

Association of Community Radio Broadcasters (ACORAB) Nepal
Lalitpur, Nepal

**Auditor`s Report
&
Annual Accounts
2073-74**

**Submitted
By
Nava Raj Thapaliya
Nava Raj Thapaliya & Associates
Chartered Accountants**

December 2017

5 Poush, 2074 (20 December, 2017)

Mr. Subas Khaitwada
President
Association of Community Radio Broadcasters (ACORAB) Nepal
Lalitpur, Nepal.

Subject: Auditor's Report 2073-74

Dear Mr. Khaitwada,

We are pleased to inform you that we have completed statutory/external audit of ACORAB for the year 2073-74. We take this opportunity to submit our Independent Auditor's Report on the financial statements of ACORAB for the stated financial year.

This report presents results of our financial audit of annual accounts of the financial year 2073-74 of ACORAB.

Our sincere thanks to all personnel of ACORAB for the cooperation extended during the course of audit.

Thanking you.

Yours sincerely,



CA. Nava Raj Thapaliya



**Association of Community Radio Broadcasters (ACORAB) Nepal
Lalitpur Nepal**

Auditors` Report: 2073-74

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Association of Community Radio Broadcasters (ACORAB) Nepal
Lalitpur, Nepal

1. Background

Association of Community Radio Broadcasters (ACORAB) Nepal is registered as a non-for-profit making Non-Government Organization (NGO) institution since 2002. Further, it is registered with District Administration Office, Lalitpur under the National Direction Act 2018 on 15 Baisakh 2070 as per the decision of Ministry of Home Affairs / Government of Nepal dated 14 Falgun 2069. It's registered office is located at Lalitpur District, Nepal. ACORAB is established to promote, protect and strengthen the capacity of the community radios towards increasing the access of the people to accurate information, freedom of speech and contribute to the social transformation process. ACORAB has been providing support to community radios to strengthen Nepal's democratization and peace process by enhancing their access to information and expression at the grassroots and linking the voice of the marginalized, excluded and poverty-stricken into the national discourse. Currently it has 261 member community radios across 74 districts.

As a part of its statutory requirement, ACORAB has appointed Nava Raj Thapaliya & Associates; Chartered Accountants to audit the annual accounts of ACORAB for the financial year 2073-74.

2. Audit Objectives and Scope

Our audit was principally conducted in accordance with Nepal Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

2.1 Objectives

Objective of our audit has been to come up with auditor's opinion on the annual accounts particularly in areas whether it presents a true and fair picture of revenue and expenditures and its financial position at the given date in accordance with generally accepted accounting principles.

2.2 Audit Scope

Audit includes, but not limited to, the following:

- a. Audit of annual accounts included an examination of information supporting the accounts and explanatory notes to annual accounts. These included:
 - i. Establishing whether proper accounting records have been maintained by the organization.
 - ii. Reviewing the principles for financial accounting, which were followed when compiling the financial statement.
 - iii. Evaluating overall presentation of information in the financial statements.
 - iv. Verifying the balance sheet items and statement of income and expenditure.
 - v. Testing the transactions and the existence, ownership and valuation of assets and liabilities.
 - vi. Obtaining an understanding of the accounting and internal financial control systems to the extent necessary in order to consider their suitability as a basis for the preparation of financial statements.



b. Compliance

Testing that ACORAB has complied with conditions of contracts and local laws and regulations

c. Scope also includes holding meetings with officials of ACORAB for necessary information, explanations, clarification and responses on our findings.

We conducted our audit of annual accounts in accordance with Nepal Standards on Auditing and accordingly included such tests on ACORAB's financial data, records, examination of evidence supporting legitimacy of expenditures, disclosure in financial statement, assessing accounting principles used, significant estimates/calculation made as well as evaluating overall presentation of the financial statement in accordance with generally accepted accounting principles which we consider appropriate in order to satisfy our objectives.

Annual accounts were drawn up under the responsibility of ACORAB's management.

2.3 Audit Results

Our audit opinion is given in **Page 3**.

Management letter with our findings of reportable conditions along with management comment on our observations has been issued separately to the management of ACORAB on even date of this report which may be referred. Management has principally agreed to our findings and recommendations set out in the management letter.

2.4 Acknowledgement

We take this opportunity to thank all personnel of ACORAB for the cooperation extended during the course of our audit.



Independent Auditor's Report to the General Members
of
Association of Community Radio Broadcasters (ACORAB) Nepal

Introduction

We have audited the accompanying Balance Sheet of Association of Community Radio Broadcaster (ACORAB) Nepal as at 31 Ashad 2074 (15 July 2017) and Income & Expenditure Account, Cash Flow Statement, Statement of Changes in Fund for the period ended on that date and Notes to Financial Statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Nepal Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

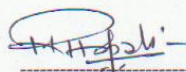
In our opinion and to the best of our knowledge and according to the explanation given to us, the financial statements read with notes related with financial statement give, in all material respects, a true and fair view of the financial position of ACORAB as at 31 Ashad 2074 (15 July 2017) and its financial performance and cash flow & changes in fund in accordance with generally accepted accounting principles.

Other Regulatory Requirement

To the best of our knowledge and belief and accordingly to the explanations given and based on our audit, we are of the view that the activities carried out are found to be within the objectives of ACORAB and has complied generally with the provisions of Income-tax Act relating to withholding tax.

Emphasis of Matter

We draw attention to Notes related to the Financial Statement under point no. 2.2.3 (Accounting of fixed assets procured from completed projects till fiscal year 2066/67 has not been done in core fund nor quantified the actual value of such assets) and 4.2 (ACORAB Nepal has submitted the grant approval proposal to Social Welfare Council (SWC) after switching in National Directive Act with effect from 15 Baishak 2070 wherein obtaining SWC approval is still in process). Our opinion is not qualified in respect of these matters.



CA. Nava Raj Thapaliya
Place: Kathmandu, Nepal
Date: 5 Poush, 2074 (20 December, 2017)



Association of Community Radio Broadcasters (ACORAB) Nepal
Lalitpur, Nepal
Balance Sheet
As at 31 Ashad 2074 (15 July 2017)

Amount in Rs.

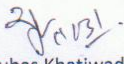
S.No	Assets	Sch	Current Year	Previous Year
1	Fixed Assets	1	2,164,803.64	1,978,334.75
1.1	General Fixed Assets		880,211.97	302,668.04
1.2	Project Funded Assets		1,207,074.35	1,572,310.28
1.3	Basket Fund Assets		77,517.32	103,356.43
2	Investment		-	-
3	Current Assets:		16,960,438.72	17,714,050.29
3.1	Program & Other Advances	2	2,163,546.63	3,664,710.88
3.2	Inventory		-	-
3.3	Cash and Bank Balances	3	14,796,892.09	14,049,339.41
	Total Assets		19,125,242.36	19,692,385.04
S.No	Liabilities	Sch	Current Year	Previous Year
1	Surplus & Reserves		8,399,638.84	8,327,782.99
1.1	Surplus 6,652,116.27			4,751,043.44
1.2	Addition during the year 462,930.90			1,901,072.83
1.3	Adjustment for prior period -			
	Total Surplus 7,115,047.17			6,652,116.27
1.4	Capital Reserves (Project Fund Assets) 1,207,074.35	4.1		1,572,310.29
1.5	Capital Reserves (Basket Fund Assets) 77,517.32	4.2		103,356.43
	Total Capital Reserves 1,284,591.67			1,675,666.72
2	Funds:		6,567,478.52	7,503,194.36
2.1	Restricted Fund	4.3	(172,172.00)	1,123,269.00
2.2	Community Radio Development Fund	4.4	2,125,671.32	2,118,416.47
2.3	ACORAB Development Fund	4.5	2,114,643.92	1,762,670.26
2.4	CIN Contribution Fund	4.6	2,440,594.97	2,440,594.97
2.5	Community Radio Disaster Management Fund	4.7	58,740.31	58,243.66
3	Long Term Loan		-	-
4	Current Liabilities & Provisions		4,158,125.00	3,861,407.70
	Creditors & Payables	5	4,158,125.00	3,861,407.70
	Total Liabilities		19,125,242.36	19,692,385.04

Notes related to Financial Statements


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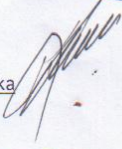
Schedules referred form integral part of this financial statements

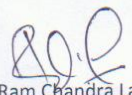

Govinda Devkota
 General Secretary


Subas Khatiwada
 President

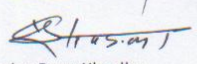
As per our report of even date


CA. Nava Raj Thapaliya
 Nava Raj Thapaliya & Associates
 Chartered Accountants


Laxman Khadka
 Treasurer


Ram Chandra Lamichhane
 Executive Director

Executive committee Members:


Babu Ram Khadka
 Senior Admin. & Finance Officer

Association of Community Radio Broadcasters (ACORAB) Nepal
Lalitpur, Nepal

Income & Expenditure Account

For the period from 1 Shrawan 2073 to 31 Ashad 2074 (corresponding to 16 July 2016 to 15 July 2017)

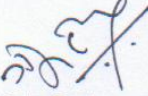
Amount in Rs.

Income	Sch	Current Year	Previous Year
Restricted Fund	6	11,605,358.00	25,052,418.15
General Income	7	10,905,684.48	11,572,418.61
Community Information Network (CIN) Income	8	12,396,383.14	5,594,988.13
Total Income (A)		34,907,425.62	42,219,824.89
Expenditure			
Office General Expenses	9	9,490,962.93	7,930,265.74
Project/Program Expenditure			
Restricted Program Activities	6	11,605,358.00	25,052,418.15
Community Information Network(CIN) Expenses	10	13,348,173.79	7,336,068.17
Total Expenditure (B)		34,444,494.72	40,318,752.06
Excess of Income over Expenditure (A-B)		462,930.90	1,901,072.83
Appropriation Account		-	-
Surplus balance transferred to B/S		462,930.90	1,901,072.83

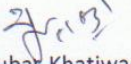
Notes related to Financial Statements

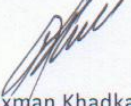
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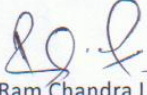
Schedules referred form integral part of this financial statements


Govinda Devkota
General Secretary

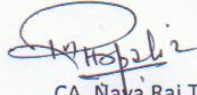



Subas Khatiwada
President


Laxman Khadka
Treasurer

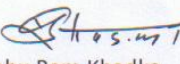

Ram Chandra Lamichhane
Executive Director

As per our report of even date


CA. Nava Raj Thapaliya
Nava Raj Thapaliya & Associates
Chartered Accountants



Executive Committee Members:


Babu Ram Khadka
Senior Admin. & Finance Officer


Association of Community Radio Broadcasters (ACORAB) Nepal

Cash Flow Statement

For the period from 1 Shrawan 2073 to 31 Ashad 2074 (corresponding to 16 July 2016 to 15 July 2017)

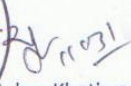
Amount in Rs.

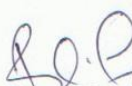
S. No.	Particulars	Current Year	Previous Year
1	Cash from Operating Activities		
	Net Operational Surplus/(Deficit)	462,930.90	1,901,072.83
	Add: Depreciation for general fixed assets	125,024.07	89,513.93
	Add: Project Capital Expenditure expensed off	-	687,500.00
	Sub total	587,954.97	2,678,086.76
	Changes in Changeable Capital		
	Change in current assets	1,501,164.25	(3,173,578.03)
	Change in current liabilities	296,717.30	2,851,097.70
	Sub-total	1,797,881.55	(322,480.33)
	Changes in Fund Balance	(935,715.84)	1,683,689.63
	Net Cash Flow From Operating Activities	1,450,120.68	4,039,296.06
2	Cash flow from Investing Activities		
	Fixed assets Addition	(702,568.00)	(742,102.00)
	Net Cash flow from Investing Activities	(702,568.00)	(742,102.00)
3	Cash flow from Financing Activities	-	-
	Net Cash flow (1+2+3)	747,552.68	3,297,194.06
	Opening balance of cash	14,049,339.41	10,752,145.35
4	Closing cash and bank balances	14,796,892.09	14,049,339.41


Govinda Devkota
General Secretary

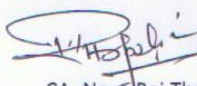

Laxman Khadka
Treasurer

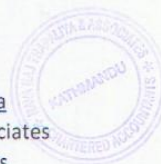



Subas Khatiwada
President


Ram Chandra Lamichhane
Executive Director

As per our report of even date


CA. Nava Raj Thapaliya
Nava Raj Thapaliya & Associates
Chartered Accountants



Executive Committee Members:


Babu Ram Khadka
Senior Admin. & Finance Officer

Association of Community Radio Broadcasters (ACORAB) Nepal

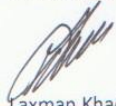
Statement of Changes in Fund

For the period from 1 Shrawan 2073 to 31 Ashad 2074 (corresponding to 16 July 2016 to 15 July 2017)

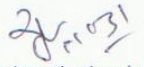
Amount in Rs.

Particulars	Surplus	Capital Fund	Restricted fund	Total
Balance as at 1 Shrawan 2073	6,652,116.27	1,675,666.72	7,503,194.36	15,830,977.35
Adjustment			-	-
Restated balance	6,652,116.27	1,675,666.72	7,503,194.36	15,830,977.35
Surplus /(Deficit) during the year	462,930.90	-	-	462,930.90
Changes in capital/restricted fund	-	(391,075.04)	(935,715.84)	(1,326,790.88)
Balance As at 31 Asadh 2074	7,115,047.17	1,284,591.67	6,567,478.52	14,967,117.36


Govinda Devkota
General Secretary

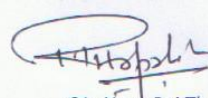

Laxman Khadka
Treasurer



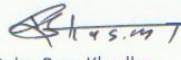

Subas Khatiwada
President


Ram Chandra Lamichhane
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As per our report of even date


CA. Nava Raj Thapaliya
Nava Raj Thapaliya & Associates
Chartered Accountants




Babu Ram Khadka
Senior Admin. & Finance Officer

Executive Committee Members:

Association of Community Radio Broadcasters (ACORAB) Nepal

Schedule forming part of the Financial Statement

Financial Year 2073-74

Fixed Assets

Schedule-1

Fixed Assets General

Description	Land	Building	Vehicles	Equipments	Furniture	Total
As on 01/04/2073	-	-	-	270,562.02	32,106.02	302,668.04
Additions during the year	-	-	-	702,568.00	-	702,568.00
Disposal	-	-	-	-	-	-
As on 31/03/2074	-	-	-	973,130.02	32,106.02	1,005,236.04
Depreciation rate	-	0.05	0.20	0.25	0.25	
Depreciation	-	-	-	116,997.56	8,026.51	125,024.07
Net Value on 31/03/2074	-	-	-	856,132.46	24,079.51	880,211.97

Project Funded Assets (Contra for Capital Reserve)

Description	Land	Building	Vehicles	Equipments	Furniture	Total
As on 01/04/2073	-	-	556,832.79	1,015,477.49	-	1,572,310.28
Additions during the year	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
As on 31/03/2074	-	-	556,832.79	1,015,477.49	-	1,572,310.28
Depreciation rate	-	0.05	0.20	0.25	0.25	
Depreciation	-	-	111,366.56	253,869.37	-	365,235.93
Net Value on 31/03/2074	-	-	445,466.23	761,608.12	-	1,207,074.35

Basket Funded Assets (Contra for Capital Reserve)

Description	Land	Building	Vehicles	Equipments	Furniture	Total
As on 01/04/2073	-	-	-	28,603.13	74,753.30	103,356.43
Additions during the year	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
As on 31/03/2074	-	-	-	28,603.13	74,753.30	103,356.43
Depreciation rate	-	0.05	0.20	0.25	0.25	
Depreciation	-	-	-	7,150.78	18,688.33	25,839.11
Net Value on 31/03/2074	-	-	-	21,452.35	56,064.98	77,517.32

Total Fixed Assets	-	-	445,466.23	1,639,192.92	80,144.49	2,164,803.64
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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Program & Other Advances

Schedule-2

S.N.	Particulars	Current Year	Previous Year
A	Restricted Fund	120,700.00	132,561.00
1	WVIN (Community Journalism)	-	5,000.00
1.1	Receivable (Radio Gorkha) Kalapa	-	5,000.00
2	CECI	-	93,115.00
2.1	Receivable from CIN	-	93,115.00
3	UNICEF	-	34,446.00
3.1	Advance to Radios	-	34,446.00
4	Asia Foundation (TAF)	70,700.00	-
4.1	Advance to Motive Films & Media Research	70,700.00	-
5	AMARC	50,000.00	-
5.1	Program Advance (Lil Prakash Chand)	50,000.00	-
B	CIN	491,740.62	2,298,236.99
4.1	Prepaid Renewal Charge	125,300.00	25,300.00
4.2	Program uplink charge receivable	208,155.00	2,272,936.99
4.3	Salary Advance	25,000.00	-
4.4	VAT Receivable	24,285.62	-
4.5	Provident Fund Receivable	1,000.00	-
4.6	ACORAB	108,000.00	-
C	General Advance & deposits	1,551,106.01	1,233,912.89
5.1	General Advance & deposits	-	19,575.00
5.2	AMARC Membership-Advance of Radios	-	9,000.00
5.3	Other Deposits	75,343.50	75,343.50
5.4	Recievable from CIN	-	84,750.00
5.5	Prepaid Insurance	3,392.04	18,236.12
5.6	Radio Jalapa	80,000.00	-
5.7	CARE Nepal (Program uplink charge receivable)	237,176.47	-
5.8	Other Receivable	-	-
5.9	World Vision International	10,000.00	-
5.10	Receivalbe from AMARC Project	91,837.00	-
5.11	Recievable from TAF (Contribution Income)	-	127,020.00
5.12	Recievable fro UNICEF (Contribution Income)	-	142,799.00
5.13	Salary Advance	-	100,000.00
5.14	Receivable from UNDP/ESP	813,600.00	657,189.27
5.15	International Labour Organization (ILO)	239,757.00	-
	Total	2,163,546.63	3,664,710.88



Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Cash and Bank Balances

Schedule-3

S.N	Particulars	Current Year	Previous Year
A	Project Related Balances	1,217,620.00	2,306,553.00
1.1	BBC MA (NIBL-902)	-	214,468.00
1.2	Asia Foundation (NIBL-2614)	232,994.00	48,789.00
1.3	World Vision (Community) (NIBL-5950)	410,941.00	616,929.00
1.4	CECI (NIBL 9859)	-	1,075,595.00
1.5	UNICEF (NIBL-8583)	-	350,772.00
1.6	AMARC	483,928.00	-
1.7	ILO (NIBL -902)	89,757.00	-
B	General Balances	13,560,272.09	11,722,786.41
2	Internal Fund/CIN		
2.1	NIBL 1010008902	-	-
2.2	NIBL 1010252614/1010008583	-	51,335.25
2.3	NIBL 2050250122	58,740.31	58,243.66
2.4	NIBL 5010067383	5,330,542.70	4,202,838.62
2.5	NIBL 5010256254	3,522,579.24	3,492,795.73
2.6	IDBL 16900001	2,090,254.86	3,148,609.14
2.7	IDBL 70000001	249,639.00	-
2.8	NIBL 1010255950	-	19,266.00
2.9	NIBL 1010259859	2,308,515.98	749,698.01
Total Bank balance (A)		14,777,892.09	14,029,339.41
C	Cash Balance		
3.1	Petty cash (Internal Fund)	19,000.00	20,000.00
Total Cash Balance (B)		19,000.00	20,000.00
Total Cash & Bank Balance (A+B)		14,796,892.09	14,049,339.41



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Fund Balance

Schedule-4

S.N.	Particulars	Current Year	Previous Year
4.1	Capital Reserves (Project Fund Assets)		
	Balance as per last year	1,572,310.29	1,258,967.26
	Additional	-	687,500.00
	Depreciation	(365,235.93)	(374,156.97)
	Disposal	-	-
	Closing balance	1,207,074.35	1,572,310.29
4.2	Capital Reserves (Basket Fund Assets)		
	Balance as per last year	103,356.43	137,808.57
	Additional	-	-
	Depreciation	(25,839.11)	(34,452.14)
	Disposal	-	-
	Closing balance	77,517.32	103,356.43
4.3	Restricted Fund	(172,172.00)	1,123,269.00
4.4	Community Radio Development Fund	2,125,671.32	2,118,416.47
4.5	ACORAB Development Fund	2,114,643.92	1,762,670.26
4.6	CIN Contribution Fund	2,440,594.97	2,440,594.97
4.7	Community Radio Disaster Management Fund	58,740.31	58,243.66
	Total	7,852,070.19	9,178,861.08



Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Creditors & Payables

Schedule-5

S.N.	Particulars	Current Year	Previous Year
A	Project Related Payables	1,510,492.00	1,315,845.00
i.	TAF	795,068.00	572,821.00
	Internal fund	-	127,020.00
	CIN	293,205.00	248,655.00
	Payable to Radios	501,863.00	197,146.00
ii.	World Vision (Community)	10,000.00	5,100.00
	Internal fund	-	600.00
	Radio Jaljala	-	4,500.00
	ACORAB	10,000.00	-
iii.	CECI	-	10,848.00
	Internal fund	-	10,848.00
iv.	UNICEF	-	727,076.00
	Internal fund	-	142,799.00
	CIN	-	266,416.00
	Radio Stations	-	317,861.00
v.	ILO	239,757.00	-
	ACORAB	239,757.00	-
vi.	AMARC	465,667.00	-
	ACORAB	91,837.00	-
	Kedar Subedi	13,850.00	-
	Radios	359,980.00	-
B	General Fund Payable		
i.	CIN	143,710.00	359,763.70
	Internal Audit Fee Payable	70,060.00	31,000.00
	External Audit Fee Payable	65,000.00	106,950.00
	Payable to CECI	-	93,113.70
	Payable to Radios	8,650.00	12,950.00
	Other fees payable	-	31,000.00
	ACORAB Payable	-	84,750.00
ii.	Internal	2,503,923.00	2,185,799.00
	AMARC Membership Fee	133,000.00	133,000.00
	Other fees payable	-	34,000.00
	Coming Year Income	547,500.00	532,500.00
	Internal Audit Fee Payable	-	31,000.00
	External Audit Fee Payable	50,000.00	-
	Hotel Marsyandi	1,985.00	-
	Radio Arghakhanchi	-	10,500.00
	Rajdevi FM	10,500.00	10,500.00
	Radio Chomolungma	-	6,000.00
	Radio DidiBahini	-	18,000.00
	Radio Taplejung	4,250.00	4,250.00
	Advance received from BBC World	1,314,090.00	1,406,049.00
	Radios (Nirbachan Sarokar)	442,598.00	-
	Total	4,158,125.00	3,861,407.70



2073/74

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Association of Community Radio Broadcasters, Nepal (ACORAB)

Financial Year : 2073/74

Schedule forming part of the Financial Statement

Statement of Restricted Program Activities (Restricted Fund) For the year ended on 31 Ashad 2074 (15 July 2017)

Schedule-6

Particulars	BBC Media Action	TAF (Asia Foundation)	World Vision (Advocacy)	World Vision (Community)	World Vision (CCJ)	CECI	ILO	AMARC	UNICEF	Total
Opening Balance	214,468.00	(524,032.00)	-	616,829.00	-	1,157,862.00	-	-	(341,858.00)	1,123,269.00
Fund Received	1,573,000.00	3,334,696.00	140,400.00	441,416.00	2,009,058.00	-	-	3,246,900.00	853,858.00	11,599,328.00
Interest Received	-	-	-	-	-	-	-	-	-	-
Less: Refunded during current year	-	-	-	-	-	-	-	(131,549.00)	-	(131,549.00)
Total	1,787,468.00	2,810,664.00	140,400.00	1,058,245.00	2,009,058.00	1,157,862.00	-	3,115,351.00	512,000.00	12,591,048.00
Expenditures Incurred	1,787,468.00	3,302,038.00	140,400.00	1,058,245.00	1,608,117.00	-	150,000.00	3,047,090.00	512,000.00	11,605,358.00
Schedule Reference	6.1	6.2	6.3	6.4	6.5		6.6	6.7	6.8	
Transfer to CIN						1,157,862.00	-		-	1,157,862.00
Balance of Fund (Cr) Project	-	(491,374.00)	-	-	400,941.00	-	(150,000.00)	68,261.00	-	(172,172.00)
Represented by:										
Cash	-	-	-	-	-	-	-	-	-	-
Bank	-	232,994.00	-	-	410,941.00	-	89,757.00	483,928.00	-	1,217,620.00
Advance	-	70,700.00	-	-	-	-	-	50,000.00	-	120,700.00
Payable	-	(795,068.00)	-	-	(10,000.00)	-	(239,757.00)	(465,667.00)	-	(1,510,492.00)
Total	-	(491,374.00)	-	-	400,941.00	-	(150,000.00)	68,261.00	-	(172,172.00)



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year : 2073/74

Schedules forming part of Financial Statement

BBC Media Action

Schedule-6.1

Particulars	Expenditure
Capacity Strengthening	1,787,468.00
Total	1,787,468.00

The Asia Foundation (TAF)

Schedule-6.2

Particulars	Expenditure
Center Level Creative Workshop	105,924.00
Public Service Announcements (PSAs) and Promos	401,765.00
Radio Magazine	2,307,684.00
Quality Control and M&E	18,230.00
Knowledge Management and Dissemination of Lesson Learned	100,880.00
Narrow Casting	69,425.00
Overhead Cost	298,130.00
Total	3,302,038.00

World Vision (Advocacy)

Schedule-6.3

Particulars	Expenditure
PSA on-air charge	140,400.00
Total	140,400.00

World Vision (Response)

Schedule-6.4

Particulars	Expenditure
Local program production & Broadcasting	225,000.00
Central program production & Broadcasting	311,000.00
Mid Term Review Meeting	82,120.00
Publications	154,245.00
Monitoring & Evaluation	49,850.00
Rent	20,000.00
Bank Charge	30.00
Salaries	216,000.00
Total	1,058,245.00



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

General Income

Schedule-7

S.N.	Particulars	Current Year	Previous Year
A	Income from Donation	6,825,545.65	3,502,808.32
B	Membership fees	656,000.00	562,500.00
	Income From Membership Renewal Fee	656,000.00	562,500.00
C	Income from Bank interest on deposit	23,643.11	77,255.73
	Income From Bank Interest	23,643.11	77,255.73
D	Income from Completed Project	-	-
E	Miscellaneous Income	3,400,495.72	4,213,847.00
	Contribution	464,859.00	466,528.00
	Others	110,368.00	557,535.00
	Overhead Income	441,194.00	569,046.00
	Rental Income	61,200.00	180,000.00
	Program uplink Income	1,895,874.72	2,440,738.00
	AGM Registration Fee	238,000.00	-
	Candidate Registration Fee	189,000.00	-
F	Grant Income	-	3,216,007.56
	Grant Income	-	3,216,007.56
	Total	10,905,684.48	11,572,418.61

Community Information Network (CIN) Income

Schedule-8

S.N.	Particulars	Current Year	Previous Year
A	Program uplink Income	12,307,418.52	5,126,664.30
	Income From Programme Uplink	12,307,418.52	5,126,664.30
B	Interest Income	88,964.62	78,468.83
	Interest Income	88,964.62	78,468.83
C	Income from Radio's contribution	-	389,855.00
	Income From contribution and donation	-	389,855.00
	Total	12,396,383.14	5,594,988.13



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

General Income

Schedule-7

S.N.	Particulars	Current Year	Previous Year
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	Income From Membership Renewal Fee	656,000.00	562,500.00
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	Income From Bank Interest	23,643.11	77,255.73
D	Income from Completed Project	-	-
E	Miscellaneous Income	3,400,495.72	4,213,847.00
	Contribution	464,859.00	466,528.00
	Others	110,368.00	557,535.00
	Overhead Income	441,194.00	569,046.00
	Rental Income	61,200.00	180,000.00
	Program uplink Income	1,895,874.72	2,440,738.00
	AGM Registration Fee	238,000.00	-
	Candidate Registration Fee	189,000.00	-
F	Grant Income	-	3,216,007.56
	Grant Income	-	3,216,007.56
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Community Information Network (CIN) Income

Schedule-8

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	Income From Programme Uplink	12,307,418.52	5,126,664.30
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	Interest Income	88,964.62	78,468.83
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	Income From contribution and donation	-	389,855.00
	Total	12,396,383.14	5,594,988.13



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Office General Expenses

Schedule-9

S.N.	Particulars	Current Year	Previous Year
1	Enacted and Enforced community radio-friendly law and policy	625,356.00	257,001.25
2	Collaborations with working partners at national and international levels are functional	927,395.50	708,155.00
3	Well-established, equipped and functional operation of ACORAB secretariat.	1,175,422.00	740,129.00
4	Community radios are utilized by the community as promoters of specialized local economy	-	1,913,831.00
5	Recognition of community journalism as effective new dimension		44,891.00
6	Active engagement of Community radios as lead agents of social transformation in the respective communities	777,198.00	-
7	Local agenda, including inclusion issues are responded to and materialised through radio programmes	204,480.00	-
8	Community radios as right to information facilitators to the people	152,567.00	-
9	Office Running Cost	3,478,192.68	2,578,809.50
10	Staff Cost	1,804,233.50	1,500,146.00
11	Monitoring, Evaluation & Audit	282,822.00	102,908.00
12	Depreciation	63,296.25	84,394.99
	Total	9,490,962.93	7,930,265.74



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Community Information Network (CIN) Expenses

Schedule-10

S.N.	Particulars	Current Year	Previous Year
1	Enacted and Enforced community radio-friendly law and policy	826,656.00	84,555.00
2	Collaborations with working partners at national and international levels are functional	2,111,138.00	70,674.00
3	Well-established, equipped and functional operation of ACORAB secretariat.	2,602,742.00	2,346,739.00
4	Community radios are utilized by the community as promoters of specialized local economy	1,212,351.00	2,446,765.00
5	Community radios are strengthened as self-reliant and institutionalised professional community media	7,800.00	-
6	Active engagement of Community radios as lead agents of social transformation in the respective communities	3,064,702.00	-
7	Community radios as right to information facilitators to the people	192,750.00	-
8	Office Running Cost	1,391,143.47	693,560.23
9	Staff Cost	1,777,133.50	1,500,146.00
10	Monitoring, Evaluation & Audit	100,030.00	188,510.00
11	Depreciation	61,727.82	5,118.94
	Total	13,348,173.79	7,336,068.17



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year 2073/74

Schedules forming part of the Financial Statement

Salaries included in the above expenses under various activities of office general expenses and CIN expenses for the current year are as follows:

S.N.	Activity	Amount (Rs.)
Office General Expenses		
1	Collaborations with working partners at national and international levels are functional	300,000.00
2	Well-established, equipped and functional operation of ACORAB secretariat.	561,000.00
	Total	861,000.00
CIN Expenses		
1	Well-established, equipped and functional operation of ACORAB secretariat.	627,520.00
2	Active engagement of Community radios as lead agents of social transformation in the respective communities	1,906,395.00
	Total	2,533,915.00



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2073/74

Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year : 2073/74

Schedule forming part of the Financial Statement

Notes related to the Financial Statement

Schedule-11

A Background Information

- 1.1 Association of Community Radio Broadcasters Nepal (ACORAB) is registered as a non-profit Non-Government Organization (NGO) institution since 2002. It has been registered under the National Direction Act, 2018 on 28 April 2013 as per the decision of Finance of Home Affairs dated 25 February 2013. It's registered office is located at Lalitpur District of Nepal. It is affiliated with Social Welfare Council since 07 Poush 2063.

ACORAB is established to promote, protect and strengthen the capacity of the community radios towards increasing the access of the people to accurate information, freedom of speech and contribute to the social transformation process. ACORAB has been providing support to community radios to strengthen Nepal's democratization and peace process by enhancing their access to information and expression at the grass root and linking the voice of the marginalized, excluded and poverty-stricken into the national discourse. Currently it has 315 member community radios across 74 districts.

- 1.2 These financial statements for the ended on 31 Ashad 2074 (15 July 2017) have been approved by the Secretariat meeting held on 5 Poush 2074.

B Significant Accounting Policies

- 2.1 Financial Statement are prepared under historical cost convention under cash basis of accounting except otherwise stated hereinafter.

2.2 Fixed Assets

- 2.2.1 Cost of assets includes the purchase price and other prices incidental to purchase that qualify for capitalization.
- 2.2.2 Assets purchased during the year under project has been expensed off as project expenditures. The amount of such assets purchased has been later transferred to Capital Reserve (Project Funded Assets) with corresponding debit to fixed assets from fiscal year 2067/68 onwards. Capitalization of fixed assets purchased before 2067/68 is yet to be done.
- 2.2.3 Assets purchased under basket fund have been considered as expenditure on basket funding. An amount equal to the value of assets has been transferred to Capital Reserve (Basket Fund Assets) with corresponding debit to fixed assets from fiscal year 2067/68 onwards. Capitalization of fixed assets purchased before 2067/68 is yet to be done.

- 2.2.4 Assets purchased from core fund has been accounted as fixed assets at historical cost.

2.3 Depreciation Rates and Method

- 2.3.1 Depreciation on fixed assets purchased from core fund has been calculated on diminishing balance method at following rates:

Building	5%
Furniture/Fixtures	25%
Vehicles	20%
Equipment	25%

Depreciation on fixed assets purchased from project and basket fund (transferred on of project and basket activities) has also been provided at the rates and methods prescribed as above.



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year : 2073/74

Schedule forming part of the Financial Statement

Notes related to the Financial Statement

- 2.3.3 Since assets purchased are expensed off as project or basket expenditures with corresponding income and such assets are shown as capital reserve with corresponding debit to project/or basket fixed assets (shown as fixed assets), depreciation charged on such project or basket assets is debited to capital reserve with corresponding credit to project/basket fixed assets.
- 2.3.4 Depreciation on addition of assets is calculated on proportionate basis from the subsequent month of purchase.
- 2.3.5 As per Financial Management Policies of the organization, depreciation will be charged on straight line method based on the useful life of the equipment. ACORAB is following Diminishing Balance Method for calculating depreciation since many financial years as continuing previous practice.

2.4 Inventory

Recurring inventory of consumable stores like office supplies, stationeries, books etc. and cost of publications are charged to revenue/project expenditures as and when purchased/paid for and no value is carried forwarded for the stock lying unutilized. At the end of the period, there are no significant value of inventory which is required to be disclosed.

2.5 Fund Accounts

2.5.1 Restricted Fund

Funds received for specific activities is accounted for on receipt by crediting restricted fund accounts. The amount of expenditures incurred for identified project activities (approved budget lines) are considered as project expenditures with corresponding amount as income by debiting restricted fund account. The balance of fund shall be treated as refundable upon completion of project activities if specifically mentioned in the project agreement, else transferred to core account as income from completed project. Refundable amount is reflected in the financial statement as restricted fund (liable for refund and in the nature of deferred income).

2.5.2 Community Radio Development Fund

As per Secretariat Meeting dated 2070.12.10, ACORAB deducts 5% amount on air charge related to Public Service Announcement (PSA). The amount so deducted used to be credited to Community Radio Development Fund. However, in the current fiscal year, such amount deducted has been credited to ACORAB Development Fund.

2.5.3 ACORAB Development Fund

ACORAB has created ACORAB development Fund from the amount received for PSA air charge amount deducted from radio stations for the fund received from National Election Commission in the year 2070/71. In the current fiscal year, 5% amount deducted on PSA air charge has been credited to this fund.

2.5.4 CIN Contribution Fund

This fund has been maintained since previous years for effective operative of CIN.



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year : 2073/74

Schedule forming part of the Financial Statement

Notes related to the Financial Statement

2.5.5 Community Radio Disaster Management Fund

This fund is created from voluntary contributions from the radio stations for arranging fund for possible disasters to community radios.

2.6 Income Recognition

2.6.1 Membership fee is accounted for on an accrual basis.

2.6.2 Interest earned on bank account is accounted for on cash basis net of advance tax withholding at source.

2.6.3 All contributions, donation, miscellaneous income and overheads are accounted for on cash basis.

2.6.4 Contribution under specific project (restricted fund) has been accounted for on accrual basis.

2.7 Accounting of Expenses

Generally all expenses are accounted on cash basis. Tax withholding, CIT Payable, PF Payable, insurance expenses and audit fees are accounted for on accrual basis.

2.8 Income Tax Liabilities

ACORAB has obtained tax exemption certificate from Inland Revenue Office. Accordingly no liability for tax has been considered. ACORAB has considered all its income within the scope of its objectives as specified in its constitution.

2.9 Related Parties Transaction

ACORAB has not undertaken any related parties transaction be it with relative, friend etc of employees or Executive members. ACORAB has a policy to engage member of executive committee or general member as service providers under competitive process of procurement of services (arm's length dealing) on case to case basis.

3 Registration in VAT of CIN

Community Information Network (CIN) has been registered in VAT Office 16 Bhadra 2072. VAT has generally been paid timely within 25th of the subsequent month.

C Significant disclosures:

4.1 Related parties transactions

The related parties of ACORAB include members of Executive Committee and Executive Director. Executive Committee member attending Executive Committee meeting from outside of their location are provided Rs. 2,000 per day as DSA during their participation in meeting. Executive Director (ED) is provided regular remuneration and contribution to provident fund as per employment contract. The annual remuneration paid to ED during the year is Rs. 1,289,647.

4.2 After switching in National Directive Act with effect from 15 Baishak 2070, ACORAB Nepal has presented the grant approval proposal to Social Welfare Council (SWC). Obtaining SWC approval is in process.



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Association of Community Radio Broadcasters (ACORAB) Nepal

Financial Year : 2073/74

Schedule forming part of the Financial Statement

Notes related to the Financial Statement

4.3 Institutional Fund

4.3.1 Community Radio Development Fund

The fund balance has increased by Rs. 7,254.85 as compared to previous year, which is related to interest income.

4.3.2 ACORAB Development Fund

The fund balance has increased by Rs. 351,973.66 as compared to previous year. The total increment comprises of related to 5% charge on PSA on air and interest income.

4.3.3 Community Radio Disaster Management Fund

The increment in fund balance by Rs. 496.65 is related to interest income.

4.4 Contingent liabilities

ACORAB has no legal cases against it nor does it have any claims made against others. There has not been any capital commitment nor has any contingent liabilities except disclosed under this financial statement.

5 Bank Balance

ACORAB has used common bank accounts for CIN and Internal Fund. The segregation of these accounts will be done in the coming year.

- 6 Audited income & expenditure of previous year amounting to Rs. 1,806,138 related to the restricted fund of CECI of previous year has been invoiced to CECI from CIN and included in the income of CIN during the current year with corresponding debit in expenses. The net impact of this is nil. Further opening audited balance of CECI fund amounting to Rs. 1,157,862.00 has been transferred to CIN during the current year.

- 7 Previous years figures have been regrouped and rearranged wherever necessary.



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