

(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 2017** 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. 7,799,983
- ( ii ) Foreign contribution of / worth Rs. 25,203,245 was received by the association during the year 2016-2017.
- ( iii ) Intrest accrued on foreign contribution and other income derived from foreign contribution or interest thereon of Rs 2,713,044 ( interest on SB/FD Rs.6,26,866, Recovery for use of Facility Rs.9,65,246, sale of publication Rs 18,777, sale of assets Rs.7,25,400 and Misc. receipts Rs.376,755 ) was received by the association during the year 2016-2017.
- ( iv ) The balance of unutilised foreign contribution with the association at the end of the year 31st March, 2017 was Rs. 6,344,824.
- ( v ) 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 17 of the Foreign Contribution (Regulation) Rules, 2011.
- ( vi ) The information furnished in this certificate and in the enclosed Balance Sheet and Statement of Receipt and Payment is correct as checked by us.
- ( vii ) The association has utilized the foreign contribution received for the purposes it is registered under Foreign Contribution (Regulation ) Act, 2010.

Name of Chartered Accountant with seal  
Address and Registration Number



Place: *New Delhi*  
Date: *21 AUG 2017*

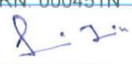





Name	SAMIR JAIN
Membership No.	77010
Designation	Partner
Firm Name	RAGHU NATH RAI & CO.
FRN	000451N
Address	9, Mathura Road, Jangpura "B", New Delhi – 110 014 India

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

**FCRA ACCOUNT**

**BALANCE SHEET AS AT 31ST MARCH 2017**

	Schedule	As at 31.03.2017 Amount (Rs.)	As at 31.03.2016 Amount (Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
Unutilised Grants	I	107,904	988,714
General Fund	II	7,715,953	7,753,009
Assets Fund Account	III	10,399,924	9,915,882
<b>TOTAL</b>		<b>18,223,781</b>	<b>18,657,605</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>Fixed Assets</u></b>	IV		
Gross Block		33,885,903	33,632,270
Less : Depreciation		23,485,979	23,716,388
Net Block		<b>10,399,924</b>	<b>9,915,882</b>
<b>Investments</b>	V	<b>4,460,518</b>	<b>4,136,029</b>
<b>Current Assets, Loans &amp; Advances</b>			
Cash and Bank Balances	VI	1,884,306	3,663,954
Other Current Assets	VII	1,479,033	941,740
<b>Less: Current Liabilities &amp; Provisions</b>		-	-
<b>Net Current Assets</b>		<b>3,363,339</b>	<b>4,605,694</b>
<b>TOTAL</b>		<b>18,223,781</b>	<b>18,657,605</b>
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			
<div style="display: flex; justify-content: space-between;"> <div>   <b>(SAMIR JAIN)</b>  Partner  M. No. 077010 </div> <div>   <b>(EXECUTIVE DIRECTOR)</b> </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div>  </div> <div>   <b>(TRUSTEES)</b> </div> </div>			
Place : New Delhi			
Date : 21 AUG 2017			

**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 2017**

(Amount in Rs.)

Funding Agency	Opening balance as on 01.04.2016	Grant received during the year	Other Receipts	Total	Grant Utilised as per Receipts and Payments Account	Surplus / (Deficit) transferred to General Fund	Closing Balance as on 31.03.2017	Unutilised (7)=(4-5-6)	Receivable (8)=(5-4)
	(1)	(2)	(3)	(4)=(1+2+3)	(5)	(6)		(7)=(4-5-6)	(8)=(5-4)
BFTW	-	-	-	-	-	-	-	-	-
- Project No.20140043E	(359,510)	25,203,245	616,781	25,460,516	26,242,686	-	782,170	-	-
ICCO									
- Main Grant	251,853	-	130,000	381,853	12,204	-	-	369,649	-
- Other Grant	736,861	-	-	736,861	998,606	-	-	(261,745)	-
Misereor-Project No.321-900-1465 ZG.	(582,230)	-	-	(582,230)	114,633	-	696,863	-	-
Other Misc.Grants (conts. and others)	-	1,360,778	-	1,360,778	2,003,319	(642,541)	-	-	-
<b>TOTAL</b>	<b>46,974</b>	<b>26,564,023</b>	<b>746,781</b>	<b>27,357,778</b>	<b>29,371,448</b>	<b>(642,541)</b>	<b>107,904</b>	<b>1,479,033</b>	



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

SCHEDULE - II

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

General Fund	As at 31.03.2017 Amt. (Rs.)	As at 31.03.2016 Amt. (Rs.)
Opening Balance	7,753,009	6,970,542
Add : Income during the year		
Surplus as per Grant Account		
- EED (BFTW) - Project No.20100003	-	130,699
- Bread for the World	-	-
- Other Miscellaneous Grants	(642,541)	543,981
Interest on Fixed Deposit with Bank	378,212	234,834
Interest on Saving Bank Account	227,273	245,708
	7,715,953	8,125,764
Less : Payments		
Advance to Staff	-	372,755
	-	372,755
<b>Closing Balance</b>	<b>7,715,953</b>	<b>7,753,009</b>

SCHEDULE - III

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

Assets Fund Account	As at 31.03.2017 Amt. (Rs.)	As at 31.03.2016 Amt. (Rs.)
Opening Balance	9,915,882	10,562,496
Add:		
Assets purchased during the year	3,047,746	1,458,647
	12,963,628	12,021,143
Less :		
Sold	1,075,641	457,547
Depreciation for the current year	1,488,063	1,647,714
<b>Closing Balance</b>	<b>10,399,924</b>	<b>9,915,882</b>





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

**SCHEDULE - IV**

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

Fixed Assets	Rate of Dep. %	Gross Block			Depreciation Block			Amount (Rs.)			
		Cost as at 01.04.2016	Additions during the year	Sales / discarded during the year	Cost as at 31.03.2017	Dep. upto 31.03.2016	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(EED)											
Office Building	10	15,935,570	-	-	15,935,570	11,331,680	-	480,389	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
EED Main Grant											
Computers	60	1,682,606	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	-
Total		33,632,270	3,047,746	2,794,113	33,885,903	23,716,388	1,718,472	1,488,063	23,485,979	10,399,924	9,915,882
Previous year		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	-



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

SCHEDULE - V

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

Investments	As at 31.03.2017 Amt. (Rs.)	As at 31.03.2016 Amt. (Rs.)
<b>Fixed Deposits with Scheduled Banks</b>		
Bank of Baroda - General Fund	4,460,518	4,136,029
<b>TOTAL</b>	<b>4,460,518</b>	<b>4,136,029</b>

SCHEDULE - VI

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

Cash and Bank Balances	As at 31.03.2017 Amt. (Rs.)	As at 31.03.2016 Amt. (Rs.)
<b>Cash in hand</b>		
Foreign Contribution Account	43,178	24,135
<b>Balance in Saving Account with Scheduled Bank</b>		
Foreign Contribution Account		
Bank of Baroda-SB A/c no -22750100001629 (FC A/C)	1,728,319	
HDFC-SB A/c 06511450000170	112,809	
	1,841,128	3,639,819
<b>TOTAL</b>	<b>1,884,306</b>	<b>3,663,954</b>



SCHEDULE - VII

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

Other Current Assets	As at 31.03.2017 Amt. (Rs.)	As at 31.03.2016 Amt. (Rs.)
Grant Receivable		
- BFTW	782,170	
- Misereor	696,863	
	1,479,033	941,740
<b>TOTAL</b>	<b>1,479,033</b>	<b>941,740</b>

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

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

	Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b><u>RECEIPTS</u></b>			
<b><u>Cash and Bank Balances as on 1st April 2016</u></b>			
Cash in Hand		24,135	63,664
Balance in Saving Accounts with Scheduled Banks			
- 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>
<b><u>Grants Received</u></b>			
BFTW		25,203,245	23,448,022
Interest BFTW		21,381	54,424
Sale of Assets		595,400	-
EED (BFTW)		-	3,082,763
ICCO			
- Discount received back on Office Insurance		-	3,767
- Sale of Vehicle		130,000	-
MISEREOR		-	933,357
Other Misc.		1,360,778	1,629,299
<b><u>General Fund</u></b>			
Interest on Fixed Deposit with Bank (net off Accrued Interest )		378,212	234,834
<b><u>Other Receipts</u></b>			
Interest on Saving Bank Accounts		227,273	245,708
Sub Total		<u>27,916,289</u>	<u>29,632,174</u>
<b>GRAND TOTAL</b>		<u><b>35,716,272</b></u>	<u><b>34,782,748</b></u>

contd.



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

Staff Costs	5,846,291	5,101,349
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**Travel Costs for Partner Visits**

Travel and Conveyance	1,056,431	616,614
Boarding and Lodging	978,359	467,072
Other Expenses	40,166	43,334

**Capacity Building - Workshops, Consultancies**

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

**Staff Costs Capacity Building**

	2,914,985	2,689,913
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**Publications, Research, FMSF Websites**

Cost of Newsletter	163,087	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	232,581	-
Membership & Subscription Fees	480	1,604
Cost of Publications	-	-
- Author Fees	350,000	580,000
- Printing Charges	-	198,728

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

Staff Costs	4,572,120	4,389,398
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**Office Costs**

Electricity and Water Charges	757,769	607,521
Printing and Stationary	169,411	167,506
Courier and Postage Charges	135,599	118,738
Generator Running and Maintenance	197,708	165,334
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	407,051	369,980
Office Equipments Maintenance	182,260	178,014
Professional Charges	15,525	378,906
Recruitment Expenses	24,335	40,582
Staff Wellfare	506,636	546,334
Conveyance	2,381	2,232
Vehicle Running and Maintenance	347,350	365,570
Audit Fees	163,926	389,940
Other Expenses	25,722	22,534

contd.





**Travel Costs**

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

**Capital Costs**

Office Equipments	1,005,782	38,013
Computer & Printer	45,500	155,075
Furniture and Fixtures	-	90,026
Vehicle	1,174,578	1,175,533

**ICCO****Co-ordination and Administration Costs****Office Cost**

Vehicle Running and Maintenance	12,204	10,497
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**ICCO - Governance Programme****Program Cost**

Postage	92	112
Printing and Stationery	-	80
Staff Cost	794,236	730,041

**Co-ordination and Administration Costs**

Expenses for use of facilities	204,278	209,927
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**Misereor**

Salaries and Expenses	-	425,583
Postage and Courier	-	5,195
Professional Fees Coaching	45,633	35,000
Professional Fees-TISS	-	20,000
Travel and Conveyance	-	8,614
Boarding and Lodging	-	3,600
Advertisement Expenses	-	3,750

**Co-ordination and Administration Costs****Office Cost**

Audit Fees	69,000	410
Expenses for use of facilities	-	209,927

**Other Misc. Grants**

Staff Cost	794,236	730,042
Postage	-	3,924

**Co-ordination and Administration Costs****Office Cost**

Expenses on facilities provided	236,705	269,305
Expenses on use of facilities	204,278	-

**Capital Costs**

- Programme Center - Office Equipment	108,100	-
- Programme Center - Office Building	660,000	-
- Loss on sale of Assets	-	82,047

contd.



**General Fund**Advance to Staff  
Others

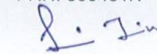
	-	372,755
Sub Total	29,371,448	26,982,765

**Cash and Bank Balances as on 31st March 2017**

Cash in Hand	43,178	24,135
Balance in Saving Account with Scheduled Bank		
- Bank of Baroda SB A/c -22750100001629(FC A/c)	1,728,319	3,571,487
- HDFC SB A/c 06511450000170	112,809	68,332
Fixed Deposit with Bank of Baroda	4,460,518	4,136,029
Sub Total	6,344,824	7,799,983
GRAND TOTAL	35,716,272	34,782,748

Significant Accounting Policies and Notes  
forming an integral part of accounts

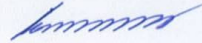
VIII

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 : 21 AUG 2017



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

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

Schedule	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
<b><u>INCOME</u></b>		
<b><u>BFTW</u></b>		
Grant Received	25,203,245	23,448,022
Interest	21,381	54,424
Sale of Assets	595,400	-
<b><u>Misereor</u></b>		
Grant for DFMA	-	933,357
<b><u>ICCO-FMSF Decentralisation Project</u></b>		
Sale of Vehicle	130,000	-
Discount received back on Office Insurance	-	3,767
<b><u>Other Miscellaneous Grants</u></b>		
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	-
<b>Total</b>	<b>27,675,831</b>	<b>26,748,134</b>
<b><u>EXPENDITURE</u></b>		
<b><u>BFTW</u></b>		
<b><u>Programme Costs</u></b>		
<i>(Standardizing Capacity and Compliance - From Concept to Praxis)</i>		
<b><u>Monitoring and Consultancy Staff Costs and Training</u></b>		
Staff Costs	5,838,573	5,114,286
<b><u>Travel Costs for Partner Visits</u></b>		
Travel and Conveyance	1,085,117	676,614
Boarding and Lodging	978,359	467,072
Other Expenses	40,166	43,334
<b><u>Capacity Building - Workshops, Consultancies</u></b>		
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

contd.



<b>Staff Costs Capacity Building</b>	2,914,985	2,689,913
<b>Publications, Research, FMSF Websites</b>		
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
<b><u>Co-ordination and Administration Costs</u></b>		
<b>Staff Costs and Training</b>		
Staff Costs	4,572,120	4,389,398
<b>Office Costs</b>		
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
<b>Travel Costs</b>		
Director and Core Staff	135,953	224,017
Trustees Meetings	51,988	91,603
<b>Capital Costs</b>		
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
<b>Organisation Development Process / Evaluation</b>		
Organisation Development Expenses	-	-

contd.





**Misereor***(Diploma in Financial Management and Accountability)*

Salaries and Expenses	-	425,583
Audit Fees	40,375	29,035
Postage and Courier	-	5,195
Professional Fees Coaching	-	80,633
Professional Fees-TISS	-	20,000
Expenses for use of facilities	-	209,927
Travel and Conveyance	-	8,614
Boarding and Lodging	-	3,600
Advertisement Expenses	-	3,750

**ICCO-FMSF Decentralisation Project****Office Expenses**

Vehicle Running and Maintenance	12,204	10,497
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**ICCO - Governance Programme**

Postage	92	112
Printing and Stationery	-	80
Staff Cost	794,236	730,041
Expenses for use of facilities	204,278	209,927

**Other Miscellaneous Grants***(Programmes for the poorest and most deprived section of the community and evaluation of performances)*

Staff Cost	794,236	730,042
Postage	-	3,924

**Office Cost**

Expenses for use of facilities	204,278	-
Expenses on facilities provided	236,705	269,305

**Capital Costs**

- Programme Center -Office Equipment	108,100	-
- Programme Center -Office Building	660,000	-
- Loss on sale of Assets	-	82,047

Total	<u>29,220,024</u>	<u>26,496,085</u>
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Unspent / (Overspent) during the year transferred to Grant Account	I	(1,544,193)	252,049
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**Significant Accounting Policies and Notes**

XI

forming an integral part of accounts

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 : 21 AUG 2017



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 31<sup>ST</sup> 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. 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 the Projects (Bread for the World, NPO Governance and 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.



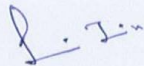


8. Income and expenses are reported as per budget of the funding / donor agencies received on grant to grant basis, hence previous year figures are not comparable.

Signature to Schedule – I to 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 : 21 AUG 2017