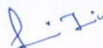


(Certificate to be given by Chartered Accountant)

We have audited the account of **FINANCIAL MANAGEMENT SERVICE FOUNDATION, A-17, NEETI BAGH , NEW DELHI - 110049** (name of association and its full address including State, District and Pin Code; if registered society, its registration No. and State or registration) for the year ending **31st March 2016** and examined all relevant books and vouchers and certify that according to the audited accounts :

- (i) The brought forward foreign contribution at the beginning of the year was Rs. 5,150,574
- (ii) Foreign contribution of / worth Rs. 29,632,174 (including intrest on SB/FD Rs.5,34,966,Honorarium & others Rs 40,422, Recovery for use of Facility Rs.10,94,652, sale of publication Rs 40,445 and sale of assets Rs.4,57,547) was received by the association during the year 2015-2016.
- (iii) The balance of unutilised foreign contribution with the association at the end of the year 31st March, 2016 was Rs. 7,799,983.
- (iv) Certified that the Association has maintained the accounts of foreign contribution and records relating thereto in the manner specified in section 19 of the Foreign Contribution (Regulation) Act, 2010(42 of 2010) read with rule 16 of the Foreign Contribution (Regulation) Rules, 2011.
- (v) The information furnished in this certificate and in the enclosed Balance Sheet and Statement of Receipt and Payment is correct as checked by us.

Name of Chartered Accountant with seal
Address and Registration Number



Place:
Date : **05 AUG 2016**



Name	SAMIR JAIN
Membership No.	77010
Designation	Partner
Firm Name	RAGHU NATH RAI & CO.
FRN	000451N
Address	9, Mathura Road, Jangpura "B", New Delhi – 110 014 India

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

FCRA ACCOUNT

BALANCE SHEET AS AT 31ST MARCH 2016

	Schedule	As at 31.03.2016 Amount (Rs.)	As at 31.03.2015 Amount (Rs.)
<u>SOURCES OF FUNDS</u>			
Unutilised Grants	I	988,714	1,935,604
General Fund	II	7,753,009	6,970,542
Assets Fund Account	III	9,915,882	10,562,496
TOTAL		18,657,605	19,468,642
<u>APPLICATION OF FUNDS</u>			
Fixed Assets	IV		
Gross Block		33,632,270	33,272,706
Less : Depreciation		23,716,388	22,710,210
Net Block		9,915,882	10,562,496
Investments	V	4,136,029	3,787,494
Current Assets, Loans & Advances			
Cash and Bank Balances	VI	3,663,954	1,363,080
Other Current Assets	VII	941,740	3,755,572
Less: Current Liabilities & Provisions		-	-
Net Current Assets		4,605,694	5,118,652
TOTAL		18,657,605	19,468,642

Significant Accounting Policies and Notes
forming an integral part of accounts

VIII

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


(EXECUTIVE DIRECTOR)




(TRUSTEES)

Place : New Delhi
Date : 05 AUG 2016



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

SCHEDULE - I

**FOREIGN GRANTS UNUTILISED / RECEIVABLE FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH 2016**

Funding Agency	Opening balance as on 01.04.2015	Grant received during the year	Other Receipts	Total (4)=(1+2+3)	Grant Utilised as per Receipts and Payments Account (5)	Surplus / (Deficit) transferred to General Fund (6)	Closing Balance as on 31.03.2016	
							Unutilised (7)=(4-5-6)	Receivable (8)=(5-4)
<u>EED (BFTW)</u>								
- Project No.20100003	(2,952,064)	3,082,763	-	130,699	-	130,699	-	-
<u>BFTW</u>								
- Project No.20140043E		23,448,022	54,424	23,502,446	23,861,956	-		359,510
<u>ICCO</u>								
- Main Grant	258,583	-	3,767	262,350	10,497	-	251,853	-
- Other Grant	1,677,021	-	-	1,677,021	940,160	-	736,861	-
Misereor-Project No.321-900-1465 ZG.	(803,508)	933,357	-	129,849	712,079	-	-	582,230
Other Misc.Grants (conts. and others)	-	1,629,299	-	1,629,299	1,085,318	543,981	-	-
TOTAL	(1,819,968)	29,093,441	58,191	27,331,664	26,610,010	674,680	988,714	941,740



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

SCHEDULE - II

GENERAL FUND FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH 2016

General Fund	As at 31.03.2016 Amt. (Rs.)	As at 31.03.2015 Amt. (Rs.)
Opening Balance	6,970,542	7,456,144
Add : Income during the year		
Surplus as per Grant Account		
- EED (BFTW) - Project No.20100003	130,699	-
- Bread for the World	-	11,287
- Other Miscellaneous Grants	543,981	(874,353)
Interest on Fixed Deposit with Bank	234,834	596,762
Interest on Saving Bank Account	245,708	182,629
Others	-	-
	8,125,764	7,372,469
Less : Payments		
Advance to Staff	372,755	369,580
Building Renovation Expenses	-	32,347
	372,755	401,927
Closing Balance	7,753,009	6,970,542

SCHEDULE - III

ASSETS FUND ACCOUNT FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH 2016

Assets Fund Account	As at 31.03.2016 Amt. (Rs.)	As at 31.03.2015 Amt. (Rs.)
Opening Balance	10,562,496	11,654,478
Add:		
Assets purchased during the year	1,458,647	693,135
	12,021,143	12,347,613
Less :		
sold	457,547	190,796
Depreciation for the current year	1,647,714	1,594,321
Closing Balance	9,915,882	10,562,496



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

SCHEDULE - IV

**FIXED ASSETS FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH 2016**

Fixed Assets	Rate of Dep. %	Gross Block			Depreciation Block			Net Block			
		Cost as at 01.04.2015	Additions during the year	Sales / discarded during the year	Cost as at 31.03.2016	Dep. upto 31.03.2015	Adj. for sales/ discarded during the year	Dep. for current year	Dep. upto 31.03.2016	W.D.V. as on 31.03.2016	W.D.V. as on 31.03.2015
<u>FOREIGN CONTRIBUTION ACCOUNT</u>											
Office Premises(EED)											
Office Building	10	15,935,570	-	-	15,935,570	10,820,137	-	511,543	11,331,680	4,603,890	5,115,433
Electric Installations and Fittings	15	1,125,237	-	-	1,125,237	939,606	-	27,845	967,451	157,786	185,631
Furniture and Fixtures	10	1,224,054	-	-	1,224,054	814,456	-	40,960	855,416	368,638	409,598
VED Main Grant											
Computers	60	1,596,531	155,075	69,000	1,682,606	1,137,382	68,506	345,008	1,414,884	267,722	459,149
Furniture and Fixtures	10	3,476,205	90,026	-	3,566,231	2,320,565	-	124,567	2,445,132	1,121,099	1,155,640
Office Equipments	15	5,408,358	38,013	-	5,446,371	4,039,831	-	209,753	4,249,584	1,196,787	1,368,527
Vehicles											
Cars	15	2,889,684	1,175,533	1,030,083	3,035,134	1,518,813	573,030	313,403	1,259,186	1,775,948	1,370,871
Cycle	15	1,830	-	-	1,830	1,439	-	59	1,498	332	391
Motorcycle	15	43,283	-	-	43,283	33,258	-	1,504	34,762	8,521	10,025
Intangible Assets											
CCO											
Computers	60	183,971	-	-	183,971	183,076	-	537	183,613	358	895
Furniture and Fixtures	10	58,400	-	-	58,400	26,395	-	3,201	29,596	28,804	32,005
Office Equipments	15	597,839	-	-	597,839	382,180	-	32,349	414,529	183,310	215,659
Vehicles	15	631,744	-	-	631,744	393,482	-	35,739	429,221	202,523	238,262
Miscellaneous											
Intangible Assets											
Software	60	100,000	-	-	100,000	99,590	-	246	99,836	164	410
Total											
		33,272,706	1,458,647	1,099,083	33,632,270	22,710,210	641,536	1,647,714	23,716,388	9,915,882	10,562,496
Previous year											
		35,745,073	693,135	3,165,502	33,272,706	24,090,595	2,974,706	1,594,321	22,710,210	10,562,496	-



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

SCHEDULE - V

INVESTMENTS FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH, 2016

Investments	As at 31.03.2016 Amt. (Rs.)	As at 31.03.2015 Amt. (Rs.)
Fixed Deposits with Scheduled Banks		
Bank of Baroda - General Fund	4,136,029	3,787,494
TOTAL	4,136,029	3,787,494

SCHEDULE - VI

CASH AND BANK BALANCES FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH, 2016

Cash and Bank Balances	As at 31.03.2016 Amt. (Rs.)	As at 31.03.2015 Amt. (Rs.)
Cash in hand		
Foreign Contribution Account	24,135	63,664
Balance in Saving Account with Scheduled Bank		
Foreign Contribution Account		
Bank of Baroda-SB A/c no -22750100001629 (FC A/C)	3,571,487	
HDFC-SB A/c 06511450000170	68,332	
	3,639,819	1,299,416
TOTAL	3,663,954	1,363,080

SCHEDULE - VII

OTHER CURRENT ASSETS FORMING PART OF
FCRA ACCOUNT BALANCE SHEET AS AT 31ST MARCH, 2016

Other Current Assets	As at 31.03.2016 Amt. (Rs.)	As at 31.03.2015 Amt. (Rs.)
Grant Receivable		
- EED	359,510	
- Misereor	582,230	
	941,740	3,755,572
TOTAL	941,740	3,755,572

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

**FOREIGN CONTRIBUTION ACCOUNT
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016**

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<u>RECEIPTS</u>			
<u>Cash and Bank Balances as on 1st April 2015</u>			
Cash in Hand		63,664	37,516
Balance in Saving Accounts with Scheduled Banks			
- Bank of Baroda SB A/c -22750100001629(FC A/c)		1,241,508	1,856,896
- HDFC SB A/c 06511450000170		57,908	522,032
Fixed Deposit with Bank of Baroda		3,787,494	6,661,220
Sub Total		<u>5,150,574</u>	<u>9,077,664</u>
<u>Grants Received</u>			
BFTW		23,448,022	19,467,636
EED (BFTW)		3,082,763	-
Bread for the World		-	1,399,749
ICCO			
- Discount received back on Office Insurance		3,767	-
Misereor		933,357	1,065,880
Other Misc. Grants		1,629,299	1,730,502
Interest EED		54,424	18,870
<u>General Fund</u>			
Interest on Fixed Deposit with Bank (net off Accrued Interest)		234,834	596,762
<u>Other Receipts</u>			
Interest on Saving Bank Accounts		245,708	182,629
Sub Total		<u>29,632,174</u>	<u>24,462,028</u>
GRAND TOTAL		<u>34,782,748</u>	<u>33,539,692</u>



contd.

PAYMENTS**BFTW Main Grant****Staff Costs and Training**

Staff Costs	5,101,349	4,332,982
Monitoring Software	-	70,000

Travel Costs for Partner Visits

Travel and Conveyance	616,614	764,109
Boarding and Lodging	467,072	400,030
Other Expenses	43,334	110,153

Capacity Building - Workshops, Consultancies

Annual Planning and Core Group Meeting Expenses	408,812	560,478
Workshops and Seminars (TOT & Auditors)	1,222,556	2,815,349
Travel and Conveyance	6,528	181,676
Boarding and Lodging	1,300	303,627
Networking / Other Expenses	-	89,074
Consultancy Fees	-	50,000
Cost of Publication	-	-
- Author Fees CSR	-	530,000
- Translation Fees-FCRA	-	50,000
- Printing charges FCRA	-	11,980
- Travel and Conveyance	-	400

Staff Costs Capacity Building

2,689,913 2,189,564

Publications, Research, FMSF Websites

Cost of Newsletter	105,489	174,704
Printing of Annual Report and Brochures	51,500	28,000
Website Expenses	150,455	61,457
Staff Costs	1,955,997	677,685
Software Expenses	-	108,602
Membership & Subscription Fees	1,604	4,841
Cost of Publications	-	-
- Author Fees	580,000	71,865
- Printing Charges	198,728	-
- Travel and Conveyance	-	1,200

Co-ordination and Administration Costs**Staff Costs and Training**

Staff Costs	4,389,398	3,789,607
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Office Costs

Electricity and Water Charges	607,521	543,510
Printing and Stationary	167,506	308,914
Courier and Postage Charges	118,738	121,490
Generator Running and Maintenance	165,334	311,689
Computers Maintenance	107,772	183,973
Telephone Expenses	198,304	246,092
Internet Expenses	290,951	240,520
Interest on TDS	37	573
Insurance	15,690	586
Building Maintenance	131,095	385,801
Office Maintenance	369,980	627,091
Office Equipments Maintenance	178,014	259,833
Professional Charges	378,906	193,353
Recruitment Expenses	40,582	5,475
Staff Welfare	546,334	496,998
Conveyance	2,232	9,215
Vehicle Running and Maintenance	365,570	546,718
Audit Fees	389,940	254,214
Other Expenses	22,534	25,017

contd.

<u>Travel Costs</u>		
Director and Core Staff	224,017	151,637
Trustees Meetings	91,603	12,459
<u>Capital Costs</u>		
Office Equipments	38,013	-
Computer & Printer	155,075	577,245
Furniture and Fixtures	90,026	-
Vehicle	1,175,533	-
<u>Organisation Development Process / Evaluation</u>		
Organisation Development Expenses	-	51,866
<u>ICCO</u>		
<u>Co-ordination and Administration Costs</u>		
Vehicle Running and Maintenance	10,497	14,012
Office Insurance	-	2,126
<u>ICCO - Governance Programme</u>		
Advertisement	-	2,300
Software Expenses	-	15,281
Postage	112	339
Printing and Stationery	80	-
Staff Cost	730,041	318,110
<u>Co-ordination and Administration Costs</u>		
Expenses for use of facilities	209,927	269,446
<u>Bread for the World</u>		
Salaries and Benefits	-	397,380
Travel and Conveyance	-	42,515
Boarding and Lodging	-	27,486
Travel and Conveyance(prefunding Assessment)	-	93,959
Boarding and Lodging(prefunding Assessment)	-	57,857
Other Expenses(prefunding Assessment)	-	600
Other Expenses	-	150
<u>Misereor</u>		
Salaries and Expenses	425,583	406,183
Printing of Study Materials	-	105,450
Postage and Courier	5,195	6,629
Printing and Stationeries	-	5,989
Professional Fees Coaching	35,000	349,051
Software Maintanance	-	15,283
Professional Fees-TISS	20,000	20,000
Travel and Conveyance	8,614	1,000
Boarding and Lodging	3,600	-
Advertisement Expenses	3,750	1,200
<u>Co-ordination and Administration Costs</u>		
Audit Fees	410	28,090
Expenses for use of facilities	209,927	270,248
<u>Other Misc. Grants</u>		
Staff Cost	730,042	2,254,471
Consultant Fees	-	65,000
Travel and Conveyance	-	201,324
Boarding and Lodging	-	21,800
Other Expenses	-	1,750
Printing and Stationary	-	1,500
Postage	3,924	2,493
<u>Co-ordination and Administration Costs</u>		
Expenses on facilities provided	269,305	56,517
Loss on sale of Assets	82,047	-

contd.



General Fund

Advance to Staff	372,755	369,580
Others - Building Renovation Expenses (net off accrued int & TDS)	-	32,347

Sub Total	<u>26,982,765</u>	<u>28,389,118</u>
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Cash and Bank Balances as on 31st March 2016

Cash in Hand	24,135	63,664
Balance in Saving Account with Scheduled Bank		
- Bank of Baroda SB A/c -22750100001629(FC A/c)	3,571,487	1,241,508
- HDFC SB A/c 06511450000170	68,332	57,908
Fixed Deposit with Bank of Baroda	4,136,029	3,787,494

Sub Total	<u>7,799,983</u>	<u>5,150,574</u>
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GRAND TOTAL	<u>34,782,748</u>	<u>33,539,692</u>
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Significant Accounting Policies and Notes
forming an integral part of accounts

VIII

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

(EXECUTIVE DIRECTOR)

Place : New Delhi
Date : 05 AUG 2016

(TRUSTEES)



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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
INCOME			
BFTW			
Grant Received		23,448,022	19,467,636
Interest		54,424	18,870
Misereor			
Grant for DFMA		933,357	1,065,880
ICCO-FMSF Decentralisation Project			
-Discount received back on Office Insurance		3,767	-
Bread for the World			
Grant Received		-	1,399,749
Other Miscellaneous Grants			
Contributions		-	616,460
Sale of Publications		40,445	53,590
Rent		793,709	550,000
Bank Interest		607,265	779,391
Income from other facilities provided		372,943	329,300
Honorarium		35,000	144,000
Sale of Assets		457,547	-
Other		1,655	37,152
Total		26,748,134	24,462,028
EXPENDITURE			
BFTW			
Programme Costs			
<i>(Standardizing Capacity and Compliance - From Concept to Praxis)</i>			
Monitoring and Consultancy Staff Costs and Training			
Staff Costs		5,114,286	4,446,295
Monitoring Software		-	70,000
Travel Costs for Partner Visits			
Travel and Conveyance		676,614	764,109
Boarding and Lodging		467,072	404,482
Other Expenses		43,334	110,153

contd.



Capacity Building - Workshops, Consultancies

Annual Planning and Core Group Meeting Expenses	408,812	560,478
Workshops and Seminars (TOT & Auditors)	1,222,556	2,815,349
Travel and Conveyance	6,528	181,676
Boarding and Lodging	1,300	303,627
Networking / Other Expenses	-	89,074
Consultancy Fees	-	50,000
Cost of Publication	-	-
- Author Fees CSR	-	530,000
- Translation Fees-FCRA	-	50,000
- Printing charges FCRA	-	11,980
- Travel and Conveyance	-	400

Staff Costs Capacity Building 2,689,913 2,109,389

Publications, Research, FMSF Websites

Cost of Newsletter	105,489	174,704
Printing of Annual Report and Brochures	51,500	28,000
Website Expenses	150,455	61,457
Staff Costs	1,955,997	677,685
Software Expenses	-	108,602
Membership & Subscription Fees	1,604	4,841
Cost of Publications	-	-
- Author Fees	580,000	300,000
- Printing Charges	198,728	-
- Travel and Conveyance	-	1,200

Co-ordination and Administration Costs**Staff Costs and Training**

Staff Costs 4,389,398 3,797,278

Office Costs

Electricity and Water Charges	667,969	532,669
Printing and Stationary	167,506	308,914
Courier and Postage Charges	118,738	121,490
Generator Running and Maintenance	165,430	311,689
Computers Maintenance	107,772	183,973
Telephone Expenses	198,304	246,092
Internet Expenses	290,951	260,046
Interest on TDS	37	573
Insurance	15,690	8,715
Building Maintenance	131,095	385,801
Office Maintenance	392,978	627,043
Office Equipments Maintenance	175,707	321,448
Professional Charges	278,167	232,029
Recruitment Expenses	40,582	5,475
Staff Welfare	535,524	496,998
Conveyance	2,232	9,215
Vehicle Running and Maintenance	360,039	560,465
Audit Fees	164,665	257,304
Other Expenses	22,534	25,017

Travel Costs

Director and Core Staff	224,017	151,637
Trustees Meetings	91,603	12,459

contd.



Capital Costs		
Office Equipments	38,013	-
Computer & Printer	155,075	577,245
Furniture and Fixtures	90,026	-
Vehicle	1,175,533	-
Organisation Development Process / Evaluation		
Organisation Development Expenses	-	51,866
Misereor		
<i>(Diploma in Financial Management and Accountability)</i>		
Salaries and Expenses	425,583	406,183
Printing of Study Materials	-	105,450
Audit Fees	29,035	28,090
Postage and Courier	5,195	6,629
Printing and Stationeries	-	5,989
Professional Fees Coaching	80,633	411,051
Software Maintainance	-	24,685
Professional Fees-TISS	20,000	20,000
Expenses for use of facilities	209,927	269,447
Travel and Conveyance	8,614	1,000
Boarding and Lodging	3,600	-
Advertisement Expenses	3,750	1,200
ICCO-FMSF Decentralisation Project		
Office Expenses		
Vehicle Running and Maintenance	10,497	15,268
Office Insurance	-	5,158
ICCO - Governance Programme		
Advertisement	-	2,300
Software Expenses	-	24,684
Postage	112	339
Printing and Stationery	80	-
Staff Cost	730,041	318,110
Expenses for use of facilities	209,927	269,446
Bread for the World		
<i>(Programme for Support to Local Initiatives, Small Voluntary Action, Increased People's Participation)</i>		
Salaries and Benefits	-	397,380
Travel and Conveyance	-	42,515
Boarding and Lodging	-	27,486
Travel and Conveyance(prefunding Assessment)	-	93,959
Boarding and Lodging(prefunding Assessment)	-	57,857
Other Expenses(prefunding Assessment)	-	600
Other Expenses	-	150

contd.



Other Miscellaneous Grants

(Programmes for the poorest and most deprived section of the community and evaluation of performances)

Staff Cost	730,042	2,254,471
Consultant Fees	-	65,000
Travel and Conveyance	-	201,324
Boarding and Lodging	-	21,800
Other Expenses	-	1,750
Printing and Stationary	-	1,500
Postage	3,924	2,493
Expenses on facilities provided	269,305	106,417
Loss on sale of Assets	82,047	-
Total	<u>26,496,085</u>	<u>28,528,673</u>

Unspent / (Overspent) during the year I 252,049 (4,066,645)

Significant Accounting Policies and Notes forming an integral part of accounts

VIII

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

(EXECUTIVE DIRECTOR)

Place : New Delhi

Date : 05 AUG 2016

(TRUSTEES)



FINANCIAL MANAGEMENT SERVICE FOUNDATION

(A REGD. PUBLIC CHARITABLE TRUST)

SCHEDULE – VIII : SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART
OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2016

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. 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 programmes based on the approved activities and budgets of the respective programme.
5. No provision for leave encashment entitlement has been made since as per Trust policy, the leaves are to be availed and can not be encashed.
6. The management has allocated the expenses between three Projects (Bread for the World, Misereor & NPO Governance) 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 VIII of the Balance Sheet.

For RAGHU NATH RAI & CO.
CHARTERED ACCOUNTANTS

For FINANCIAL MANAGEMENT SERVICE FOUNDATION



(SAMIR JAIN)
PARTNER
Membership No : 077010



(EXECUTIVE DIRECTOR)



(TRUSTEES)

Place : New Delhi
Date : 05 AUG 2016

