

# Nepal Financial Institutions Association

## Significant Accounting Policies and Notes to Accounts

### Schedule – 6

#### 1. **Background Information**

Nepal Financial Institution is a non-profit making organization registered in the District Administration Office, Kathmandu on 2<sup>nd</sup> Bhadra 2052 B.S. under Registration of Association Act, 2034. It is situated at Kathmandu metropolitan-30, Jamal, Kathmandu.

The main objectives of the Association are to work out for bringing the uniformity in working procedures along with bringing uniformity about investment area and interest rate among financial institutions.

#### 2. **Statement of Compliance**

The financial statements have been prepared in conformity with the accepted Nepal Accounting Standard.

#### 3. **Basis of Accounting**

The Association follows accrual system of accounting.

#### 4. **Fixed Assets & Depreciation**

Fixed assets have been stated at cost of acquisition which includes all expenses incurred for bringing the assets to use.

Assets are depreciated on the basis of reducing balance method at the rate prescribed by the Income Tax Act, 2058.

#### 5. **Membership Fee**

Annual Fee received from members is recognized as income.

#### 6. **Investments**

Investments are the fixed deposits held in financial institutions with fixed maturity.

#### 7. **Previous Year Figures regrouped**

Previous year figures have been regrouped wherever necessary.