

Raghu Nath Rai & Co.

Chartered Accountants

9 Mathura Road, Jangpura 'B', New Delhi-110014
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FINANCIAL MANAGEMENT SERVICE FOUNDATION, NOIDA

Report on the Financial Statements

We have audited the accompanying financial statements of University of FINANCIAL MANAGEMENT SERVICE FOUNDATION (Trust), which comprise the Balance Sheet as at March 31, 2017, and the Income & Expenditure Account 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 that give a true and fair view of the financial position and financial performance of the Trust in accordance with the Generally Accepted Accounting Principles. 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.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Trust as at March 31, 2017; and
- in the case of the Income & Expenditure Account, of the excess of income over expenditure for the year ended on that date.



Place: New Delhi

Date: 21/08/2017

For RAGHU NATH RAI & CO.
Chartered Accountants
FRN: 000451N

SAMIR JAIN
(Partner)

Membership No. : 77010

E mail: admin@rnri.in; Website: www.rnr.in

FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)

BALANCE SHEET AS AT 31ST MARCH 2017

	Schedule	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
<u>SOURCES OF FUNDS</u>			
Unutilised Grants	I	375,801	994,866
Corpus Fund	II	11,987	11,582
General Fund	III	15,818,103	23,158,260
Assets Fund Account	IV	16,260,795	9,922,930
TOTAL		32,466,686	34,087,638
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	V		
Gross Block		40,417,503	33,658,570
Less : Depreciation		24,156,708	23,735,640
Net Block		16,260,795	9,922,930
Investments	VI	10,647,499	16,329,665
Current Assets, Loans & Advances			
Cash and Bank Balances	VII	2,575,192	4,101,224
Other Current Assets	VIII	2,236,678	2,818,546
Loans and Advances	IX	1,159,468	1,358,248
		5,971,338	8,278,018
Less: Current Liabilities & Provisions	X		
Expenses Payable		318,946	392,975
Other Liabilities		94,000	50,000
Net Current Assets		5,558,392	7,835,043
TOTAL		32,466,686	34,087,638

Significant Accounting Policies and Notes
forming an integral part of accounts

XI

As per our report of even date
For RAGHU NATH RAI & CO.

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

Chartered Accountants

FRN: 000451N

(SAMIR JAIN)

Partner

M. No. 077010

(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Place: New Delhi

Date: 21 AUG 2017

(TRUSTEES)



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)**

SCHEDULE - I

**GRANTS UNUTILISED / RECEIVABLE FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2017**

Funding Agency	Opening balance as on 01.04.2016		Transactions during the year			Surplus/ (Deficit) transferred to General Fund	Closing balance as on 31.03.2017	
	Unutilised	Receivable	Income	Expenditure	Unspent / (Overspent)		Unutilised	Receivable
<u>BFTW</u>								
- Project No.20140043E	-	171,327	25,820,026	26,165,520	(345,494)	-	-	516,821
<u>Misereor-DFMA Programme</u>								
- Project No.321-900-1465 ZG	-	727,890	-	40,375	(40,375)	(768,265)	-	-
<u>ICCO</u>								
- Main Grant	258,005	-	130,000	12,204	117,796	-	375,801	-
- Other Grant	736,861	-	-	998,606	(998,606)	(261,745)	-	-
TOTAL	994,866	899,217	25,950,026	27,216,705	(1,266,679)	(1,030,010)	375,801	516,821



FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)

SCHEDULE - II

CORPUS FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2017

Corpus Fund	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Contribution made by the Settler Trustees		
Opening Balance	11,582	11,190
Add: Interest thereon	405	392
Closing Balance	11,987	11,582

SCHEDULE - III

GENERAL FUND FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2017

General Fund	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Opening Balance	23,158,260	20,799,331
Add: Transfer during the year		
Foreign Contribution Account		
Surplus/(Deficit) as per Grant Account		
- Misereor	(768,265)	-
- BFTW	-	11,168
- ICCO Other Grant	(261,745)	-
Surplus/(Deficit) as per Income and Expenditure Account	(6,310,147)	2,347,761
	15,818,103	23,158,260
Closing Balance	15,818,103	23,158,260

SCHEDULE - IV

ASSETS FUND ACCOUNT FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2017

Assets Fund Account	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Opening Balance	9,922,930	10,570,643
Add:		
Assets purchased during the year	9,553,046	1,458,647
	19,475,976	12,029,290
Less:		
Sold during the year	1,075,641	457,547
Depreciation for the current year	2,139,540	1,648,813
Closing Balance	16,260,795	9,922,930



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)**

**FIXED ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH 2017**

Fixed Assets	Rate of Dep. %	Gross Block			Depreciation Block			Net Block			
		Cost as at 01.04.2016	Additions during the year	Sales / discarded during the year	Cost as at 31.03.2017	Dep. upto 01.04.2016	Adj. for sales/ discarded during the year	Dep. for current year	Dep. upto 31.03.2017	W.D.V. as on 31.03.2017	W.D.V. as on 31.03.2016
FOREIGN CONTRIBUTION ACCOUNT											
Office Premises(BFTW)											
Office Building	10	15,935,570	-	-	15,935,570	11,331,680	-	460,389	11,792,069	4,143,501	4,603,890
Electric Installations and Fittings	15	1,125,237	-	-	1,125,237	967,451	-	23,668	991,119	134,118	157,786
Furniture and Fixtures	10	1,224,054	-	-	1,224,054	855,416	-	36,864	892,280	331,774	368,638
BFTW Main Grant											
Computers	60	1,682,806	45,500	63,861	1,664,245	1,414,884	61,000	172,567	1,526,451	137,794	267,722
Furniture and Fixtures	10	3,566,231	-	-	3,566,231	2,445,132	-	112,110	2,557,242	1,008,989	1,121,099
Office Equipments	15	5,446,371	1,059,568	567,225	5,938,714	4,249,584	482,234	251,550	4,018,900	1,919,814	1,196,787
Vehicles											
- Cars	15	3,035,134	1,107,116	1,488,000	2,654,250	1,259,186	711,255	315,948	863,879	1,790,371	1,775,948
- Cycle	15	1,830	-	-	1,830	1,498	-	50	1,548	282	332
- Motorcycle	15	43,283	67,462	43,283	67,462	34,762	34,762	10,119	10,119	57,343	8,521
Intangible Assets											
ICCO											
Computers	60	183,971	-	-	183,971	183,613	-	215	183,828	143	358
Furniture and Fixtures	10	58,400	-	-	58,400	29,596	-	2,880	32,476	25,924	28,804
Office Equipments	15	597,839	-	-	597,839	414,529	-	27,497	442,026	155,813	183,310
Vehicles	15	631,744	-	631,744	-	429,221	429,221	-	-	-	202,523
Misereor											
Intangible Assets											
- Software	60	100,000	-	-	100,000	99,836	-	98	99,934	66	164
Programme Centre											
Office Equipments	15	-	108,100	-	108,100	-	-	8,108	8,108	99,992	-
Office Building	10	-	660,000	-	660,000	-	-	66,000	66,000	594,000	-
LOCAL CONTRIBUTION ACCOUNT											
- Office Building	10	-	6,505,300	-	6,505,300	-	-	650,530	650,530	5,854,770	-
- Office Equipments	15	20,900	-	-	20,900	16,059	-	726	16,785	4,115	4,841
- Furniture and Fixtures	10	5,400	-	-	5,400	3,193	-	221	3,414	1,986	2,207
Total		33,658,570	9,553,046	2,794,113	40,417,503	23,735,640	1,718,472	2,139,540	24,156,708	16,260,795	9,922,930
Previous year		33,299,006	1,458,647	1,099,083	33,658,570	22,728,363	641,536	1,648,813	23,735,640	9,922,930	-

FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)

SCHEDULE - VI

INVESTMENTS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2017

Investments	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Fixed Deposits with Scheduled Banks		
<u>Foreign Contribution Account</u>		
Bank of Baroda		
- General Fund	4,460,518	4,136,029
<u>Local Contribution Account</u>		
HDFC Bank		
- General Fund	6,186,981	12,193,636
TOTAL	10,647,499	16,329,665

SCHEDULE - VII

CASH AND BANK BALANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2017

Cash and Bank Balances	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Cash in hand		
<u>Foreign Contribution Account</u>		
- BFTW	42,683	16,211
- General Fund	495	7,924
<u>Local Contribution Account</u>		
- General Fund	5,088	9,778
Balance in Saving Accounts with Scheduled Banks		
<u>Foreign Contribution Account</u>		
Bank of Baroda-22750100001629	1,728,319	3,571,487
Other Bank		
HDFC Bank Ltd-06511450000170		
- General Fund	112,809	68,332
<u>Local Contribution Account</u>		
Standard Chartered Bank-52810053051		
- General Fund	(1,784)	
- Corpus Fund	11,987	
<u>ICICI Bank</u>		
- ICICI Bank-628401054705-General Fund	7,387	
- ICICI Bank-628401054277-General Fund	7,755	
<u>HDFC Bank</u>		
- HDFC-06511450000016-General Fund	584,474	
- HDFC-06511450000023-General Fund	75,979	
TOTAL	2,575,192	4,101,224



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)**

SCHEDULE - VIII

**OTHER CURRENT ASSETS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2017**

Other Current Assets	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Interest accrued but not due		
- Foreign Contribution Account	302,592	
- Local Contribution Account	233,393	901,234
Tax Deducted at Source		
- Foreign Contribution Account	561,339	
- Local Contribution Account	622,533	1,018,095
Grant Receivable	516,821	899,217
TOTAL	2,236,678	2,818,546

SCHEDULE - IX

**LOANS AND ADVANCES FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2017**

Loans and Advances	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
Security Deposits		
- General Fund (FC)	129,706	37,000
- ICCO	1,750	1,750
Prepaid Expenses		
- BFTW	-	12,505
Amount Recoverable in cash or kind or value to be received		
- General Fund (FC)	927,622	
- General Fund (LC)	100,390	1,306,993
TOTAL	1,159,468	1,358,248



FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)

SCHEDULE - X

CURRENT LIABILITIES AND PROVISIONS FORMING PART OF
BALANCE SHEET AS AT 31ST MARCH, 2017

Current Liabilities and Provisions	As at 31.03.17 Amt. (Rs.)	As at 31.03.16 Amt. (Rs.)
<u>Expenses payable</u>		
- BFTW	318,946	318,717
- Misereor	-	74,258
Sub Total	318,946	392,975
<u>Security Deposits</u>		
- General Fund (FC)	50,000	50,000
- General Fund (LC)	44,000	-
Sub Total	94,000	50,000
TOTAL	412,946	442,975



FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
FCRA			
Sale of Publications		18,777	40,445
Rent		829,386	793,709
Bank Interest		564,992	607,265
Income from other facilities provided		211,460	372,943
Honorarium		-	35,000
Sale of Assets		-	457,547
Other		-	1,655
Amount written back		101,190	-
Local			
Contributions		75,000	100,000
Bank Interest		573,439	1,011,805
Sale of Publications		-	160,100
Rent		103,000	-
Honorarium		-	28,500
Registration fees - NAN workshop		-	143,000
Registration fees - FCRA workshop		-	14,400
Total		2,477,244	3,766,369
EXPENDITURE			
Expenditure - FCRA			
<i>(Programmes for the poorest and most deprived section of the community and evaluation of performances)</i>			
Staff Cost		794,236	730,042
Postage		-	3,924
Expenses for use of facilities		204,278	-
Expenses on facilities provided		236,705	269,305
Capital Costs			
- Programme Center -Office Equipment		108,100	-
- Programe Centre - Office Building		660,000	-
- Loss on sale of Assets		-	82,047
Expenditure - Local			
FCRA Workshop Expenses			
- Travel and Convinces		-	35,178
- Lodging and Boarding		-	31,003
- Other Expenses		-	2,258
- Hall Charges		-	3,000
- Honorarium		-	25,000
- Audit Fees		-	4,008
NAN Convention Workshop Expenses		-	101,779
Membership Fees		-	114,000



Fees for review of Study Materials - Gvernance Course	75,000	-
Electricity and Water Charges	6,090	-
Equipments Reair and Maintenance	6,025	-
Repair and Maintenance of Office Building	153,243	-
Brokerage	11,000	-
Rates and Taxes	12,314	-
Postage Publication	-	2,484
Expenses on Inaguration of Office Building	950	-
Interest on TDS	167	-
Printing and Stationary - Publication	-	900
Subscription Fees	13,740	13,680
Bank Charges	243	-
Capital Costs		
- Office Building	6,505,300	-
Total	8,787,391	1,418,608
Excess / Deficit of Income over Expenditure Transferred to General Fund	III (6,310,147)	2,347,761

Significant Accounting Policies and Notes forming an integral part of accounts

XI

As per our report of even date
For RAGHU NATH RAI & CO.

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

Chartered Accountants

FRN: 000451N

(SAMIR JAIN)

Partner

M. No. 077010

(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Place : New Delhi

Date : 21 AUG 2017

(TRUSTEES)



FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)
FOREIGN CONTRIBUTION ACCOUNT

BFTW

GRANT UTILISATION STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>INCOME</u>			
Grant Received		25,203,245	23,448,022
Interest		21,381	54,424
Sale of Assets		595,400	-
Total		25,820,026	23,502,446
<u>EXPENDITURE</u>			
<u>Programme Costs</u>			
<i>(Standardizing Capacity and Compliance - From Concept to Praxis)</i>			
<u>Monitoring and Consultancy Staff Costs and Training</u>			
Staff Costs		5,838,573	5,114,286
Sub Total		5,838,573	5,114,286
<u>Travel Costs for Partner Visits</u>			
Travel and Conveyance		1,085,117	676,614
Boarding and Lodging		978,359	467,072
Other Expenses		40,166	43,334
Sub Total		2,103,642	1,187,020
<u>Capacity Building - Workshops, Consultancies</u>			
Annual Planning and Core Group Meeting Expenses		440,066	408,812
Workshops and Seminars (TOT & Auditors)		1,290,694	1,222,556
Travel and Conveyance		-	6,528
Boarding and Lodging		-	1,300
Sub Total		1,730,760	1,639,196
Staff Costs Capacity Building		2,914,985	2,689,913
<u>Publications, Research, FMSF Websites</u>			
Cost of Newsletter		196,748	105,489
Printing of Annual Report and Brochures		-	51,500
Website Expenses		41,759	150,455
Staff Costs		2,093,775	1,955,997
Software Expenses		114,706	-
Membership & Subscription Fees		480	1,604
Cost of Publications		-	-
- Author Fees		350,000	580,000
- Printing Charges		-	198,728
Sub Total		2,797,468	3,043,773
<u>Co-ordination and Administration Costs</u>			
<u>Staff Costs and Training</u>			
Staff Costs		4,572,120	4,389,398
Sub Total		4,572,120	4,389,398

contd



Office Costs

Electricity and Water Charges	665,063	667,969
Printing and Stationary	169,502	167,506
Courier and Postage Charges	135,599	118,738
Generator Running and Maintenance	197,708	165,430
Computers Maintenance	87,615	107,772
Telephone Expenses	225,554	198,304
Internet Expenses	296,758	290,951
Interest on TDS	-	37
Insurance	15,966	15,690
Building Maintenance	246,525	131,095
Office Maintenance	411,823	392,978
Office Equipments Maintenance	184,567	175,707
Professional Charges	15,525	278,167
Recruitment Expenses	24,335	40,582
Staff Welfare	505,182	535,524
Conveyance	2,381	2,232
Vehicle Running and Maintenance	352,881	360,039
Audit Fees	177,679	164,665
Other Expenses	25,722	22,534

Sub Total	3,740,385	3,835,920
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Travel Costs

Director and Core Staff	135,953	224,017
Trustees Meetings	51,988	91,603

Sub Total	187,941	315,620
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Capital Costs

Office Equipments	1,059,568	38,013
Computer & Printer	45,500	155,075
Furniture and Fixtures	-	90,026
Vehicle	1,174,578	1,175,533

Sub Total	2,279,646	1,458,647
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Organisation Development Process / Evaluation

Organisation Development Expenses	-	-
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Sub Total	-	-
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Total	26,165,520	23,673,773
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Unspent / (Overspent) during the year transferred to Grant Account	I	(345,494)	(171,327)
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Significant Accounting Policies and Notes forming an integral part of accounts

XI

As per our report of even date

For RAGHU NATH RAI & CO.

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

Chartered Accountants

ERN: 000451N

(SAMIR JAIN)

Partner

M. No. 077010

(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Place: New Delhi

Date: 21 AUG 2017

(TRUSTEES)



**FINANCIAL MANAGEMENT SERVICE FOUNDATION
(A REGD. PUBLIC CHARITABLE TRUST)**

LOCAL CONTRIBUTION ACCOUNT

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
RECEIPTS			
Cash and Bank Balances as on 1st April 2015			
Cash in Hand		9,778	20
Balance in Saving Accounts with Scheduled Banks			
- Standard Chartered Bank		10,203	10,203
- ICICI Bank		38,229	72,893
- HDFC Bank		379,060	2,299,547
Fixed Deposit With HDFC		12,193,636	9,393,521
Sale of publications		-	59,100
Contribution		75,610	100,000
Registration fees - NAN workshop		-	143,000
Registration fees - FCRA workshop		-	14,400
Honorarium		-	28,500
Rent Received		147,000	-
Bank Interest			
- On Corpus Fund		405	392
- On Others		808,017	842,620
TOTAL		13,661,938	12,964,196
PAYMENTS			
Fees/Bank Charges		243	-
FCRA Workshop Expenses :			
- Travel and Conferences		-	35,178
- Lodging and Boarding		-	31,003
- Other Expenses		-	2,258
- Hall Charges		-	3,000
- Honorarium		-	25,000
- Audit Fees		-	4,008
NAN Convention Workshop Expenses		-	101,779
Membership Fees		-	114,000
Fees for review of Study Materials - Gvernance Course		75,000	-
Electricity and Water Charges		6,090	-
Equipments Reair and Maintenance		6,025	-
Repair and Maintenance of Office Building		153,243	-
Brokerage		11,000	-
Rates and Taxes		12,314	-
Postage Publication		-	2,484
Expenses on Inaguration of Office Building		950	-
Interest on TDS		167	-
Printing and Stationary - Publication		-	900
Subscription Fees		13,740	13,680
Capital Costs			
- Office Building		6,505,300	-
Cash and Bank Balances as on 31st March 2016			
Cash in Hand		5,088	9,778
Balance in Saving Accounts with Scheduled Banks			
- Standard Chartered Bank		10,203	10,203
- ICICI Bank		15,141	38,229
- HDFC Bank		660,453	379,060
Fixed Deposit With HDFC		6,186,981	12,193,636
TOTAL		13,661,938	12,964,196

Significant Accounting Policies and Notes
forming an integral part of accounts

XI

As per our report of even date
For RAGHU NATH RAI & CO.
Chartered Accountants

FRN: 000451N

(SAMIR JAIN)
Partner
M. No. 077010

For FINANCIAL MANAGEMENT SERVICE FOUNDATION

(CHAIRMAN)

(EXECUTIVE DIRECTOR)

Place : New Delhi
Date : 21 AUG 2017

(TRUSTEES)



FINANCIAL MANAGEMENT SERVICE FOUNDATION

(A REGD. PUBLIC CHARITABLE TRUST)

SCHEDULE – XI : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART
OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2017

A. SIGNIFICANT ACCOUNTING POLICIES

1. The accounts are prepared on historical cost basis as a 'going concern'. Income and expenses are accounted for on accrual basis except for Foreign Contribution Books which are prepared on cash basis, following generally accepted accounting principles and practices and Accounting Standards issued by the Institute of Chartered Accountants of India for NGOs, wherever applicable, except otherwise stated.
2. Fixed Assets acquired / received in kind are directly charged to expenses accounts and stated in the Balance Sheet through Assets Fund Account.
3. Fixed Assets are stated as under:
 - a) Assets directly acquired – at purchase cost less accumulated depreciation.
 - b) Assets received in kind – at stated / estimated cost less accumulated depreciation.
4. Depreciation on fixed assets is provided as per written down value method as per the rates prescribed in Income Tax Act, 1961.



5. Inventories are valued and disclosed as under:
 - a) Acquired / self produced – at cost.
 - b) Received free of cost or at a nominal charge – at market price or estimated net realizable value.
6. Accounts for the purpose of submission to FCRA are compiled on cash basis.
7. Restricted Grants are utilized as per the conditions of the grant agreement and to the extent utilized they are netted off from the Other Current Liabilities item in the Balance Sheet and transferred to separate account of the granting authority and spent for its pre-determined purpose.
8. Upon completion of the life or obligation of the restricted grant, if any surplus grant remains unutilized the amount is, either in compliance with the grant agreement or upon due consent of the granting authority, either returned to the granting authority or transferred as unrestricted grant or income in Income and Expenditure statement.
9. The assets acquired by the trust while acting as a trustee of the Restricted Grant and fulfilling the conditions of the grant agreement, the asset acquired (primarily fixed assets) is shown at notional value in the Balance Sheet. Any receipts from sale of such assets, in accordance with the terms of the grant agreement, are transferred back again to the appropriate Restricted Fund – Grant Balance and utilized further in accordance with the grant agreement.



B. NOTES TO ACCOUNTS

1. Trust has taken Group Gratuity Scheme with Life Insurance Corporation of India which has been approved by Income Tax Authorities, and premium paid for employees has been charged to expense accounts.
2. Trust has provided the facilities / services to the programmes of the other funding agencies from the infrastructure / resources created out of the funds of main funding agency.
3. As per the management policy the surplus / (deficit) of the completed projects are transferred to General Fund and the remaining balances of continuing projects are reported under Unutilized Grants.
4. Expenses have been allocated to various programs based on the approved activities and budgets of the respective program.
5. No provision for leave encashment entitlement has been made since as per Trust policy, the leaves are to be availed and cannot be en-cashed.
6. The management has allocated the expenses between the Projects (Bread for the World, NPO Governance & Others) as per the best estimate made by them. The Auditors have relied on the same.
7. Previous year figure has been regrouped wherever necessary.

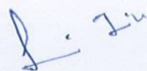


8. Income and expenses are reported as per budget of the funding / donor agencies received on grant to grant basis, hence previous year figures are not comparable.

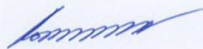
Signature to Schedule – I to XI of the Balance Sheet.

For RAGHU NATH RAI & CO.
CHARTERED ACCOUNTANTS

For FINANCIAL MANAGEMENT SERVICE FOUNDATION



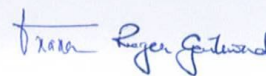
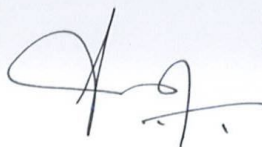
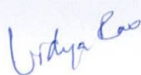
(SAMIR JAIN)
PARTNER
Membership No: 077010



(CHAIRMAN)



(EXECUTIVE DIRECTOR)



(TRUSTEES)



Place: New Delhi

Date: 21 AUG 2017