



# A. K. SABAT & CO.

## CHARTERED ACCOUNTANTS

### Auditors' Report

To  
The Governing Council  
ChildFund India

We have audited the attached Balance Sheet of ChildFund India, E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048, (a public charitable society registered under the Societies Registration Act, 1961), as at 31 March 2012, and also the Income and Expenditure Account, and the Receipt and Payment Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of ChildFund India. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standard generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by ChildFund India so far as appears from our examination of the books.
3. The balance sheet, income and expenditure account and the receipt and payment account dealt with by this report are in agreement with the books of account.
4. The balance sheet, income and expenditure account and the receipt and payment account dealt with by this report are prepared in accordance with the accounting standards issued by the Institute of Chartered Accountants of India, to the extent applicable to a Not-for-Profit Organisation.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in case of the balance sheet, of the state of affairs of ChildFund India as at 31 March 2012;
  - (b) in case of income and expenditure account, of the excess of income over expenditure for the year ended on that date; and
  - (c) in case of receipt and payment account, of the receipts and payments for the year ended on that date.

For A K Sabat & Co  
Chartered Accountants

(Registration No. 321012E)

*P. K. Mahapatra*

P. K. Mahapatra

Partner

(Membership No. 052993)



Bangalore  
1 September, 2012

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ChildFund India

E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048

Balance Sheet as at 31 March, 2012

	Schedule	<u>Rupees</u>	
<b>SOURCES OF FUNDS</b>			
Reserves and Surplus			
<i>Foreign Contribution General Reserve:</i>			
Excess of income over expenditure of the year transferred from Income and Expenditure Account			1,208,949
<i>Non-Foreign General Reserve:</i>			
As per last balance sheet		2,894,997	
Add: Excess of income over expenditure of the year transferred from Income and Expenditure Account		<u>6,476,177</u>	9,371,174
Corpus Fund - As per last balance sheet			<u>439,037</u>
			<u>11,019,160</u>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets			
	1		
Gross Block		7,927,515	
Less: Depreciation		<u>2,363,653</u>	
Net Block			5,563,862
Current Assets, Loans and Advances			
Cash and Bank Balances			
Cash in hand		106,073	
Cash with Scheduled Banks		<u>90,960,000</u>	91,066,073
Grant Receivable			
	2		
Foreign		-	
Non-Foreign		<u>154,966</u>	154,966
Receivable		2,524,608	
Security Deposits		35,000	
Advances		<u>2,904,423</u>	
	(A)	<u>96,685,070</u>	



Continued ...

ChildFund India

E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048

Balance Sheet as at 31 March, 2012

	Schedule	<u>Rupees</u>
<b>APPLICATION OF FUNDS ... Continued</b>		
Current Liabilities and Provisions		
Project Fund to be spent towards	2	
Foreign Contribution		
As per last balance sheet		24,559,361
Add: Restricted Grants received during the year		<u>151,736,144</u>
		176,295,505
Less: Utilised during the year as per Income and Expenditure Account		<u>112,542,250</u>
	(a)	<u>63,753,255</u>
Non-Foreign Contribution		
As per last balance sheet		24,350,815
Add: Restricted Grants received during the year		<u>39,344,285</u>
		63,695,100
Less: Utilised during the year as per Income and Expenditure Account		<u>48,631,964</u>
	(b)	<u>15,063,136</u>
	(a+b)	78,816,391
Other Liabilities and Provisions		<u>12,413,381</u>
	(B)	<u>91,229,772</u>
Net Current Assets	(A-B)	5,455,298
		<u>11,019,160</u>
Significant Accounting Policies and Notes to the	4	

Schedules referred to above form an integral part of the Balance Sheet.

In terms of our report of even date

For A K Sabat & Co

Chartered Accountants

*P. K. Mahapatra*

P. K. Mahapatra

Partner

Bangalore, 1 September, 2012

For ChildFund India

*Dola Mohapatra*  
Dola Mohapatra  
President

*S Philip Lewis*  
S Philip Lewis  
Treasurer



ChildFund India

E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048

Income and Expenditure Account for the year ended 31 March, 2012

	Schedule	<u>Rupees</u>
<b>INCOME</b>		
Utilisation during the year recognised as income out of Project Fund		
Foreign Contribution Fund	112,542,250	
Non-Foreign Contribution Fund	<u>50,852,680</u>	163,394,930
<i>Other Foreign Contribution:</i>		
Interest	1,208,606	
Miscellaneous Income	<u>343</u>	1,208,949
<i>Other Non-Foreign receipts:</i>		
Interest	930,924	
Donation	411,928	
Miscellaneous Income	<u>5,197,335</u>	<u>6,540,187</u>
		<u>171,144,066</u>
<b>EXPENDITURE</b>		
<i>Utilisation of Restricted Grants of:</i>		
Foreign Contribution Fund	3 112,542,250	
Non-Foreign Contribution Fund	<u>50,852,680</u>	163,394,930
<i>Other out of Non-Foreign Receipts:</i>		
Administrative Expenses		64,010
<i>Excess of income over expenditure transferred to General Reserve of:</i>		
Foreign Contribution Fund	1,208,949	
Non-Foreign Contribution Fund	<u>6,476,177</u>	<u>7,685,126</u>
		<u>171,144,066</u>
Significant Accounting Policies and Notes to the Accounts	4	

The Schedules referred to above form an integral part of the Income and Expenditure Account.

In terms of our report of even date

For A K Sabat & Co

Chartered Accountants

*P. K. Mahapatra*

P. K. Mahapatra

Partner

Bangalore, 1 September, 2012

For ChildFund India

*Dola Mohapatra*      *S Philip Lewis*  
Dola Mohapatra      S Philip Lewis  
President      Treasurer



ChildFund India

E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048

Receipt and Payment Account for the year ended 31 March, 2012

	Schedule	Rupees
<b>RECEIPTS</b>		
<i>Opening Balance:</i>		
Cash in hand	75,576	
Cash with Scheduled Banks	<u>55,079,766</u>	55,155,342
<i>Grants:</i>		
Foreign Contribution	2 151,736,144	
Non-Foreign Receipts	<u>41,410,035</u>	193,146,179
<i>Other Foreign Contribution:</i>		
Interest	1,208,606	
Miscellaneous Income	<u>343</u>	1,208,949
<i>Other Non-Foreign Receipts:</i>		
Interest	930,924	
Donation	411,928	
Miscellaneous Income	<u>5,197,335</u>	6,540,187
Current Liabilities and Provisions		<u>6,763,257</u>
		<u>262,813,914</u>
<b>PAYMENTS</b>		
<i>Utilisation of Grants out of:</i>		
Foreign Contribution	111,681,586	
Non-Foreign Receipts	<u>50,852,680</u>	162,534,266
Fixed Assets out of Foreign Contribution		5,434,233
<i>Other payments out of Non-Foreign Receipts:</i>		
General Fund's Administrative Expenses		64,010
Receivable		830,220
Advances		2,885,112
<i>Closing Balance:</i>		
Cash in hand	106,073	
Cash with Scheduled Banks	<u>90,960,000</u>	91,066,073
		<u>262,813,914</u>

Significant Accounting Policies and Notes to the Accounts 4

The Schedules referred to above form an integral part of the Receipt and Payment Account.

In terms of our report of even date

For A K Sabat & Co

Chartered Accountants

P. K. Mahapatra

P. K. Mahapatra

Partner

Bangalore, 1 September, 2012

For ChildFund India

*S. Philip Lewis*  
Dola Mohapatra S Philip Lewis  
President Treasurer



# ChildFund India

E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048

## Schedules to the Accounts, 2011-12

### 3. Project Expenses ...Continued

Relating to Non-Foreign Contribution Fund:

#### B. Andhra Pradesh State AIDS Control Society

Programme Cost	13,468,681	
Personal Costs	27,364,558	
Administrative Costs	<u>7,031,588</u>	47,864,827

#### C. Samajik Suvidha Sangam - Govt. of NCT, Delhi

Programme Cost	278,332	
Personal Costs	1,462,403	
Administrative Costs	<u>479,981</u>	2,220,716

#### D. Local Subsidy

Services for children		<u>767,137</u>	<u>50,852,680</u>
			<u>163,394,930</u>

## 4. Significant Accounting Policies and Notes to the Accounts

### (A) Significant Accounting Policies

#### 1. Basis of Accounting

The Financial Statements are prepared under the historical cost convention on accrual basis.

#### 2. Fixed Assets and Depreciation

a. Assets acquired out of sponsorship program fund and own fund are depreciated at the following rates based on estimated life of the assets as per the decision of the Governing Council:

i. Computers	33.30 %
ii. Office Equipment	20.00 %
iii. Motor Vehicles	20.00 %
iv. Furniture & furnishings	15.00 %
v. Structure – Building	10.00 %

b. Assets acquired out of grants required to be charged off to expenses as per grant agreements, are not capitalized.

#### 4. Stock Valuation

All materials purchased are treated as utilisation of fund.

#### 5. Revenue Recognition

a. In consonance with the Covenants (Grant Agreements with the Donors), the Grants are recognized as Income to the extent they are utilized in the respective year/s.

b. The balance of unutilized Grants - which in terms of the Grant Agreements, are specifically restricted / agreed to belong to the Donor/s are carried forward in the respective Donor/s accounts as Donor/s Funds to be utilized in the subsequent years.

c. The income earned on funds, assets relating to the Donor/s or in course of executing its programme; are treated as part of the Grant/s, in terms of the Donor/s Agreements.

Continued ...



Schedules to the Accounts, 2011-12

4. Significant Accounting Policies and Notes to the Accounts

(A) Significant Accounting Policies ... Continued

6. Foreign Exchange Transaction

Foreign Currency transactions, if any, are accounted at the exchange rate prevailing on the date of transaction.

7. Prior Period and Extra Ordinary Items

Identifiable and material items of income and expenses pertaining to prior period and / or extraordinary items are disclosed separately.

8. Provision, Contingent Liabilities and Contingent Asset

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

9. Employee Benefits

The accounting policy followed by the organisation in respect of its employee benefit schemes is set out below:

*Provident Fund*

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and ChildFund India make monthly contribution to the fund, which is equal to a specified percentage of the covered employee's basic salary. ChildFund India has no further obligations under this plan beyond its monthly contributions. Monthly contributions made by ChildFund India are charged to income and expenditure account.

*Gratuity*

ChildFund India provides gratuity, a defined benefit retirement plan, to its eligible employees. In accordance with the Payment of Gratuity Act, 1972, the gratuity plan provides a lump sum payment to the eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's basic salary and tenure of employment with ChildFund India. The gratuity liability is accrued based on calculations performed by ChildFund India and the amount deposited in the LIC Gratuity Fund is debited to the Income and Expenditure Account.

*Medical Insurance*

All eligible employees are subscribed to a group medi-claim policy.

(B) Notes to the Accounts

1. Contingent Liability: A case in the Labour Court has been filed by one of the ex-employees claiming various dues to her including promotion and adequate provision have been made in these accounts. The Society is contingently liable for any additional amount that may be adjudicated by the Court.



Continued ...

ChildFund India

E-84, IIIrd Floor, Greater Kailash - I, New Delhi - 110 048

Schedules to the Accounts, 2011-12

4. Significant Accounting Policies and Notes to the Accounts

(B) Notes to the Accounts ... Continued

2. Provision for Taxation: The Society being an institution for charitable purpose under the provisions of the Income-tax Act, 1961 and accordingly having registered itself under Section 12A of the said Act and having complied with the provision of sec. 11 to 13 of it, its income is exempt under Section 11 of the Act and hence no provision for Income- tax is necessary.
3. Programs implemented through other partner NGOs are treated as sub-grants and are charged off to expense/s under the head/s of account/s it is meant to be spent at the time of disbursement. Conversely, unspent balance received from partner NGOs at the closure of the program is treated as income in the year of its receipt, under the head/s of account/s reported unspent.
4. Donations/ grants to the extent actually received are treated as income.
5. Registration with various state governments towards professional tax is in process. Pending the registration, an amount of Rs.94,241 has been provided for.
6. The "Receipt and Payment Account" factually is a "Cash Flow Statement" since it is not reflecting a mere summary of cash receipts and payments alone and includes cash equivalents also.
7. Previous year's figures have been rearranged to conform with the revised presentation.

In terms of our report of even date

For A K Sabat & Co

Chartered Accountants

*P. K. Mahapatra*

P. K. Mahapatra

Partner

Bangalore

1 September, 2012

For ChildFund India

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Dola Mohapatra  
President

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