

INDEPENDENT AUDITOR’S REPORT

To
The Members of
ADARSH CHARITABLE TRUST
X/584B, PUTHIYA ROAD, KUREEKAD,
COCHIN -682 305

We have audited the accompanying financial statements of M/s. Adarsh Charitable Trust, which comprise the Balance Sheet as at March 31, 2014, and the Income and Expenditure statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with The Income Tax Act, 1961. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the 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 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 audit opinion.

G JOSEPH & ASSOCIATES
Chartered Accountants

37/2038, Muttathil Lane, Kadavanthara
Cochin – 682 020.
Phone – 91-484-2207411
91-484-2207433
Fax – 91-484-2207499
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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements of M/s Adarsh Charitable Trust for the year ended March 31, 2014 give a true and fair view:-

- i) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March, 2014;
- ii) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

For G.JOSEPH & ASSOCIATES
Chartered Accountants
(Firm Reg.No.006310S)

Sd/-
UMESH L.BHAT
Partner
M.No.211364

Place : Cochin – 20
Date : 25/05/2014

ADARSH CHARITABLE TRUST

X/584B, PUTHIYA ROAD, KUREEKAD-682 305

BALANCE SHEET AS AT 31.03.2014

<u>Particulars</u>	<u>Sch. No.</u>	<u>As at 31.03.2014</u>	<u>As at 31.03.2013</u>
<u>SOURCES OF FUNDS</u>			
1. Corpus fund	1	13,191,113.00	12,672,507.00
2. Specific purpose grant/subsidy/sponsorship	2	11,556,392.00	7,822,867.00
		24,747,505.00	20,495,374.00
<u>APPLICATIONS OF FUNDS</u>			
<u>1. Fixed Assets</u>			
1. Fixed Assets	3		
Gross Block		12,326,343.37	10,523,680.95
Less : Depreciation		1,113,614.63	1,006,180.11
Net Block		11,212,728.73	9,517,500.85
<u>2. Current Assets, Loans & Advances</u>			
2. Current Assets, Loans & Advances	4		
a. Receivables		628,200.00	203,075.00
a. Cash and bank balances		11,825,624.12	9,770,410.80
b. Loans and advances		378,139.62	287,215.40
		12,831,963.74	10,260,701.20
<u>3. Less Current Liabilities & Provisions</u>			
3. Less Current Liabilities & Provisions	5		
Current liabilities		437,062.98	701,695.00
Net Current Assets		12,394,900.76	9,559,006.20
<u>4. Income & Expenditure A/c -</u>			
4. Income & Expenditure A/c -			
Excess of expenditure over income		1,139,875.51	1,418,866.96
		24,747,505.00	20,495,374.00
<u>5. Notes on Accounts</u>			
5. Notes on Accounts	14		

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No.006310S)

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
O M MAHADEVAN
TREASURER

Sd/-
UMESH L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN
Date : 25/05/2014

ADARSH CHARITABLE TRUST

X/584B, PUTHIYA ROAD, KUREEKAD-682 305

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2014

Particulars	Sch. No.	For the year ended	
		31.03.2014	31.03.2013
INCOME			
Recovery of Fees:			
-Training Fees	6	2,385,950.00	2,168,285.00
-Vehicle Fee		1,085,125.00	820,800.00
General Donations/Contributions			
-Donation From Give India Foundation		603,803.90	742,252.99
-General Donations		3,073,528.00	2,213,805.90
-Foreign Donation/Contributions		420,227.00	100,520.00
-Towards Community Based Rehabilitation		587,050.00	1,272,000.00
Government Grant/Aid:			
-Kerala Government		2,593,660.00	2,325,336.00
-Scholarship From Local Self Government Body		113,000.00	243,350.00
Other Income			
-Interest Received On Bank Deposits		792,612.98	657,823.53
-Profit From Mutual Fund		-	1,774.85
-Vocational Income		4,435.00	217,133.00
-Miscellaneous		669,353.01	290,311.00
		12,328,744.89	11,053,392.27
EXPENDITURE			
Rehabilitation Centre Expenses	7	4,853,511.27	4,706,518.00
Child Development Evaluation Intervention And Research Centre (CDEIRC) Expenses	8	721,798.00	652,272.00
Community Based Rehabilitation Expenses	9	1,274,221.00	1,169,834.00
Vehicle Expenses	10	2,730,897.18	2,298,530.00
Repairs & Maintanance	11	80,733.52	241,212.41
Administrative Expenses	12	1,172,594.11	1,041,568.19
Interest and Bank Charges		3,755.36	5,085.36
Loss on Sale of Fixed Assets		98,628.00	142,049.12
Depreciation	3	1,113,615.00	1,006,180.11
		12,049,753.44	11,263,249.19
Net Surplus/(Deficit) for the Year		278,991.45	(209,856.92)
Surplus/(Deficit) Brought forward from earlier years		(1,418,866.96)	(1,209,010.04)
Balance of Deficit transferred to Balance Sheet		(1,139,875.51)	(1,418,866.96)

Notes on Accounts

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As Per Our Report of Even Date Attached

**FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS**

(Firm Reg. No.006310S)

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
O M MAHADEVAN
TREASURER

Sd/-
UMESH L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN
Date : 25/05/2014

ADARSH CHARITABLE TRUST

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

	As at 31.03.2014	As at 31.03.2013
Schedule - 1		
CORPUS FUND		
At the beginning of the year	12,672,507.00	12,163,257.00
Add: Received during the year	518,606.00	509,250.00
At the end of the year	13,191,113.00	12,672,507.00
Schedule - 2		
<u>Specific Purpose Grant(Subsidy)\Sponsorship</u>		
Sponsorship for EDUSAT	37,000.00	37,000.00
Non recurring Grant from Govt. of Kerala	1,000,000.00	1,000,000.00
Donation for Building	7,695,488.00	3,961,963.00
Sponsorship for Kitex Bag Unit	190,500.00	190,500.00
Sponsorship for Echo Check machine	250,000.00	250,000.00
Sponsorship for Paper Bag Unit	250,000.00	250,000.00
Sponsorship for School van	2,036,050.00	2,036,050.00
Sponsorship for Equipments	91,169.00	91,169.00
Sponsorship for Medical Expenses	6,185.00	6,185.00
	11,556,392.00	7,822,867.00
Schedule -4		
<u>CURRENT ASSETS, LOANS & ADVANCES</u>		
<u>A. Current Assets</u>		
<u>Receivables</u>		
CDEIRC Consultation Fees Receivable	23,250.00	20,150.00
Greeting Card Income Receivable	52,000.00	-
Sponsorship for Home based Rehabilitation Receivable	498,550.00	178,925.00
Receivable on sale of fixed asset	17,500.00	-
Vehicle Fee Receivable	10,900.00	-
Rehabilitation Income Receivable	17,000.00	-
Risk Baby Unit charges receivable from hospitals	9,000.00	4,000.00
	628,200.00	203,075.00
<u>Cash and bank balances</u>		
Balance with Scheduled Banks		
- in Current Accounts	1,032,309.95	2,730,788.41
- in Fixed Deposit Accounts	10,789,927.17	7,036,915.39
Cash in hand	3,387.00	2,707.00
	11,825,624.12	9,770,410.80
<u>B. Loans and Advances</u>		
Interest Accrued on Fixed Deposit	63,332.00	-
Deposits	83,260.00	73,260.00
Tax Deducted at Source	100,259.20	38,410.00
Prepaid/Advance for Expenses	116,288.42	154,595.40
Medical Loan to staff	15,000.00	20,950.00
	378,139.62	287,215.40
Total (A+B)	12,203,763.74	10,057,626.20
Schedule -5		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>Current Liabilities</u>		
<u>Sundry Creditors</u>		
-For Capital Goods	-	5,307.00
Employee State Insurance dues payable	19,720.00	19,713.00
Provident Fund dues payable	58,286.00	58,763.00
Income received in Advance	-	45,000.00
TDS Payable	3,967.75	12,373.01
Retention Money Payable	131,256.00	-
Expenses Payable	223,833.23	560,538.99
	437,062.98	701,695.00

For the year ended
31.03.2014 **31.03.2013**

	31.03.2014	31.03.2013
		Schedule -6
<u>TRAINING FEES RECEIVED</u>		
Fees from Autism wing	433,850.00	483,250.00
Fees from Cerebral Palsy wing	609,975.00	491,100.00
Fees from Home Based Rehabilitation Wing	5,450.00	500.00
Fee from CDEIRC Consultation	782,525.00	690,510.00
Fees from Down Syndrome wing	112,750.00	83,250.00
Fees from Multiple Disorders wing	425,300.00	396,350.00
Fee Out Station Students	7,750.00	8,500.00
Training fee received- others	8,350.00	14,825.00
	2,385,950.00	2,168,285.00

		Schedule -7
<u>REHABILITATION CENTRE EXPENSES</u>		
Electricity & Water Charges	21,442.27	11,696.00
Cleaning & Maintenance	29,786.00	27,172.00
APOSA Expenses	-	2,161.00
Celebration Expenses	81,568.00	64,502.00
Medical Expenses	120,800.00	93,110.00
Milk for Children	43,068.00	44,325.00
National Institute Open Schooling Expenses	20,727.00	25,243.00
Noon Food Expenses	198,762.00	142,475.00
Parent Support Expenses	304,100.00	305,850.00
Salary-Autism wing	510,184.00	629,474.00
Salary-Cerebral Palsy wing	2,129,635.00	1,727,730.00
Salary-Down Syndrome wing	240,193.00	220,320.00
Salary-Multiple Disability wing	417,637.00	284,375.00
PF Employers Contribution	228,511.00	208,088.00
ESI Employers Contribution	125,224.00	107,015.00
School expenses	70,550.00	94,487.00
Fund Raising Programme Expenses	-	83,556.00
Special Allowance	113,334.00	118,566.00
Postage & Courier	744.00	457.00
Sensory Expenses	-	1,992.00
Printing & Stationary	28,841.00	58,164.00
Canteen Expenses	70,780.00	59,398.00
Travelling Expense	10,606.00	2,184.00

	For the year ended	
	31.03.2014	31.03.2013
Seminar Expenses	-	20,333.00
Repair & Maintenance	41,437.00	-
Therapy expenses	17,680.00	19,312.00
Transporting Charges	1,580.00	2,003.00
Vocation unit expenses	-	173,760.00
Honorarium Paid	17,976.00	173,080.00
Training Expenses- General	8,346.00	5,690.00
	4,853,511.27	4,706,518.00

Schedule -8

CHILD DEVELOPMENT EVALUATION INTERVENTION AND RESEARCH CENTRE EXPENSES

Camp expenses	17,259.00	7,368.00
World Disability Day Expenses	-	24,344.00
Water & Electricity Charges	3,159.00	8,927.00
Printing & Stationery	1,000.00	3,092.00
Rent	264,000.00	240,000.00
Salary - Learning Disorders wing	363,963.00	328,180.00
PF Employers Contribution	15,175.00	13,302.00
ESI Employers Contribution	7,769.00	7,907.00
Repairs And Maintanance	9,195.00	1,650.00
Telephone & Internet Charges	19,353.00	15,169.00
Miscellaneous Expenses	20,925.00	2,333.00
	721,798.00	652,272.00

Schedule -9

COMMUNITY BASED REHABILITATION (CBR) CENTRE EXPENSES

Echo Check Expenses	-	1,374.00
Home Based Therapy Expenses	337,414.00	299,667.00
Salary-CBR wing	829,465.00	795,049.00
PF Employers Contribution	70,382.00	50,538.00
ESI Employers Contribution	36,960.00	23,206.00
	1,274,221.00	1,169,834.00

Schedule -10

VEHICLE EXPENSES

Fuel Charges	506,914.00	539,144.00
Van Hire Charges	1,418,739.00	906,886.00
Other Expenses	48,213.00	19,033.00
Repairs & Maintenance	132,940.00	165,184.00
Salary-Bus in charge	152,600.00	159,000.00
Salary - Drivers	364,850.00	396,750.00
Allowances to Drivers	15,610.00	19,100.00
Tax & Insurance	91,031.18	93,433.00
	2,730,897.18	2,298,530.00

Schedule -11

REPAIRS & MAINTANANCE

Repairs and Maintanance	30,993.00	210,361.00
Generator Expenses	14,801.00	18,692.00
Annual Maintenance Charges	34,939.52	12,159.41
	80,733.52	241,212.41

	For the year ended	
	31.03.2014	31.03.2013
		Schedule -12
<u>ADMINISTRATIVE EXPENSES</u>		
Auditors Remuneration	11,236.00	11,236.00
Building Expenses	200.00	-
Greeting Card Expenses	29,775.00	-
Insurance	1,060.81	494.19
Internet Charges	648.30	10,515.00
Local Conveyance	16,749.00	14,401.00
Miscellaneous Expense	292.00	-
Office Expenses	14,278.00	22,467.00
Printing & Stationary	57,200.00	-
Postage & Courier	3,806.00	5,722.00
Salary & Allowances - Administration	811,695.00	819,324.00
PF Employers Contribution	68,523.00	62,238.00
ESI Employers Contribution	13,292.00	18,685.00
Security Charges	52,173.00	60,881.00
Souvenir Expenses	86,100.00	-
Telephone Charges	4,866.00	7,816.00
Web Designing & Maintenance Charges	700.00	7,789.00
	1,172,594.11	1,041,568.19

Schedule - 3

ADARSH CHARITABLE TRUST
Statement Showing Computation of Depreciation 2013-14

Items	WDV as on 31.03.2013	Additions during		Deletions/Subsi dy/Sponsorship	Total	Rate of		Depreciation for the year			WDV as on 31.03.2014
		1 st Half	2 nd Half			1 st Half	2 nd Half	1 st Half	2 nd Half	Total	
Land & Land development	1,460,034.00	-	-	-	1,460,034.00	0.0%	0.0%	-	-	-	1,460,034.00
Building	6,159,318.74	1,766,670.00	1,083,406.00	-	9,009,394.74	10.0%	5.0%	792,598.87	54,170.30	846,769.17	8,162,625.56
Furniture & Fittings	365,671.23	20,600.00	64,750.00	-	451,021.23	10.0%	5.0%	38,627.12	3,237.50	41,864.62	409,156.61
Electrical Equipments & Fittings	162,688.52	-	-	-	162,688.52	10.0%	5.0%	16,268.85	-	16,268.85	146,419.67
Office Equipments	73,590.84	12,250.00	3,150.00	-	88,990.84	15.0%	7.5%	12,876.13	236.25	13,112.38	75,878.46
Vehicles	425,674.05	-	-	223,627.48	202,046.57	15.0%	7.5%	30,306.99	-	30,306.99	171,739.59
Medical Equipments	352,099.44	-	38,944.00	-	391,043.44	15.0%	7.5%	52,814.92	2,920.80	55,735.72	335,307.72
Computer & Accessories	16,151.79	139,050.00	3,650.00	100,000.00	58,851.79	60.0%	30.0%	33,121.07	1,095.00	34,216.07	24,635.72
Generator	131,351.37	-	-	-	131,351.37	15.0%	7.5%	19,702.71	-	19,702.71	111,648.66
Plant & Machinery	370,920.86	-	-	-	370,920.86	15.0%	7.5%	55,638.13	-	55,638.13	315,282.73
TOTAL	9,517,500.84	1,938,570.00	1,193,900.00	323,627.48	12,326,343.37			1,051,954.78	61,659.85	1,113,614.63	11,212,728.72

ADARSH CHARITABLE TRUST
X/584B, PUTHIYA ROAD, KUREEKAD-682 305

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule -14

1 Significant Accounting Policies

The significant Accounting Policies followed by the trust are as stated below:

Adarsh Charitable Trust (hereinafter referred to "the Trust") is functioning in the State of Kerala. The Trust is formed for helping the physically handicapped and mentally retarded persons, to rehabilitate patients with cerebral palsy and persons with other disabilities , to give medical assistance to those who are poor, to establish institutions etc for the above purposes and as also for promotion of human values, rights and liberties conducive to human resource development.

a)General

The Financial Statements have been prepared on the historical cost convention. These statements have been prepared in accordance with the generally accepted accounting principles and the applicable mandatory accounting standards. The preparation required adoption of estimates and assumptions that can affect the reported amounts of revenue and expenditure and the assets and liabilities as well as the disclosure of contingent liabilities. Differences between the actual results and estimates are recognised in the year in which they become known or materialises.

b)Fixed Assets

The Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses relating to the acquisition and installation of the concerned assets. The sponsorship /grant received against specific assets have been adjusted against the cost incurred for generating the respective asset.

c)Depreciation

Depreciation are charged on fixed assets under Written Down Value Method at at such rates so as to depreciate 95% of the cost of the assets over the estimated life of the asset.

d)Revenue Recognition

Income from training, grant, interest on deposits and scholarship are recognised on accrual basis. Donations are recognised on receipt basis.

e) Employee Benefits

a. Contributions to Provident fund and Employee State Insurance are charged to Income and Expenditure Account.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

g) Income Tax

Income Tax and Deferred Tax Asset /Liability has not been recognised, due to the exemptions available under under sections 11 and 12 of the Income Tax Act.

h) Leases

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

i) Impairment of Assets

The Trust assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the trust estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the income and expenditure account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

j) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the trust has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A Contingent Asset is neither recognised nor disclosed in the financial statements.

2 In the opinion of the Trustees, the current assets, loans & advances will realise a value not less than the amounts stated in the Balance Sheet, if realised in the ordinary course of business.

3 The Corpus Fund includes fund assigned by the executive committee as corpus.

4 The balance with the banks in current accounts and fixed deposits were confirmed by the respective banks.

	Current Year	Previous Year
5 Contingent liabilities not provided for in the Accounts:	Nil	Nil

6 Auditors remuneration includes:-

For Audit	11,236	11,236
	<u>11,236</u>	<u>11,236</u>

7 Previous year figures have been regrouped /reclassified wherever necessary to suit the current year's layout.

As per our report of even date attached

For G. Joseph & Associates
Chartered Accountants
(Firm Regn.No.006310S)

Sd/-
K P PADMAKUMAR
CHAIRMAN

Sd/-
O M MAHADEVAN
TREASURER

Sd/-
UMESH L BHAT
Partner
M.No.211346

Place :Cochin
Date : 25/05/2014