

AUDITORS' REPORT

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

We have examined the attached Balance Sheet as at 31st March, 2009 of ADARSH CHARITABLE TRUST and the Income and Expenditure Account for the year ended on that date and report as under:

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 account as required by law have been kept by the Trust so far as it appears from our examination of the books.
3. The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the Books of Account.
4. 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 :-
 - i) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March, 2009;
 - ii) in the case of the Income and Expenditure Account, of the deficit for the year ended on that date

For G.JOSEPH & ASSOCIATES
Chartered Accountants

UMESH.L.BHAT
Partner
M.No.211364

PLACE : COCHIN - 20
DATE : 15/06/2009

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

BALANCE SHEET AS AT 31.03.2009

| Particulars | Sch. No. | As at 31.03.2009 | As at 31.03.2008 |
|---|----------|---------------------|---------------------|
| <u>SOURCES OF FUNDS</u> | | | |
| 1. Trust Fund | 1 | 12,341,975 | 9,377,684 |
| 2. Income & Expenditure A/c | | 322,783 | 1,665,856 |
| 3. Loan Funds | | | |
| i. Unsecured Loans | 2 | 100,000 | 100,000 |
| | | 12,764,758 | 11,143,540 |
| <u>APPLICATIONS OF FUNDS</u> | | | |
| <u>1. Fixed Assets</u> | 3 | | |
| Gross Block | | 10,631,007 | 10,701,069 |
| Less : Depreciation | | 1,065,574 | 1,034,763 |
| Net Block | | 9,565,433 | 9,666,306 |
| <u>2. Current Assets, Loans & Advances</u> | 4 | | |
| a. Receivables | | 439,300 | 9,400 |
| b. Cash and bank balances | | 3,295,218 | 1,446,910 |
| c. Loans and advances | | 106,287 | 101,476 |
| | | 3,840,805 | 1,557,786 |
| <u>3. Less Current Liabilities & Provisions</u> | 5 | | |
| Current liabilities | | 641,480 | 80,551 |
| Net Current Assets | | 3,199,326 | 1,477,234 |
| | | 12,764,758 | 11,143,540 |
| 4. Notes on Accounts | 12 | | |

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

K.NEELAKANTAN
CHAIRMAN

O.M.MAHADEVAN
TREASURER

UMESH.L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN

Date :

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

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.03.2009

| Particulars | Sch. No. | For the year ended | |
|--|----------|--------------------|------------------|
| | | 31.03.2009 | 31.03.2008 |
| <u>INCOME</u> | | | |
| Fees Received | | 1,151,350 | 776,300 |
| Donation Received | | 1,418,099 | 1,879,409 |
| Sponsorship from Panchayat | | 1,089,416 | 95,662 |
| Interest received | | 184,957 | 64,103 |
| Other Income- Vocational Income (School Bag) | | - | 18,248 |
| - Vocational Income (Paper bag) | | 5,771 | 49,662 |
| - Decinial Income | | - | 31,450 |
| -Miscellaneous | | 651,879 | 168,676 |
| | | 4,501,473 | 3,083,510 |
| <u>EXPENDITURE</u> | | | |
| Direct Expenses | 6 | 1,160,111 | 847,119 |
| Administrative Expenses | 7 | 1,012,072 | 196,193 |
| Employee Remuneration & Benefits | 8 | 2,209,457 | 1,279,803 |
| Bank Charges | | 4,520 | 1,817 |
| Depreciation | | 1,065,574 | 1,034,763 |
| School Bag Expenses | 9 | 13,322 | 61,913 |
| Paper Bag Expenses | 10 | 23,720 | 127,946 |
| CDEIRC Expenses | 11 | 355,771 | 179,066 |
| | | 5,844,546 | 3,728,619 |
| Net Surplus/Deficit for the Year | | (1,343,073) | (645,109) |
| Surplus Brought forward from earlier years | | 1,665,856 | 2,310,966 |
| Balance of Surplus transferred to Balance Sheet | | 322,783 | 1,665,856 |
| Notes on Accounts | 12 | | |

As Per Our Report of Even Date Attached

FOR G JOSEPH & ASSOCIATES
CHARTERED ACCOUNTANTS

K.NEELAKANTAN
CHAIRMAN

O.M.MAHADEVAN
TREASURER

UMESH.L.BHAT
PARTNER
M.No:211364

PLACE : COCHIN

Date :

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

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

| | As at 31.03.2009 | As at 31.03.2008 |
|--|-------------------------|-------------------------|
| | | Schedule - 1 |
| <u>TRUST FUND</u> | | |
| Corpus Fund | 9,505,840 | 6,773,339 |
| <u>Specific Purpose Fund</u> | | |
| Sponsorship for EDUSAT | 37,000 | 35,000 |
| Building Donation | 50,000 | 50,000 |
| Sponsorship for Kitex Bag Unit | 190,500 | 190,500 |
| Sponsorship for Echo Check machine | 250,000 | 250,000 |
| Sponsorship for Paper Bag Unit | 250,000 | 250,000 |
| Sponsorship for School van | 2,036,050 | 1,786,260 |
| Sponsorship for Music Theraphy Equipments | 16,400 | 16,400 |
| Sponsorship for Medical Expenses | 6,185 | 26,185 |
| | <u>12,341,975</u> | <u>9,377,684</u> |
| | | Schedule - 2 |
| <u>UNSECURED LOANS</u> | | |
| Building loan | 100,000 | 100,000 |
| | <u>100,000</u> | <u>100,000</u> |
| | | Schedule -4 |
| <u>CURRENT ASSETS, LOANS & ADVANCES</u> | | |
| <u>A. Current Assets</u> | | |
| Receivable | 439,300 | 9,400 |
| | <u>439,300</u> | <u>9,400</u> |
| <u>Cash and bank balances</u> | | |
| Balance with Scheduled Banks | | |
| - in Current Accounts | 693,390 | 774,890 |
| - in Fixed Deposit Accounts | 2,591,089 | 657,816 |
| Cheques/Demand Drafts in hand | - | 5,936 |
| Cash in hand | 10,739 | 8,268 |
| | <u>3,295,218</u> | <u>1,446,910</u> |
| <u>B. Loans and Advances</u> | | |
| Deposits | 3,260 | 39,260 |
| Tax Deducted at Source | 20,229 | 4,730 |
| Prepaid Expenses | 34,098 | 28,015 |
| Advance for packing material | - | 17,896 |
| Advance for milk expenses | - | 4,575 |
| Medical Loan to staff | 5,900 | 3,500 |
| Other Advances | 42,800 | 3,500 |
| | <u>106,287</u> | <u>101,476</u> |
| Total (A+B) | <u>3,401,505</u> | <u>1,548,386</u> |

For the year ended
31.03.2009 31.03.2008

| <u>CURRENT LIABILITIES & PROVISIONS</u> | Schedule -5 | |
|--|--------------------|---------------|
| <u>Current Liabilities</u> | | |
| Sundry Creditors | | |
| -For Capital Goods | 386,697 | 54,047 |
| Rent Payable | 8,000 | 7,500 |
| PF Payable | 23,075 | 10,126 |
| Audit Fee Payable | 5,518 | 5,618 |
| Electricity charges Payable | 679 | - |
| Salary Payable | 217,511 | - |
| Other Liabilities | - | 3,260 |
| | 641,480 | 80,551 |

| <u>DIRECT EXPENSES</u> | Schedule -6 | |
|------------------------------------|--------------------|----------------|
| Brouchure- Printing charges | 2,414 | 22,753 |
| Consultation Fee | 138,675 | 68,450 |
| Down Syndrome Exps | 13,381 | - |
| Echo Check Printing charges | 1,846 | 354 |
| Echo Check - Travelling Allowances | 2,329 | 2,196 |
| Edusat Expenses | 19,332 | 18,551 |
| Electricity Charges | 7,327 | 9,570 |
| Greeting Card Printing Charges | 73,547 | - |
| Seminar-Autism Drama | - | 23,623 |
| Training Expenses- General | 22,019 | 50,187 |
| Travelling Expense | 14,253 | 13,757 |
| Travelling Expnse - CBR | 3,330 | 5,680 |
| Tuition Fee Paid | - | 1,290 |
| Van Hire Charges | 334,792 | 173,523 |
| Vehicle Expense | 11,760 | 28,153 |
| Vehicle Fuel Charges | 375,206 | 353,217 |
| Vehicle Repairs & Maintenance | 70,274 | 52,635 |
| Vehicle Tax & Insurance | 69,627 | 23,181 |
| | 1,160,111 | 847,119 |

| <u>ADMINISTRATIVE EXPENSES</u> | Schedule -7 | |
|---------------------------------------|--------------------|----------------|
| APOSA Expenses | - | 1,826 |
| Auditors Remuneration | 16,192 | 5,618 |
| Books & Periodicals | 1,165 | 400 |
| Camp Expense | 1,300 | 413 |
| Canteen Expense | 2,799 | 5,225 |
| Cleaning & Maintenance | 19,078 | 9,524 |
| Celebration Expenses | 21,605 | 15,619 |
| Decenal Celebration Expense | 396,580 | 8,184 |
| Generator Expenses | 22,577 | 2,565 |
| Internet charges | 7,054 | 3,147 |
| Local Conveyance | 3,228 | 11,798 |
| Medical Expense | - | - |
| Miscellaneous expense | 48,895 | 11,672 |
| Milk For Children | 43,337 | - |
| NIOS Expenses | 5,509 | - |
| Office Expenses | 9,901 | 11,929 |
| Photography Charges | 12,182 | 6,215 |
| Postage & Courier | 5,343 | 5,504 |
| Printing & Stationery | 75,436 | 41,253 |
| Scholarship Reimbursement to Students | 18,336 | - |
| Repairs & Maintenance | 271,790 | 5,871 |
| Consumables | - | 22,807 |
| Transporting Charges | 1,820 | 3,125 |
| Telephone Charges | 18,446 | 19,050 |
| Web Designing & maintenance charges | 9,500 | 4,450 |
| | 1,012,072 | 196,193 |

For the year ended
31.03.2009 31.03.2008

| | | Schedule -8 |
|--|------------------|------------------|
| <u>EMPLOYEE REMUNERATION & BENEFITS</u> | | |
| Salary & Allowance | 1,350,576 | 600,205 |
| Employers contribution to Provident Fund | 131,204 | 50,653 |
| Special Charges(Ex-Gratia) | 5,450 | 113,234 |
| Service Charges | 722,227 | 503,511 |
| Staff Allowances | - | 12,200 |
| | 2,209,457 | 1,279,803 |

| | | Schedule -9 |
|-----------------------------------|---------------|---------------|
| <u>School Bag Expenses</u> | | |
| School Bag Unit - Exps. | 2,098 | 9,623 |
| School Bag Unit - Remuneration | 11,224 | 52,290 |
| | 13,322 | 61,913 |

| | | |
|----------------------------------|---------------|----------------|
| <u>Paper Bag Expenses</u> | | |
| Paper Bag - Materials | - | 34,093 |
| Paper Bag - Miscellaneous | 18,771 | 6,824 |
| Paper Bag - Remuneration | 4,949 | 85,881 |
| Paper Bag- TA | - | 1,148 |
| | 23,720 | 127,946 |

| | | Schedule -11 |
|---------------------------------------|----------------|----------------|
| <u>CDEIRC Expenses</u> | | |
| CDEIRC - Consultation Fee | 54,800 | 35,500 |
| CDEIRC - Inaguration | - | 24,164 |
| CDEIRC - Misc. Exps | 10,691 | 3,843 |
| CDEIRC - Postage & Courier | - | 303 |
| CDEIRC - Printing & Stationery | 3,710 | 13,528 |
| CDEIRC - Rent | 92,500 | 33,750 |
| CDEIRC - Salary | - | 56,900 |
| CDEIRC --TA | - | 794 |
| CDEIRC - Telephone & Internet Charges | 15,141 | 4,796 |
| CDEIRC - Wages | - | 1,700 |
| CDEIRC-Celebration A/c | 2,033 | - |
| CDEIRC- Water & Electricity | 3,129 | 3,788 |
| CDEIRC- Service charges | 173,767 | |
| | 355,771 | 179,066 |

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

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule - 12

1 Significant Accounting Policies

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

Adarsh Charitable Trust (hereinafter referred to "the Trust") was incorporated in the State of Kerala. The Trust is formed for helping the physically haddicapped and mentally retarded person to rehabitate patients with cerebral palsy and persons with other disabilities , and to give medical assistance to those who are poor , and to establish institutions etc for the purposes , 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 acquisiton including taxes, duties, freight and other incidental expenses relating to the acquisition and installation of the concerned assets.

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

1)Income form Tuition and Hostel fees is recognised on accrual basis.

e) Employee Benefits

- a. Contribution to Provident fund and other recognised fund is charged to Income and Expenditure Account.
- b. Liability on account of gratuity has not been provided for in the accounts as the Payment of Gratuity Act 1972 is not applicable to the trust.

f) Income Tax

Income Tax and Defered Tax Asset /Liability has not been recognised, as in the opinion of the management the Company is exempt from tax under sections 11 and 12 of the Income Tax Act.

g) Leases

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

h) 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 recoerable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

i) 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 | 16,192 | 5,618 |
| | <u>16,192</u> | <u>5,618</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

K.NEELAKANTAN

CHAIRMAN

Place :VAIKOM

Date :

O.M Mahadevan

Treasurer

Umesh . L . Bhat

Partner

M.No.211346