

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CHARITIES AID FOUNDATION INDIA

Report on the Financial Statements

We have audited the accompanying financial statements of **Charities Aid Foundation India** ("the Trust"), which comprise the Balance Sheet as at 31 March, 2014 and the Income and Expenditure Account for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Trust's Management is responsible for the preparation of these financial statements in accordance with the Accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers internal control relevant to the Trust'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 Trust's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 audit opinion.



Deloitte Haskins & Sells

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Trust dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31 March, 2014; and
- (b) in the case of the Income and Expenditure Account, of the surplus of income over expenditure for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)



A handwritten signature in cursive script that reads "Alka Chadha".

Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 28th July, 2014

Charities Aid Foundation India
Balance Sheet as at 31 March, 2014

PARTICULARS	Schedule Ref.	As at 31.03.14 (₹)	As at 31.03.13 (₹)
SOURCES OF FUNDS			
Capital Fund	1	39,268,538	38,005,947
Corpus Fund	2	1,020,400	1,020,400
Capital Assets Fund	3	1,971,302	2,769,485
Institutional Development Fund	4	5,000,000	-
Unutilised Grants/Donations	5A	138,805,560	104,742,577
TOTAL		<u>186,065,800</u>	<u>146,538,409</u>
APPLICATION OF FUNDS			
Fixed Assets			
a. Gross Block	6	5,033,035	4,629,788
b. Less: Accumulated Depreciation		<u>2,347,233</u>	<u>1,252,660</u>
c. Net Block		<u>2,685,802</u>	<u>3,377,128</u>
Current Assets, Loans and Advances			
Cash and Bank balances	7	156,655,394	137,253,141
Loans and Advances	8	16,583,938	18,785,358
Current Investments	9	<u>31,638,255</u>	-
Total Current Assets		<u>204,877,587</u>	<u>156,038,499</u>
Less: Current Liabilities and Provisions	10	21,497,589	12,877,218
Net Current Assets		<u>183,379,998</u>	<u>143,161,281</u>
TOTAL		<u>186,065,800</u>	<u>146,538,409</u>
Notes forming part of the accounts financial statements	13		

The above Schedules form an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Aika Chadha

Aika Chadha
Partner



For and on behalf of

Charities Aid Foundation India

Arun Bharatram

Arun Bharatram
Chairman

Meenakshi Batra

Meenakshi Batra
Chief Executive



Place: Gurgaon
Date: 28th July, 2014

Place: New Delhi
Date: 28th July, 2014

**Charities Aid Foundation India
Income and Expenditure Account
For the year ended 31 March, 2014**

PARTICULARS	Schedule Ref.	Year ended 31.03.14 (₹)	Year ended 31.03.13 (₹)
INCOME			
Grants/Donations Received			
Specific Purpose Grant Income	5A	189,578,759	131,937,922
Other Income	11	10,785,794	6,387,137
		200,364,553	138,325,059
EXPENDITURE			
Grants/Donations Paid			
Specific Purpose Grant Expenditure	5B	172,845,571	119,624,297
Depreciation	6	1,109,362	187,285
Operating and Other Expenses	12	21,005,211	13,089,468
		194,960,144	132,901,050
		5,404,409	5,424,009
- Transfer to Capital Assets Fund		(858,183)	(161,904)
- Transfer to Institutional Development Fund		5,000,000	-
- Transfer to Capital Fund		1,262,592	5,585,913

Notes forming part of the financial statements 13

The above Schedules form an integral part of the financial statements

In terms of our report attached

For and on behalf of

**For Deloitte Haskins & Sells
Chartered Accountants**

Charities Aid Foundation India

Alka Chadha



Alka Chadha
Partner

Arun Bharatram

Arun Bharatram
Chairman

Meenakshi Batra

Meenakshi Batra
Chief Executive



Place: Gurgaon
Date: 28th July, 2014

Place: New Delhi
Date: 28th July, 2014

Charities Aid Foundation India
Schedules forming part of the financial statements

	As at 31.03.14 (₹)	As at 31.03.13 (₹)
SCHEDULE 1		
Capital Fund		
Opening Balance	38,005,946	32,420,030
Add : Donated Assets capitalised at nominal value	-	4
Add: Balance transferred from Income and Expenditure Account	1,262,592	5,585,913
	39,268,538	38,005,947

SCHEDULE 2

Corpus Fund

Opening Balance	1,020,400	1,015,300
Add: Received during the year	-	5,100
	1,020,400	1,020,400

SCHEDULE 3

Capital Assets Fund

Opening Balance	2,769,485	183,438
Add: Fixed Assets purchased from Charities Aid Foundation, UK Funds	60,000	2,747,951
Less: Depreciation transferred from Income and Expenditure Account	(858,183)	(161,904)
	1,971,302	2,769,485

SCHEDULE 4

Institutional Development Fund

Opening Balance	-	-
Add: Balance transferred from Income and Expenditure Account	5,000,000	-
	5,000,000	-



Charities Aid Foundation India
Schedules forming part of the financial statements

SCHEDULE 5 A

Unutilised Grants/Donations

	(All amounts in ₹)					
	As at 01.04.13	Contributions	Transfer to Income and Expenditure Account (Income)	Transfer to Capital Assets Fund/ Adjustments	As at 31.03.14	As at 31.03.13
GRANTS						
Grants from Foundations	14,427,475	21,905,303	25,052,258	60,000	11,220,520	14,427,475
Grants from Companies	56,935,147	54,772,280 *	25,239,940	-	86,467,487	56,935,147
GAYE Program	31,496,867	133,397,538	132,965,149	-	31,929,256	31,496,867
Appeals	346,593	8,469,337	3,583,382	-	5,232,548	346,593
Individual Giving	1,050,309	4,943,139	2,646,611	-	3,346,837	1,050,309
NGO Capacity Building Fund	486,186	154,145 *	31,419	-	608,912	486,186
Total	104,742,577	225,641,742	189,518,759	60,000	138,805,560	104,742,577
Previous Year	56,506,070	182,922,580	131,937,922	2,747,951	104,742,577	56,506,070

* Includes interest



V



Charities Aid Foundation India
Schedule forming part of the financial statements

SCHEDULE 5 B

Expenditure

(All amounts in (₹))

	Transferred to Income and Expenditure Account (Expenses)	
	Year ended 31.03.14	Year ended 31.03.13
GRANTS		
Disbursal out of :		
Grants from Foundations	23,518,566	16,211,110
Grants from Companies	22,958,920	19,893,034
GAYE Program	122,792,826	83,423,021
Appeals	3,207,309	-
Individual Giving	336,531	97,132
NGO Capacity Building Fund	31,419	-
Total	172,845,571	119,624,297



21/

Charities Aid Foundation India
Schedule forming part of the financial statements

SCHEDULE 6

Fixed Assets (At Cost)

PARTICULARS	Gross Block			Depreciation and Amortisation			Net Block	
	As at 01.04.13	Additions	Deletions / Adjustments	As at 01.04.13	For the Year (See note i)	As at 31.03.14	As at 31.03.14	As at 31.03.13
a. Office Equipment (see note ii and vi)	1,080,676	64,675	-	231,695	250,017	481,712	663,639	848,981
b. Leasehold improvements (see note iii)	895,046	-	-	4,087	298,318	302,405	592,641	890,959
c. Computers (see note iv and vi)	1,601,288	321,861	-	786,251	350,389	1,136,640	786,509	815,037
d. Furniture and Fixtures (see note v and vi)	1,052,778	31,500	14,789	230,627	210,638	426,476	643,013	822,151
Total	4,629,788	418,036	14,789	1,252,660	1,109,362	2,347,233	2,685,802	3,377,128
Previous Year	1,912,924	3,353,546	653,682	1,753,219	187,285	1,252,660	3,377,128	216,705

Notes

- (i) Includes ₹ 858,183 (Previous year ₹ 161,904) pertaining to fixed assets purchased out of Charities Aid Foundation, UK funds.
- (ii) Includes increase of ₹ nil (Previous Year ₹ 870,659) in Gross Block, increase of ₹ 243,803 (Previous Year ₹ 57,544) in Accumulated Depreciation and ₹ 605,178 (upto Previous Year ₹ 848,981) in Net Block pertaining to Equipment purchased out of Charities Aid Foundation, U K Funds.
- (iii) Includes increase of ₹ nil (Previous Year ₹ 289,455) in Gross Block, increase of ₹ 96,475 (Previous Year ₹ 1,322) in Accumulated Depreciation and ₹ 191,658 (upto Previous Year ₹ 288,133) in Net Block pertaining to Leasehold improvement purchased out of Charities Aid Foundation, U K Funds
- (iv) Includes increase of ₹ 60,000 (Previous Year ₹ 767,692) in Gross Block, increase of ₹ 312,868 (Previous Year ₹ 100,230) in Accumulated Depreciation and ₹ 562,166 (upto Previous Year ₹ 815,034) in Net Block pertaining to Computers purchased out of Charities Aid Foundation, U K Funds
- (v) Includes increase of ₹ nil (Previous Year ₹ 820,145) in Gross Block, increase of ₹ 205,037 (Previous Year ₹ 2,808) in Accumulated Depreciation and ₹ 612,300 (upto Previous Year ₹ 817,337) in Net Block pertaining to Furniture and Fixtures purchased out of Charities Aid Foundation, U K Funds
- (vi) Donated Assets are capitalised at nominal value.



Charities Aid Foundation India
Schedules forming part of the financial statements

	As at 31.03.14 (₹)	As at 31.03.13 (₹)
SCHEDULE 7		
Cash and Bank balances		
a. Cash in hand	23,375	112,943
b. Balances with scheduled banks		
- Saving account	5,675,000	5,856,207
- Fixed deposits	150,957,019	131,283,991
	156,655,394	137,253,141

SCHEDULE 8

Loans and Advances

a. Advances recoverable in cash or in kind or for value to be received	651,445	256,324
b. Interest accrued but not due	3,534,746	2,041,294
c. Tax deducted at source (TDS)	789,208	798,370
d. Grant/Donations receivable	11,223,539	15,139,370
e. Security deposits	385,000	550,000
	16,583,938	18,785,358



(Handwritten signature)

Charities Aid Foundation India
Schedules forming part of the financial statements

SCHEDULE - 9

Current Investments

(At lower of cost or fair value, unless otherwise stated)

PARTICULARS	As at 31.03.14		As at 31.03.13	
	Nos.	Unquoted Amount (₹)	Nos.	Unquoted Amount (₹)
Investment in mutual funds				
Kotak Banking and PSU Debt Fund- Growth	115,710	3,237,832	-	-
Reliance Liquid Fund - Cash Plan- Growth Option - Growth Plan	14,126	28,400,423	-	-
Total		31,638,255		-



✓

Charities Aid Foundation India
Schedules forming part of the financial statements

	<u>As at 31.03.14 (₹)</u>	<u>As at 31.03.13 (₹)</u>
SCHEDULE 10		
Current Liabilities		
a. Sundry creditors and payables	19,925,424	11,422,723
b. Other liabilities	<u>619,978</u>	<u>916,963</u>
	<u>20,545,402</u>	<u>12,339,686</u>
Provisions		
a. Provision for gratuity	239,502	103,126
b. Provision for compensated leave absences	<u>712,685</u>	<u>434,406</u>
	<u>952,187</u>	<u>537,532</u>
	<u>21,497,589</u>	<u>12,877,218</u>



2
/

Charities Aid Foundation India
Schedules forming part of the financial statements

	Year ended 31.03.14 (₹)	Year ended 31.03.13 (₹)
SCHEDULE 11		
Other Income		
a. Interest on fixed deposits, saving accounts and refund of tax (including TDS ₹ 567,281 Previous Year ₹ 174,844) Less: Transferred to grants (Refer schedule 4A)	12,454,001	9,255,210
b. Gain on sale of mutual funds	9,030,745 688,254	2,968,123
c. Net gain on foreign currency transaction and translation	1,064,253	-
d. Other income	2,542	97,899
	10,785,794	6,387,137

SCHEDULE 12

Operating and Other Expenses

a. Operating expenses in excess of grant received	20,940,459	13,088,603
b. Other expenses	64,752	865
	21,005,211	13,089,468



✓

SCHEDULE – 13

NOTES FORMING PART OF THE ACCOUNTS

1. Background

Charities Aid Foundation, India ("CAF India"/ "the Trust") was set up in New Delhi in 1998 as an independent Trust. The Board of Trustees include independent Indian Trustees and a representative of Charities Aid Foundation UK (CAF UK). The India operation was set up to further the mission of CAF i.e. to raise resources for the non profit sector and build the capacity of the sector worldwide. CAF India is a part of the CAF International Network and raises resources from individuals, foundations and companies, for charitable purposes.

2. Significant Accounting Policies

2.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention and comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

The Trust follows the mercantile basis of accounting and recognises all income, expenses, assets and liabilities on the accrual basis.

2.2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates.

2.3 Fixed Assets and depreciation

All fixed assets are stated at cost. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Assets purchased out of Charities Aid Foundation, UK (CAF UK) funds are capitalised and an equal amount is transferred out of CAF UK funds to Capital Assets Fund. Accordingly, deletions of such fixed assets are also adjusted from the Capital Assets Fund.

Assets received as donations are capitalised at nominal value.

Depreciation on fixed assets has been provided on the Straight line method at rates based on the management estimate of the useful lives of the assets, as follows:



20

Charities Aid Foundation India
Schedule forming part of the financial statements

Depreciation	Depreciation Per annum (%)
Computers	33.33
Office Equipment	25.00
Furniture and Fixtures	25.00

Leasehold Improvements is amortised over the remaining duration of the lease

Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase. Depreciation of fixed assets purchased out of CAF UK funds is debited to the Capital Assets Fund through the Income and Expenditure account.

2.4 Current Investments:

Current investments are carried individually, at lower of cost or fair value.

2.5 Accounting for grants /donations

Donations/grants received for specific expenditures pursuant to agreements entered into with donors are considered as a liability (Unutilised Grants) until these funds have been utilised. Funds are treated as utilised on the disbursement of funds to partner NGO's.

Revenue in respect of specific purpose grants is recognised to the extent the amount has been utilised for the purposes intended. The unspent balance of the grant is carried forward.

The trust retains a certain portion of the funds raised to meet its grant- making and monitoring costs which is recognised as part of grant income at the time of disbursement of funds/credit to the grantee.

2.6 Interest Income

Interest income is recognised on time proportionate basis.

2.7 Foreign Exchange Transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Income and Expenditure account. Foreign currency assets and liabilities denominated in foreign currencies, at the year end are translated into rupees at the year end rates and resultant gains/losses on foreign exchange translations are recognised in the Income and Expenditure account.

2.8 Employee benefits

i. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries and wages.



24

Charities Aid Foundation India
Schedule forming part of the financial statements

ii. Employment benefit plans

a. Defined Contribution Plan

The Trust's contribution to the employees' provident fund is a defined contribution plan and is charged as expense to the Income and Expenditure account during the period in which the employee renders the related services. The provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 have become applicable to the Trust w.e.f 1 April 2011, upon voluntary registration with the Employees Provident Fund Organisation.

b. Defined Benefit Plan

- The Trust's gratuity scheme is a defined benefit plan. The Trust has taken a group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity. The Trust has a policy of payment of gratuity to staff as per the limits specified in Income Tax Act, 1961. The gratuity payable as per the limits specified in Income Tax Act, 1961 is charged to revenue, which is inclusive of premium paid to LIC.
- Benefits comprising compensated leave absences constitute other long term employee benefits. The liability for compensated leave absences is provided on an accrual basis within the contractual period, in accordance with the rules in respect thereof.

2.9 Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Income and Expenditure account on a straight-line basis over the lease term.

2.10 Provisions and contingencies

A provision is recognised when the Trust has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.11 Impairment of assets

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment in an asset occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the assets net sales price or present value as determined above.

3. Income Tax

The Trust is exempt from income tax under Section 12AA of the Income Tax Act, 1961. Donations received by the Trust qualify for deduction under Section 80G of the



Charities Aid Foundation India
Schedule forming part of the financial statements

Income Tax Act, 1961 in terms of approvals received vide Order No. DIT(E) 2009-2010/C-536/408 dated 29/05/2009 read together with Letter No. DIT(E) 2012-2013/1064 dated 30/08/2012.

4. Institutional Development Fund

Institutional Development fund has been set up during the current year by appropriating ₹5,000,000 from the surplus of the current year's Income and Expenditure account towards expenditure on infrastructure/ activities as may be specified.

5. Contingent Liability

Particulars	Year ended 31.03.14 ₹	Year ended 31.03.13 ₹
Claims not acknowledge as debts*		
- Others	18,304,882	-

* Management is of the view that the above claim is not tenable and has accordingly made no provision in the financial statements.

6. Defined contribution plan

The Trust recognised ₹1,439,218 (Previous year ₹ 1,036,110) during the year for provident fund contributions as expense in the Income and Expenditure account.

7. Leases

The Trust has taken office premises and furniture and fixtures on operating lease and has recognised rent of ₹ 840,145 (previous year ₹ 916,452) in the Income and Expenditure account during the year pertaining to cancellable and non-cancellable lease agreements respectively. The total of future minimum lease payments under non-cancellable operating lease for the following period is:

Particulars	Year ended 31.03.14 ₹	Year ended 31.03.13 ₹
a. Not later than 1 year	860,003	840,145
b. Later than 1 year but not later than 5 years	631,800	1,493,400
Total	<u>1,491,803</u>	<u>2,333,545</u>

8. Payment made to Trustees

Reimbursement of travel and lodging expenses	-	20,978
--	---	--------

9. Payments to Auditor's *

Audit Fee	475,000	425,000
Out of Pocket Expenses	30,914	16,736
Total	<u>505,914</u>	<u>441,736</u>

* Exclusive of Service Tax



Charities Aid Foundation India
Schedule forming part of the financial statements

	Year ended 31.03.14 ₹	Year ended 31.03.13 ₹
10. Grants/Donations received from CAF, UK		
Grants/Donations received/receivable during the year	11,546,618	12,187,734
Reimbursement of expense (paid)	249,297	280,861
Reimbursement of expense (received)	425,336	258,076
Recoverable as at the year-end	143,847	176,235

11. Disclosures as per Micro, Medium and Small Enterprises Development Act, 2006 (MSMED).

Based on the information available with the Trust, the balance due to Micro & Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

12. The Trust is complying with the Accounting Standards, applicable to a Level III Entity-Small and Medium Sized Enterprise (SME), as notified in the announcement made by ICAI which is effective for all accounting periods commencing on or after 1 April, 2004. Accordingly, the Trust is not required to present the Related Party Disclosures, Cash Flow Statement, Segment reporting and Discontinuing Operations disclosures as required under the relevant Accounting Standards. Further, the Trust is not required to disclose information required by Paragraph 67 of Accounting Standard 29 on 'Provisions, Contingent Liabilities and Contingent Assets, and Paragraph 117 to 123 of the Accounting Standard 15 (revised) on 'Employee Benefits' in respect of defined benefit plans. The Trust has availed an exemption in respect of the recognition and measurement principles laid down in Paragraph 50 to 116 of the Accounting Standard 15 (revised) on 'Employee Benefits' in respect of defined benefit plans.

13. Previous year figures have been presented for the purpose of comparison and have been regrouped wherever necessary.

For and on behalf of
Charities Aid Foundation India



Arun Bharatram
Chairman



Meenakshi Batra
Chief Executive

Place : New Delhi
Date : 28th July, 2014

