ram Agrawal Gold Medal Fund	113,055	-	10,719	17,060	-	(6,340)	106,715
Narendra Vasishta Gold Medal Fund	282,887	-	24,469	19,758	1,178	3,533	286,420
Subhash Jhunjhunwala Gold Medal Fund	329,036	-	27,711	20,034	1,919	5,758	334,793
ICAN Scholarship Fund	14,120,788	524,616	1,011,911	85	252,956	758,869	15,404,273
Batuk Bdr. Rajbhandary Scholarship Fund	429,338	-	29,759	-	7,440	22,319	451,658
Binod Bdr. Rajbhandary Scholarship Fund	459,517	-	30,018	-	7,504	22,513	482,030
Narendra Vasishta Scholarship Fund	426,695	-	27,874	-	6,968	20,905	447,600
Dr. Govind Ram Agrawal Scholarship Fund	391,505	-	28,896	-	7,224	21,672	413,177
Kuber Prasad Sharma Scholarship Fund	2,360,832	-	194,702	-	48,676	146,027	2,506,859
NRN Scholarship Fund	328,500	-	-	328,500	-	(328,500)	-
AT Scholarship Fund	253,000	-	-	-	-	-	253,000
ICAN Employee Welfare Fund	7,131,719	519,916	311,724	308,928	-	2,796	7,654,431
Building Fund	11,787,011	3,085,000	-	-	-	-	14,872,011
ICAN Members Benevolent Fund	521,411	-	16,152	-	4,038	12,114	533,525
TOTAL	40,641,190	4,240,752	1,836,050	819,672	342,864	673,514	45,555,455

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 2077	As at 31 Ashadh 2076
Balance at the beginning	56,553,719	57,967,562
Addition during the year	-	-
Interest earned during the year	-	-
Amortization during the year	(1,413,843)	(1,413,843)
TOTAL	55,139,876	56,553,719



Notes to the Financial Statements

Note 16

Provision for Employee Benefits

See Accounting Policy in Note 3.7

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Provision for Leave Encashment	13,570,776	10,864,582
Provision for Medical Expenses	25,169,384	18,121,793
Provision for Gratuity	54,684,781	29,667,808
TOTAL	93,424,941	58,654,183
Non Current	88,949,522	58,654,183
Current	4,475,419	-
TOTAL	93,424,941	58,654,183

Note 16.1

Assumptions

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

Discount Rate	9.00 % p.a	9.00 % p.a
Salary Growth Rate	10.00 % p.a	10.00 % p.a
Expected Rate of Return	0	0
Withdrawal Rate (Per annum)	2.00% p.a.	2.00% p.a.

The Employee Bye Laws 2066 of the Institute was amended in current fiscal year 2076-77. The relevant changes in benefits & facilities to be provided to employees, due to amendment in Employee Bye Laws, has also been considered in calculation of employee benefit obligation.



Notes to the Financial Statements

Note 16.2
Change in Value of Employee Benefit Obligation

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. 2076-77			F.Y. 2075-76		
	Gratuity	Accumulated Leave	Medical benefits	Gratuity	Accumulated Leave	Medical benefits
Opening Liability	29,667,808	10,864,582	18,121,793	26,488,262	10,920,015	16,276,568
Interest Cost	2,646,100	922,024	1,614,433	2,363,443	896,590	1,450,260
Current Service Cost	3,328,331	1,488,200	2,281,145	3,302,283	1,673,651	2,260,490
Past Service Cost	16,546,416	(1,239,744)	2,276,711	(495,026)	(1,915,800)	(330,017)
Benefit Paid	(732,508)	1,535,714	(545,137)	(1,991,154)	(709,874)	(1,535,508)
Actuarial (Gain)/Loss	3,228,634		1,420,439			
Closing Liability	54,684,781	13,570,776	25,169,384	29,667,808	10,864,582	18,121,793
Recognized in Income Statement	22,520,847	3,945,938	6,172,289	5,665,726	1,860,367	3,710,750
Recognized in Other Comprehensive Income	3,228,634		1,420,439	(1,991,154)		(1,535,508)

Note 16.3

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 2077

	Gratuity	Medical	
Defined Benefit Obligation (Base)	54,684,781	25,169,384	
Discount Rate-Impact of Increase/Decrease in 50 bps on DBO	Decrease	Decrease	Increase
DBO in Amount	58,623,698	26,948,919.00	23,545,823
% Change in DBO	7.20%	7.07%	-6.45%
Salary Growth Rate-Impact of Increase/Decrease in 50 bps on DBO			
DBO in Amount	51,102,656	2,35,52,906	2,69,23,643
% Change in DBO	-6.55%	-6.42%	6.97%
Defined Benefit Obligation (Base)	Annual Leave	Sick Leave	
Discount Rate-Impact of Increase/Decrease in 50 bps on DBO	6,301,468.00	7,269,308.00	
DBO in Amount	Decrease	Decrease	Increase
% Change in DBO	67,45,248	77,59,694	68,21,034
	7.04%	6.75%	-6.17%
Salary Growth Rate-Impact of Increase/Decrease in 50 bps on DBO			
DBO in Amount	58,98,467	68,22,991	
% Change in DBO	-6.40%	-6.14%	



Notes to the Financial Statements

Note 17

Accounts Payable

See accounting Policy in Note 3.6 (d)

	As at 31 Ashadh 2077	As at 31 Ashadh 2076
Annual Membership Fee Received in Advance	231,810	233,002
Statutory Audit Fee Payable	192,665	175,150
Internal Audit Fee Payable	496,350	253,400
Tax Audit Fee Payable	62,150	56,500
Creditors, Accrued and Other Liabilities	31,442,812	22,026,473
Withhold Tax Payable	1,840,311	1,113,610
VAT Payable	8,493	-
Payable to Staff	3,061,514	981,682
Operating Lease Liability	103,100	82,166
TOTAL	37,439,205	24,921,983
Non Current	1,056,024	9,520,613
Current	36,383,181	15,401,370
TOTAL	37,439,205	24,921,983



Notes to the Financial Statements

Note 18**Income from Operational Activities***See Accounting Policy in note 3.8*

	FY 2076/77	FY 2075/76
Income from Educational Activities	104,443,784	108,656,620
Income from Examination Activities	28,571,800	41,675,300
Income from Members	17,635,195	18,157,085
Income from Professional Development Activities	12,670,005	15,660,210
Income from Publications	339,320	511,650
TOTAL	163,660,104	184,660,865

Note 19**Government Grant***See Accounting Policy in Note 3.9*

	FY 2076/77	FY 2075/76
Grant received from Nepal Government	1,200,000	1,200,000
TOTAL	1,200,000	1,200,000

Note 20**Other Income***See Accounting Policy in Note 3.8*

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

	FY 2076/77	FY 2075/76
Election Income	6,300	4,200
Miscellaneous Income	848,772	715,094
Recruitment Income	400	1,700
Gain on Sale of PPE	-	1,415,878
Amortization of Building Fund	1,413,843	1,413,843
Interest from Others	532,654	485,080
PEFA Grant	72,000	2,452,549
Income from Staff Vehicle Facility	18,007	-
TOTAL	2,891,976	6,488,344

Note 21**Operating Expenses**

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

	FY 2076/77	FY 2075/76
Educational Activity Expenses	23,854,555	22,067,405
Examination Expenses	24,048,235	20,055,267
Members Activity Expenses	1,475,387	2,904,906
Professional Development Activity Expenses	7,697,587	8,874,092
International Affairs Expenses	4,650,047	10,352,153
Publication Expenses	632,052	804,089
Quality Assurance Board Expenses	626,390	551,230
TOTAL	62,984,254	65,609,141



Notes to the Financial Statements

Note 22**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 2076/77	FY 2075/76
Salaries and Benefits	43,859,650	34,545,799
Medical and Leave Expenses	10,118,227	5,571,117
Gratuity Expenses	22,520,847	5,665,726
Recruitment and Promotion Expenses	277,160	132,271
Other Staff Expenses	333,647	358,049
Staff Training and Skill Development	313,984	437,765
Employee Benefit Cost	512,535	437,079
TOTAL	77,936,050	47,147,806

The Employee Bye Laws 2066 of the Institute was amended in current fiscal year 2076-77 resulting in additional provision of gratuity and medical benefits and booking of past service cost to the extent of Rs. 1,88,23,127 in current reporting period.

Note 23**Other Expenses**

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

	FY 2076/77	FY 2075/76
Local Travel Expenses	65,590	110,336
Fuel and Transportation	1,138,340	1,276,179
Communication Expenses	491,734	316,927
Printing and Stationery	436,798	479,217
Office Materials and Low Cost Equipment	1,659,679	1,980,670
Notification and Publicity	202,665	340,288
Land Lease at Satdobato	21,714	21,714
Books and Periodicals	13,865	40,271
Water and Electricity	1,122,415	1,155,516
Insurance	607,135	530,748
Repair and Maintenance	1,198,595	2,075,396
IT Related Expenses	2,313,060	2,875,005
Bank Charges	25,638	27,480
Meeting Expenses	1,661,856	1,510,481
Statutory Audit Expenses	208,700	183,871
Internal Audit Expenses	357,675	250,533
Tax Audit Expenses	62,150	56,500
Function Expenses	1,729,286	1,699,032
Professional Service Charges	1,825,400	914,913
Rates and Taxes	210,198	247,191
Office Renovation and Furnishing	323,919	513,880
Other Administrative Expenses	1,789,822	2,242,733
Branch Office Expenses	1,088,620	1,199,637
Operating Lease Expenses-Branches	1,535,230	1,478,430
Miscellaneous Expenses	722,758	387,861
Fines and Penalty	10,000	1,358,599
PEFA Project Expenses	72,000	2,452,549
Loss on Sale of PPE	4,095	-
TOTAL	20,898,937	25,725,958



Notes to the Financial Statements

Note 24**Interest Income**

	FY 2076/77	FY 2075/76
Interest from Call/Saving Deposits	2,283,907	2,069,442
Interest from Term Deposit	26,357,260	26,830,152
Interest Income-Medal Fund	185,014	183,756
Interest Income-Scholarship Fund	1,323,160	1,018,062
Interest Income-Benevolent Fund	16,152	13,886
TOTAL	30,165,493	30,115,298

Note 25**Non-Operating Expenses**

	FY 2076/77	FY 2075/76
Donation to Corona Virus Control Fund	10,000,000	-
Expenses from Medal Fund	182,159	127,251
Expenses form Scholarship Fund	85	3,262,980
TOTAL	10,182,244	3,390,231



Notes to the Financial Statements

Note 26**Contingent Liabilities & Commitments**

See Accounting Policy in Note 3.11

	FY 2076/77	FY 2075/76
Contingent Liabilities	3,489,679	2,250,136
Lease Commitments	868,560	890,274
Capital Commitments	4,373,580	-
Litigation	-	-
TOTAL	8,731,819	3,140,410

Note 26.1**Contingent Liabilities**

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. Building Completion Certificate of aforesaid building could not be obtained as Lalitpur Metropolitan City has determined the tax liability and penalty thereof amounting to Rs.34,89,679.50 till 31 Ashadh 2077.

	FY 2076/77	FY 2075/76
Tax Liability	3,198,953	1,959,410
Penal Liability	290,726	290,726
TOTAL	3,489,679	2,250,136

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.

Note 26.2**Lease Commitments**

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 2076/77 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. Actual & future minimum lease payments under such non-cancellable operating lease agreement are presented below:

Particulars	Not later than 1 year	Later than one year and not later than five years	Later than five years
Actual Lease Liability/Future Lease Expenses	21,714	86,856	759,990

The Branch Office of the Institute are operating on the building obtained under operating lease agreements. Actual and future minimum lease payments under such non-cancellable operating lease agreement are presented below:

Particulars	Not later than 1 year	Later than one year and not later than five years	Later than five years
Actual Lease Liability	924,070	908,194	-
Future Lease Expenses	925,553	803,613	-
Total	1,849,623	1,711,806	-

The Institute has not entered into any finance lease agreement as at the end of reporting period.

Note 26.3**Capital Commitments**

The relevant authority of the Institute has approved the following capital expenditure but provision has not been made in financial statement.

	FY 2076/77	FY 2075/76
Capital commitment in relation to Property and Equipment		
Multi-Functional Digital Printer	2,500,125	-
Library Construction and Design	1,873,455	-
TOTAL	4,373,580	-

Note 26.4**Litigation**

There is no legal cases filled by or against the Institute having any financial implication (provision/contingent liabilities) as at the end of Ashad 31, 2077.



Notes to the Financial Statements

Note 27

Restatement of Prior Period Figures

Note 27.1: Property and Equipment-(Ref Note 4)

During the year it has been observed that in previous years, at the time of disposal of property and equipment, only net book value at the time of disposal was eliminated from the books of accounts. The accumulated depreciation as well as the total cost equivalent to accumulated depreciation was not eliminated at the time of disposal. The error in the presentation of property and equipment has been corrected by restating each of the affected financial statement line items of prior periods. There has been no change in the net book value of property and equipment after restatement of total cost and total accumulated depreciation.

Particulars	Total Cost	Accumulated Depreciation
Reported Balance as at 31 Ashad, 2076	259,805,884	45,774,256
<i>Adjustment:</i>		
Elimination of total cost and accumulated depreciation of property and equipment already disposed off	(13,360,952)	(13,360,952)
Restated Balance as at 31 Ashad, 2076	246,444,931	32,413,303

Note 27.2: Advances and Prepayment-(Ref Note 8 & 9)

Particulars

In previous years, the staff advances were classified as current assets only if the full amount was expected to be recovered within 12 month from the reporting period; All other amounts were classified as non current assets. During the year, the amount expected to be recovered within 12 months after the reporting period are classified as current assets and other amounts are classified as non current assets. In addition an error in calculation of amortized cost of staff advances in previous year discovered during the current year has been rectified by recalculating the amortized cost of staff advances. The error in presentation of advances has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Advances	Prepayments
Non-current Asset		
Reported Balance as at 31 Ashad, 2076	4,956,364	560,339
<i>Adjustments:</i>		
Reclassification from non current to current asset	(3,240,228)	-
Recomputation of amortized cost of staff advances	48,282	(59,639)
Restated Balance as at 31 Ashad, 2076	1,764,418	500,700
Current Asset		
Reported Balance as at 31 Ashad, 2076	1,103,391	
<i>Adjustment:</i>		
Reclassification from non current to current asset	3,240,228	
Restated Balance as at 31 Ashad, 2076	4,343,619	

Note 27.3: Deferred Tax Assets-(Ref Note 10)

During the year it has been discovered that the recognition of deferred tax on revalued portion of building was omitted in previous years. The error in recognition and presentation of deferred tax has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	11,808,250
<i>Adjustment:</i>	
Deferred tax on revalued portion of building	(7,330,106)
Restated Balance as at 31 Ashad, 2076	4,478,144



Notes to the Financial Statements

Note 27.4: Inventories-(Ref Note 11)

In previous years, the expense related to printing & stationery, IT & electrical items, gifts items, consumable items etc., were recognized in Income Statement immediately at the time of purchase of those items. In current year, the expense related to printing & stationery, IT & electrical items, gifts items, consumable items etc., has been recognized in Income Statement on the basis of consumption of such items. The items remaining at store at the reporting date has been reported as inventory. The error in recognition and presentation of inventories has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	2,509,520
<i>Adjustment:</i>	
Recognition of inventory of stationery, electrical, gifts & other consumable items	1,954,305
Restated Balance as at 31 Ashad, 2076	4,463,825

Note 27.5: Term Deposits and Other Current Assets-(Ref Note 6 & 12)

In previous years, the term deposits (financial asset) was recognized initially as well as subsequently at face value. In the current year, the term deposit has been recognized at amortized cost. The error in recognition and presentation of term deposits has been corrected by restating each of the affected financial statement line items of prior periods.

Term Deposits	Amount
Particulars	
Reported Balance as at 31 Ashad, 2076	260,000,000
<i>Adjustment:</i>	
Recomputation of amortized cost of term deposit	2,161,732
Restated Balance as at 31 Ashad, 2076	262,161,732

Other Current Assets	Amount
Particulars	
Reported Balance as at 31 Ashad, 2076	20,449,250
<i>Adjustment:</i>	
Recomputation of amortized cost of term deposit & earmarked investment	(2,468,956)
Restated Balance as at 31 Ashad, 2076	17,980,295

Note 27.6: Earmarked Fund, Earmarked Investment and Cash & Cash Equivalents-(Ref Note 15, 7 & 13)

In previous years, term deposits as well as bank balances in current/call accounts in the bank were presented as earmarked investment. In current year, balances in current/call accounts in bank has been presented as cash and cash equivalents. The term deposit (financial asset) has been recomputed at amortized cost for previous years. During the year, it has been noted that the investment from employee welfare fund was presented as deduction from employee welfare fund in previous years. In current year, investment from employee welfare fund has been presented at gross amount without deduction from employee welfare fund. The error in recognition and presentation of earmarked investment has been corrected by restating each of the affected financial statement line items of prior periods.

Earmarked Fund	Amount
Particulars	
Reported Balance as at 31 Ashad, 2076	36,267,766
<i>Adjustment:</i>	
Investment from employee welfare fund previously presented as deduction from fund	4,373,424
Restated Balance as at 31 Ashad, 2076	40,641,190

Earmarked Investment	Amount
Particulars	
Reported Balance as at 31 Ashad, 2076	19,837,477
<i>Adjustment:</i>	
Reclassification from earmarked investment to cash and cash equivalents	(3,651,477)
Investment from employee welfare fund recognized from current year	4,373,423
Recomputation of investment at amortized cost	307,224
Restated Balance as at 31 Ashad, 2076	20,866,647



Notes to the Financial Statements

Cash and Cash Equivalents

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	69,024,165
<i>Adjustment:</i>	
Reclassification from earmarked investment to cash and cash equivalents	3,651,477
Restated Balance as at 31 Ashad, 2076	72,675,642

Note 27.7: Reserves-(Ref Note 14)

In previous years, the operating lease expenses of the Institute was recognized at actual lease rental paid by the Institute as per the lease agreement. In current year the lease expenses related to operating lease has been recognized in systematic basis using straight-line method over the period of lease as per NAS 17. In previous years, the expense related to printing & stationery, IT & electrical items, gifts items, consumable items etc. was recognized in Income Statement immediately after purchase of those items. In current year, the expense related to printing & stationery, IT & electrical items, gifts items, consumable items etc., has been recognized in Income Statement on the basis of consumption of such items. The items remaining at store at the reporting date has been reported as inventory. Recognition of deferred tax on revalued portion of building omitted in previous years has been recognized during the year. The errors has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	411,792,452
<i>Adjustment:</i>	
Operating lease expenses recognized as per NAS-17	(82,166)
Reversal of expenses relating to stationery, electrical, gifts & other consumable items	1,954,305
Deferred tax expenses on revalued portion of building	(7,330,106)
Expenses booked short in previous year	(395,606)
Recomputation of amortized cost of staff advances	(11,357)
Restated Balance as at 31 Ashad, 2076	405,927,523

Note 27.8: Accounts Payable -(Ref Note 17)

In previous years, recognition of provision relating to one expense head was omitted despite having reasonable basis to estimate the provision. The error has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	14,923,599
<i>Adjustment:</i>	
Expenses booked short in previous year	395,606
Operating lease expenses recognized as per NAS-17	82,166
Restated Balance as at 31 Ashad, 2076	15,401,370

Note 27.9: Operating Expenses -(Ref Note 21)

The error in recognition of lease expenses as defined in Note 27.7 has been rectified during the year. The error has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	65,709,480
<i>Adjustment:</i>	
Reversal of expenses relating to printing, stationery, gifts, electrical & other consumable items	(100,339)
Restated Balance as at 31 Ashad, 2076	65,609,141



Notes to the Financial Statements

Note 27.10: Other Expenses -(Ref Note 23)

The error in recognition of lease expenses as defined in Note 27.7, reversal of expenses relating to printing, stationery, gifts, electrical & other consumable items as defined in Note 27.4 and recognition of provision as defined in Note 27.8 has been rectified during the year. The error has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	25,366,766
<i>Adjustments:</i>	
Expenses booked short in previous year	395,606
Additional lease expenses as per NAS 17	35,760
Reversal of expenses relating to printing, stationery, gifts, electrical & other consumable items	(72,174)
Restated Balance as at 31 Ashad, 2076	25,725,958

Note 27.11: Interest Income -(Ref Note 24)

In previous years, interest income earned from investment from different funds were credited directly in fund accounts. From current fiscal year, interest income earned from investment relating to different funds are routed through Income Statement. The change in method of presentation of interest income has been presented by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	28,899,594
<i>Adjustments:</i>	
Interest income-medal fund	183,756
Interest income-scholarship fund	1,018,062
Interest income-benevolent fund	13,886
Restated Balance as at 31 Ashad, 2076	30,115,298

Note 27.12: Non Operating Expenses -(Ref Note 25)

In previous years, expenses incurred from different funds were debited directly into fund accounts. From current fiscal year, expenses incurred from different funds are routed through Income Statement. The change in method of presentation of expenses from fund has been presented by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	-
<i>Adjustments:</i>	
Expenses from Medal Fund	127,251
Expenses form Scholarship Fund	3,262,980
Restated Balance as at 31 Ashad, 2076	3,390,231

Note 27.13: Deferred Tax Income

During the year presentation of deferred tax relating to items recognized in OCI which was recognized in Income Statement instead of statement of other comprehensive income in previous years is corrected by making its presentation in OCI. The error has been corrected by restating each of the affected financial statement line items of prior periods.

Particulars	Amount
Reported Balance as at 31 Ashad, 2076	357,566
<i>Adjustment:</i>	
Deferred tax relating to items recognized in OCI	881,666
Restated Balance as at 31 Ashad, 2076	1,239,232



Notes to the Financial Statements

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NEPAL (ICAN)

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 Ashadh 2077 (15 July 2020)

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 operates through its registered office located at ICAN Marg, Satdobato, Lalitpur, Bagmati Province and six branches across the country.

1.2 Objective and Principal Activities

- Encourage its members to carry on accounting profession within the ambit of the prescribed ethical 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.

2. BASIS OF PREPARATION

The Financial Statements of the Institute have been prepared on accrual basis of accounting except the cash flow information which is prepared, on cash basis, using indirect method.

The Financial Statements comprise the Statement of Financial Position, Income Statement, Statement of Other Comprehensive Income, Statement of Changes in Fund & Reserve, Statement of Cash Flows and Notes with summary of significant accounting policy and other explanatory notes. The significant accounting policies applied in the preparation of financial statements are set out below in point number 3. These policies are consistently applied to all the years presented, except for the changes in accounting policies disclosed specifically.



Notes to the Financial Statements

2.1 Statement of Compliance

The Financial Statements have been prepared in accordance with Nepal Financial Reporting Standards (NFRSs), pronounced for implementation by The Institute of Chartered Accountants of Nepal.

These policies have been consistently applied to all the years presented except otherwise stated.

2.2 Reporting Period and Authorization for Issue of Financial Statement

The reporting period of the Institute covers a twelve-month period from 1 Shrawan 2076 (17 July 2019) to 31 Ashadh 2077 (15 July 2020). The comparative figures in Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Cash Flow and Statement of Changes in Fund & Reserves are presented for the year ended 31 Ashadh 2076 (16 July, 2019).

The Financial Statements, inclusive of comparative figures for the year ended 31 Ashadh 2077, have been approved and authorized for issue by the decision of ICAN Council meeting held on 27 Poush 2077 (11 January 2021).

2.3 Functional and Presentation Currency

The Financial Statements of the Institute are presented in Nepalese Rupees (NRs), which is the Institute's functional currency. All the financial information presented in Nepalese Rupees have been rounded to the nearest rupee, except otherwise indicated.

2.4 Use of Estimates, Assumptions and Judgments

For the preparation of Financial Statements, management has made critical accounting judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets (including contingent assets), liabilities (including contingent liabilities), income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable but actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis with historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Any revision to accounting estimates is recognized prospectively in current and future periods.

Information about significant areas of estimate, uncertainty and critical judgments in applying accounting policies that have the potential material impact on the amounts recognized in these financial statements are included in the following notes:

- Depreciation on Property and Equipment
- Amortization of Intangible Assets
- Employee Benefits and Liabilities
- Contingent Liabilities
- Current and Deferred Taxation



Notes to the Financial Statements

2.5 Going Concern

The Financial Statements have been prepared on going concern basis, as the Council of the Institute is satisfied that the Institute has, at the time of authorization of financial statement, adequate resources to continue its operation for foreseeable future and there are no material uncertainties about its ability to continue as a going concern.

2.6 Changes in Accounting Policies

The Institute has applied its accounting policies consistently from year to year except for some comparatives that have been grouped or regrouped to facilitate comparison, corrections of errors and changes in accounting policy and such exceptions have been disclosed separately with detail explanation in the relevant notes.

2.7 Prior Period Adjustments

Prior Period Adjustments are omissions or misstatements in the Institute's financial statements. Such omissions may relate to one or more prior period(s). Adjustments of such omissions and misstatements are done by calculating the cumulative effect of the changes on the Financial Statements of the period as if new method or estimate had always been used for all the affected prior years' financial statements. Sometimes such changes may not be practicable, in such cases it is applied to the latest period possible by making corresponding adjustment to the opening balance of the period.

2.8 Materiality and Aggregation

In compliance with NAS 1 - Presentation of Financial Statements, each material class of similar items are presented separately in the financial statements. Items of dissimilar nature or functions are presented separately unless they are immaterial.

2.9 Previous Year's Figures

Previous year's figures have been grouped or regrouped wherever necessary to facilitate comparison of figures in financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Measurement

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

3.2 Current and Non-current Classification

The Institute presents assets and liabilities in the 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.



Notes to the Financial Statements

The Institute classifies a liability as current when it is:

- Expected to be settled in normal operating cycle;
- Held primarily for the purpose of trading;
- Settled within twelve months after the reporting period; or
- When there is 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.

3.3 Property and Equipment

Recognition and Measurement

Property and Equipment are recognized as an asset 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.

An item of property and equipment that qualifies for recognition as an asset is initially measured at cost. Cost includes purchase price including import duties and non-refundable taxes and other costs directly attributable to bringing the asset to the location and condition necessary for capable of operating in the manner intended by the management. Subsequent expenditure is capitalized if it is probable that the future economic benefit from the expenditure will follow to the Institute. Repair and maintenance cost are recognized in the income statement as incurred. Assets with value of less than Rs. 10,000 are expensed irrespective of their useful life in the year of purchase.

The Institute applies the cost model to all property & equipment except building and records these at cost of asset less accumulated depreciation and any accumulated impairment losses. The Institute applies revaluation model for recognition of building. The revaluation is done 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.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of an asset is recognized in the income statement in the year in which it is derecognized.

The Institute assesses at the end of each reporting period whether there is any indication that any asset may be impaired. If any such condition exists, the recoverable amount of the asset is estimated and if the recoverable amount is less than the carrying amount, the carrying amount of the asset will be reduced to its recoverable amount. That reduction is recognized immediately in income statement as an impairment loss.

Institute provides vehicle facility to eligible employees as per the Employee Vehicle Facility Scheme 2067. Under this facility, the Institute pays for the vehicle as per the scheme and deducts the installments equal to residual value of vehicle over 5 to 7 years (depending on scheme) from employee's salary on monthly basis. After elapse of the individual scheme period, the vehicle's ownership is transferred to the respective employee. The total cost of the vehicle that comprises purchase price and non-refundable tax is shown under Property & Equipment and depreciated over the useful life of asset.

Depreciation

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

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



Notes to the Financial Statements

The estimated useful life of various class of property and equipment are as follows:

Class of Property and Equipment	Useful life
Vehicles	10 years
Computers and Accessories	5 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Other Fixed Assets	5 years
Partition	10 years

ICAN main building at Lalitpur is charged to income statement over the remaining period of land lease (44 years at the time of capitalization of building 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.

3.4 Intangible Assets

Intangible assets comprise computer software initially recognized at cost incurred to acquire and bring the software into the 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.

3.5 Inventories

Inventories are carried at lower of cost or net realizable 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, stationery and consumable items have been booked as inventory and are initially recognized at cost, and subsequently at the lower of cost or net realizable value.

3.6 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.

Subsequent Measurement:

For subsequent measurement at each reporting date, financial assets are classified in three broad categories:

- Financial assets at fair value through profit or loss



Notes to the Financial Statements

- 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.

a) Receivables & Advances

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

The Institute provides advances equivalent to the salary of six months to its permanent employees at free of interest in accordance with Financial Administration Bye Laws 2066 (First Amendment 2076) of the Institute. Initially the fair value of the advance provided to the employee is determined by discounting the future repayment using the market rate of interest which has been determined as 10% for the year. The fair value of advances is recognized as advances and any excess of advances over the fair value is recognized as deferred employee expenditure. The deferred employee expenditure is amortized over the period of advances and recognized as employee expenses in income statement. Correspondingly, interest income is recognized in income statement over the period of advances.

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 comprise of deposits made with banks with fixed maturity period.

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 there is any objective evidence that a financial asset (or a group of financial assets) such as investments, advances and security deposits held at amortized cost are impaired 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.



Notes to the Financial Statements

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.

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

d) Accounts Payable

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

3.7 Employee Benefits

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.

Short-term employee benefits include the following items that are payable within 12 months after the end of the reporting period.

- Salary and Allowances
- Interest Free Advances

b) Post-Employment Benefits

Post-employment benefit plan includes:

i. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Institute pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as employee benefit expenses in income statement in the period during which the related service are rendered by the employees.

As per the Employee Byelaws 2066 (First Amendment 2076), the employees of the Institute are entitled to receive 10 % of the monthly salary as provident fund. The provident fund provided by the Institute along with the amount of 10 % of salary deducted from the salary of the employees is deposited in Employees Provident Fund. The Institute does not assume any liability for provident fund benefits other than its annual contribution.

In accordance with Employee Welfare Fund Management and Operation Procedure 2068 of the Institute, amount equivalent to salary of one month of employees not exceeding the 5 % of annual net surplus of the Institute is transferred to employee welfare fund. The amount deposited in the employee welfare fund is provided to employees at the time of retirement / termination of employment.



Notes to the Financial Statements

ii. Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. This plan includes gratuity and medical facility. 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 denominated in Nepalese Rupees with maturity 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 increment rate, mortality rates etc. 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 and medical facility 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

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.

As per the Employee Byelaws 2066 (First Amendment 2076), any permanent employees completing the service period of 3 years or more are entitled to receive gratuity as below at the time of retirement/termination of service:

Service Years	Gratuity
Up to 7 years	Salary of 1 month for each years of service
More than 7 years up to 15 years	Salary of 1.5 months for each years of service
More than 15 years up to 20 years	Salary of 2.5 months for each years of service
More than 20 years	Salary of 3 months for each years of service

In case of employees recruited after 2075/12/04, the gratuity will be provided in accordance with Pension Fund Act, 2075.

In addition, the permanent employees of the Institute are entitled to receive medical benefits, as per the Employee Byelaws 2066 (First Amendment 2076), as below:

Level	Medical Benefit
Officer Level	Salary of 1 month for each years of service
Assistant Level	Salary of 1.5 months for each years of service
Non-class Level	Salary of 2 months for each years of service

iii. Other Long Term Employee Benefits

Other long term employee benefits include benefits that are not expected to be settled wholly before twelve months after end of the fiscal year in which employees render the related service. The Sick



Notes to the Financial Statements

and Home Leave are the other long term employee benefit plans provided by the Institute to its employees.

The Institute recognizes all measurement gains and losses including all service cost and interest cost related to other long term employee benefits are expensed in income statement.

3.8 Revenue Recognition

Revenue is the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the Institute when those inflows result in increase in reserves and funds, other than increases relating to contributions from equity participants.

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. Revenue is not recognized during the period in which its recoverability of income is not probable. The Institute's revenue comprises of fee income, interest income and other income. Basis for recognition of revenue for individual items of revenue are as below:

Fees Income – Fee income includes student registration fees, student training fees, membership registration and renewal fees, COP registration and renewal fees, examination fees, members training fees, etc. Fees Income is accounted for on accrual basis and are recognized as income as and when they accrue. Receipt of the fees from student registration, which was recognized as and when received up to previous years, has been recognized on accrual basis from current financial year. Receipts of the student registration fees pertaining to the period beyond the period of the financial statement is accounted under current liabilities and booked as income in the year it pertains.

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

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

3.9 Government Grants

Government grants are assistance by the Government in the form of transfers of resources to the Institute in return for past or future compliance with certain conditions relating to the operating activities of the Institute. Government grants, including non-monetary grants at fair value, will not be recognized until there is reasonable assurance that the Institute will comply with the condition attaching to them and the grants will be received.

Government grants will be recognized in income statement on a systematic basis over the periods in which the Institute recognizes as expenses the related costs for which the grants are intended to compensate.

A Government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Institute with no future related costs will be recognized in income statement of the period in which it becomes receivable.

Government grant related to the assets including non-monetary grants at fair value is presented in the statement of financial position by setting up Deferred Grant Income.



Notes to the Financial Statements

3.10 Lease

Finance Lease

When all the risks and rewards incidental to ownership of a leased asset are transferred to the Institute (a finance lease), the asset is treated as if it had been purchased outright. When the Institute is a lessee under finance leases, the leased assets are capitalized and included in property and equipment and the corresponding liability to the lessor is included in other liabilities. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or if lower, the present value of the minimum lease payments. Finance charges payable are recognized in interest expenses over the period of the lease based on the interest rate implicit in the lease so as to give a constant rate of interest on the remaining balance of the liability.

Operating Lease

When all the risks and rewards incidental to ownership are not transferred to the Institute (an operating lease) and the Institute is lessee, lease payment under an operating lease will be recognized as an expense on a straight-line basis over the lease term unless other systematic basis is more representative of the time pattern of the user's benefit.

3.11 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 are reviewed at each reporting date and adjusted to reflect the current best estimate.

A disclosure for contingent liabilities is made when there is a possible obligation or a present obligation as a result of past event that may but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, any disclosure is not provided.

A disclosure for contingent assets is made when it is probable that an economic benefit will inflow to the Institute, that arises from past event and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the Institute.

3.12 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 reserve 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; the rate of income tax applicable to the Institute is 25%. Any variation occurring in the course of final tax assessment is adjusted in the year of acceptance by the Institute.



Notes to the Financial Statements

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 tax is determined using tax rate applicable to the Institute as at the reporting date which is expected to apply when the related deferred tax asset is realized or the deferred 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.

3.13 Events After the Reporting Period

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

OTHER ADDITIONAL DISCLOSURES

28. Impact of COVID -19

COVID-19 has affected almost all businesses around the world and Nepal is not exception to it. The Government imposed lockdown, prohibitory orders and other various precautionary measures were taken in order to control the impact of COVID-19. The regular activities as well as various programs of the Institute were significantly affected during that period. The financial impact of COVID-19 on the financial statements of the Institute is summarized as below:

- Due to postponement of June 2020 examination, the examination income of the Institute has been substantially decreased.
- Due to postponement of examination of Secondary Level and A Level, there was substantial decrease in student registration in CAP-I for December 2020 examination resulting in substantial decrease in income from educational activities.
- Professional development activities of members were conducted through online medium only during April to July due to which income from professional activities as well as expenses have been decreased.
- The Institute contributed Rs. 10 million into Corona Virus Prevention and Control Fund established by the Government of Nepal due to which non-operating expenses of the Institute increased during the year.

29. 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 by the management on any significant issues relating to financial risk management.

Financial risks to which ICAN is exposed are summarized below:



Notes to the Financial Statements

29.1 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 fees, currency risk arises due to exchange rate fluctuation, which is not significant.

29.2 Credit Risk

ICAN is exposed to credit risk only to the extent of booking of student registration fee (Installments Due) on accrual basis. However, the risk associated with the recognition of student registration fee on accrual basis is not significant.

29.3 Market Risk

ICAN is exposed to market risk that the changes in interest rates may affect the Institute's interest income from term deposit in different banks and financial institutions. The Institute has developed and implemented Investment Policy 2075 to manage and control market risk exposure.

30. Reserves 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.

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 accounted for in the income statement and net surplus/(deficit) is appropriated from the surplus/(deficit) of the Institute to concerned fund to reflect fund position at the end of each fiscal year.

Reconciliation of Earmarked Fund and Investments

Description	Amount (Rs.)
Earmarked investment as per Statement of Financial Position	2,17,92,559
Balance at bank as per Statement of Financial Position	75,90,092
10% service charge against interest received by each medal fund during FY 2076/77 to be provided to ICAN	(15,721)
5 % surplus of FY 76-77 yet to be transferred to respective Scholarship Fund Bank Account	5,17,601
AT Scholarship Fund not invested	253,000
5 % surplus of FY 76-77 yet to be transferred to respective ICAN Employee Welfare Fund Bank Account	5,17,601
Loan Repayment Instalment of Ashadh 2077 yet to be transferred to respective Employee Welfare Fund Bank Account	142,528
Building Fund not invested separately	14,872,011
Amount for income tax liability to be transferred from fund	1,14,216
Balance as per Earmarked Fund as per Statement of Financial Position	4,55,55,455

**Notes to the Financial Statements****31. 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 have 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.

Following were the Council Members for the fiscal year 2076/77 (2019/20)

S. No.	Name	Relationship with The Institute
1	CA. Krishna Prasad Acharya	President
2	CA. Madan Krishna Sharma	Vice-President
3	CA. Jagannath Upadhyay (Niraula)	Immediate Past President
4	CA. Surendra Shrestha	Council Member
5	CA. Bishnu Prasad Bhandari	Council Member
6	CA. Bidhyabaridhi Sigdel	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. Bamdev Sharma Adhikari	Council Member
16	Ms. Chandrakala Paudel	Council Member
17	Mr. Ramesh Prasad Shiwakoti	Council Member

ICAN provides following meeting allowances to the Council Members:

Particulars	Amount (NRs.)
Council Meeting	4,000
Committee Meeting	2,000

(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. 3,259,561, 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. President CA. Krishna Prasad Acharya has claimed Rs. 9,000 for mobile facility during the year.

(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. Vice-President CA. Madan Krishna Sharma has claimed Rs.3,000 for fuel during the year.

(d) During the year a sum of Rs.15,19,400 was paid on account of Meeting Allowance to the President, Vice-President and Council Members.

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 persons 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 2019

S.No.	Awards	Achievement	Regd. No.	Name of Recipients
1	KB Chitracar Gold Medal	First Rank in CAP-III (Final Level) Examination	FN001367	Ms. Bimala Bhandari
2	KB Chitracar Gold Medal	First Rank in CAP-III (Final Level) Examination	FN001533	Mr. Gajendra Bahadur Shahi
3	BK Agrawal Gold Medal	First Rank in CAP-II (Intermediate Level) Examination	KI008707	Mr. Sagun Jung Rana
4	Narayan Bajaj Silver Medal	Second Rank in CAP-II (Intermediate Level) Examination	KI008485	Mr. Saugat Gautam
5	Subhash Kumar Jhunjhunwala Gold Medal	First Rank in CAP-I (Foundation Level) Examination	KF0015077	Ms. Diya Pradhan
6	Prakash Jung Thapa Gold Medal	Securing Highest marks in Advanced Financial Reporting (Advanced Accounting) in CAP-III (Final Level) Examination	FN001533	Mr. Gajendra Bahadur Shahi
7	Dr. Govind Ram Agrawal Gold Medal	Securing Highest marks in Strategic Management and Decision Making Analysis in CAP-III (Final Level) Examination	FN001367	Ms. Bimala Bhandari
8	Narendra Vashishtha Gold Medal	Securing Highest marks in Advanced Audit and Assurance in CAP-III (Final Level) Examination	FN001533	Mr. Gajendra Bahadur Shahi

The list of winners of ICAN Quiz Contest

S.No	Contestant	Registration No.	Remarks
1.	Ronish Nepal	FN001873	Winner
2.	Sandesh Bhandari	FN001882	1 st Runner Up
3.	Sandhya Khanal	FN001597	2 nd Runner Up

The list of winners of Elocution Quiz Contest

S.No	Contestant	Registration No.	Remarks
1.	Prakriti Aryal	FN001841	Winner
2.	Samip Bharti Thakali	FN001372	1 st Runner Up
3.	Vashistha Manjul Awasthi	FN002085	2 nd Runner Up

Students Participated in International CA Students' Conference at Colombo, Srilanka

S.No	Contestant	Registration No.
1.	Sailesh Kattel	FN002057
2.	Kritika Luitel	FN002064
3.	Sambidhan Lamichhane	FN001872



Students Participated in International CA Students' Conference at Pune, India

S.No	Contestant	Registration No.
1.	Sujata Mahat	FN001945
2.	Vashistha Manjul Awasthi	FN002085
3.	Anusha Thapa Magar	FN002054
4.	Sushma Khatri	FN002237
5.	Nilanjana Mishra	FN002044
6.	Punam Shah	FN002066

Students Participated in International CA Students' Conference at Karachi, Pakistan

S.No	Contestant	Registration No.
1.	Shakshi Ghimire	FN001721
2.	Ushakiran KC	FN001414
3.	Sagarika Udas	FN002063

Winners of National BPA for FY 2017/18

S.No	Category	Contestant	Remarks
1.	Banking (Public & Private)	NIC Asia Bank Limited	Winner
		NMB Bank Limited	1 st Runner Up
		Citizen Bank International Limited	2 nd Runner Up
2.	Financial Sector (including Development Banks)	Mahalaxami Bikas Bank Ltd.	Winner
		First Micro Finance Limited	1 st Runner Up
3.	General Service Sector	Oriental Hotels (Radisson Hotel Limited)	Winner
		Nepal Telecom (Nepal Doorsanchar Co. Ltd)	1 st Runner Up
4.	General Manufacturing Sector	Butwal Power Company Limited	Winner
		Bottlers Nepal Limited	1 st Runner Up
5.	General Other	Karja Suchana Kendra Limited (Credit Information Bureau Limited)	Winner
		Nepal Clearing House	1 st Runner Up

Winners of SAFA BPA Award 2018

S.No	Category	Contestant	Remarks
1.	Service Sector (Excluding Financial Service and Communication & IT)	Oriental Hotels (Radisson Hotel Limited)	2 nd Runner Up
2.	Public Sector Banks (Including Cooperative Banks)	NMB Bank Limited	Certificate of Merit
		Citizen Bank International Limited	
		NIC Asia Bank Limited	
3.	Financial Service Sector	Mahalaxmi Bikash Bank Limited	Certificate of Merit
4.	Public Sector Entity	Nepal Clearing House	Certificate of Merit

Winners of SAARC Anniversary Awards for Corporate Governance, 2018

S.No	Category	Contestant	Remarks
1.	SAARC Anniversary Awards for Corporate Governance, 2018	NMB Bank Limited	Certificate of Merit



APPRECIATION

The Institute of Chartered Accountants of Nepal acknowledges and thanks the assistance and support extended to the Institute by the following:

- Ministries
- Regulatory Bodies
- Government Officials
- Professional Bodies that have extended support during the year
- Resource persons at conferences, seminars, discussion groups and lecturers
- Training partners, Examiners and Marking Examiners
- Committee Members of the Institute
- Members of the Institute
- Employees of the Institute
- Service Providers and others who made their contributions to ICAN during 2019-2020 and are too numerous to mention individually.



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)



CA. Krishna Prasad Acharya
President (2019-20)

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Gandaki Province

Lumbini Province

Bagmati Province

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