Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Secretary of ActionAid Association

Report on the Financial Statements

1. We have audited the accompanying financial statements of ActionAid Association (the "Society"), which comprise the Balance Sheet as at March 31, 2018, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Governing Body's Responsibility for the Financial Statements

2. The Governing Board of the Society 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 Society in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India pursuant to the Memorandum of Association of the Society dated October 5, 2006. 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.

Auditors' Responsibility

3. 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 and other applicable authoritative pronouncements 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.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Governing Body, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that:

   (a) 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;

   (b) In our opinion, proper books of account as required by the bye-laws of the Society and the Societies Registration Act, 1860 (the "Act") have been kept by the Society so far as it appears from our examination of those books;

   (c) The Balance Sheet and Income and Expenditure Account dealt with by this Report are in agreement with the books of account.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Gurgaon

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City Gurgaon - 122 002
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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

(d) In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act, read with the bye-laws of the Society in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2018; and

(ii) in the case of the Income and Expenditure Account, of the net surplus for the year ended on that date.

Other Matter

6. The financial statements of the Society as at March 31, 2017 and for the year then ended were audited by another firm of chartered accountants who, vide their report dated October 12, 2017, expressed an unmodified opinion on those financial statements. Our report is not qualified in respect of this matter.

Restriction of use

7. This report is addressed to the Secretary of the Society and has been prepared only for the purpose as set out in the Society's Bye-laws as approved by the Governing Board. This report should not be otherwise used or shown to or otherwise distributed to any party for any other purpose expect with our prior consent in writing. Price Waterhouse Chartered Accountants LLP neither accepts nor assumes any duty, responsibility or liability to any other party for any purpose other than stated purpose.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Jyoti

Jyoti Vaish
Partner
Membership Number: 096521

Place : Gurugram
Date: October 22, 2018

ActionAid Association

Balance sheet as at 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	Schedule	As at 31 March 2018			As at 31 March 2017		
		FC	NFC	Total	FC	NFC	Total
Funds employed							
Unrestricted funds							
General fund	1	68,711,180	(1,356,341)	67,354,839	(29,378,420)	(76,586)	(29,455,006)
Restricted funds							
Specific projects fund/Sponsorship fund	2	99,999,204	40,446,744	140,445,948	56,098,753	14,606,870	70,705,623
Total		**168,710,384**	**39,090,403**	**207,800,787**	**26,720,333**	**14,530,284**	**41,250,617**
Application of funds							
Fixed assets	3						
Gross block		17,635,606	529,533	18,165,139	15,770,137	273,901	16,044,038
Less: Accumulated depreciation		11,068,495	255,632	11,324,127	9,064,865	212,830	9,277,695
Net block		6,567,111	273,901	6,841,012	6,705,272	61,071	6,766,343
Current assets, loans and advances	4						
Cash and bank balances		152,767,615	38,999,972	191,767,587	40,994,805	15,215,082	56,209,887
Loans and advances		34,475,968	1,712,022	36,187,990	11,895,247	1,240,412	13,135,659
		187,243,583	40,711,994	227,955,577	52,890,052	16,455,494	69,345,546
Less: Current liabilities and provisions							
Current liabilities and provisions	5	25,100,310	1,895,492	26,995,802	32,874,991	1,986,281	34,861,272
Net current assets		162,143,273	38,816,502	200,959,775	20,015,061	14,469,213	34,484,274
Total		**168,710,384**	**39,090,403**	**207,800,787**	**26,720,333**	**14,530,284**	**41,250,617**

Significant accounting policies and notes to the accounts 9

The accompanying schedules form an integral part of the financial statements.

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jyoti

Jyoti Vaish
Partner
Membership No.: 096521
Place: Gurugram
Date: October 22, 2018

For and on behalf of **ActionAid Association**

Sandeep Chachra
Secretary

ActionAid Association R-7, Hauz Khas Enclave New Delhi 110016

Place: New Delhi
Date: October 22, 2018

ActionAid Association

Statement of Income and Expenditure for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	Schedule	For the year ended 31 March 2018			For the year ended 31 March 2017		
		FC	NFC	Total	FC	NFC	Total
Income							
Grants received from ActionAid International and its affiliates		462,010,600	-	462,010,600	436,567,162	-	436,567,162
General donation		21,673	1,886,805	1,908,478	1,478,431	1,729,034	3,207,465
Grants received (from sponsorship fund)		-	-	-	-	10,481,945	10,481,945
Amount transferred from restricted funds to the extent of expenditure incurred							
- restricted funds		122,593,584	44,110,462	166,704,046	202,128,037	43,663,520	245,791,557
- sponsorship fund		-	31,427,480	31,427,480	-	24,457,871	24,457,871
Other income:							
- Interest income		2,739,579	797,657	3,537,236	1,728,194	559,079	2,287,273
- Miscellaneous income		10,038	701	10,739	36,420	-	36,420
		587,375,474	**78,223,105**	**665,598,579**	**641,938,244**	**80,891,449**	**722,829,693**
Expenditure							
Grants disbursed							
- restricted funds		44,650,087	19,520,459	64,170,546	83,085,058	21,433,082	104,518,140
- sponsorship fund		-	31,427,480	31,427,480	-	24,457,871	24,457,871
- unrestricted grants		129,592,672	531,250	130,123,922	216,143,812	6,119,294	222,263,106
Internal programme expenses							-
- restricted funds		55,446,226	24,590,003	80,036,229	88,501,186	22,230,438	110,731,624
- unrestricted grants		34,765,458	373,639	35,139,097	25,098,219	58,990	25,157,209
Fundraising expenses	6	22,497,272	-	22,497,272	30,541,794	-	30,541,794
Depreciation	3	2,005,789	42,803	2,048,592	3,066,917	10,159	3,077,076
Employee benefits expense	7	107,950,533	83,778	108,034,311	135,612,932	1,612	135,614,544
Administrative and other expenses	8	92,377,837	643,542	93,021,379	79,778,434	601,375	80,379,809
		489,285,874	**77,212,954**	**566,498,828**	**661,828,352**	**74,912,821**	**736,741,173**
Excess of income over expenditure/(expenditure over income) transferred to general fund		**98,089,600**	**1,010,151**	**99,099,751**	**(19,890,108)**	**5,978,628**	**(13,911,480)**
Significant accounting policies and notes to the accounts	9						

The accompanying schedules form an integral part of the financial statements.

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/ N500016

Jyoti

Jyoti Vaish
Partner
Membership No.: 096521
Place: Gurugram
Date: October 22, 2018

For and on behalf of **ActionAid Association**

Sandeep Chachra
Secretary

Place: New Delhi
Date: October 22, 2018

ActionAid Association New Delhi 1100 17, Qutub Institutional Area

ActionAid Association

Schedules to the financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2018			As at 31 March 2017		
	FC	NFC	Total	FC	NFC	Total
Schedule 1: General fund						
Opening balance	(29,378,420)	(76,586)	(29,455,006)	(9,488,312)	(6,055,214)	(15,543,526)
Add: Transferred from statement of income and expenditure	98,089,600	1,010,151	99,099,751	(19,890,108)	5,978,628	(13,911,480)
Add: Amount transferred to sponsorship fund	-	(2,289,906)	(2,289,906)	-	-	-
	68,711,180	**(1,356,341)**	**67,354,839**	**(29,378,420)**	**(76,586)**	**(29,455,006)**
Schedule 2: Restricted funds						
a) Specific projects fund						
Opening balance	56,098,753	14,606,870	70,705,623	14,166,120	16,454,767	30,620,887
Add: Funds received during the year	166,494,036	69,950,336	236,444,372	244,060,670	41,815,623	285,876,293
	222,592,789	84,557,206	307,149,995	258,226,790	58,270,390	316,497,180
Less: Grants disbursed during the year	44,650,087	19,520,459	64,170,546	83,085,058	21,433,082	104,518,140
Less: Fundraising expenses	22,497,272	-	22,497,272	30,541,793	-	30,541,793
Less: Expenditure on project	55,446,226	24,590,003	80,036,229	88,501,186	22,230,438	110,731,624
	99,999,204	**40,446,744**	**140,445,948**	**56,098,753**	**14,606,870**	**70,705,623**
b) Sponsorship fund						
Opening balance	-	-	-	-	-	-
Add: Funds received during the year	-	29,137,574	29,137,574	-	34,939,816	34,939,816
Less: Transferred to Statement of Income and Expenditure	-	-	-	-	10,481,945	10,481,945
	-	29,137,574	29,137,574	-	24,457,871	24,457,871
Less: Grants disbursed during the year	-	31,427,480	31,427,480	-	24,457,871	24,457,871
Add: Amount transferred from general fund	-	2,289,906	2,289,906			
	-	-	-	-	-	-
Total (a+b)	**99,999,204**	**40,446,744**	**140,445,948**	**56,098,753**	**14,606,870**	**70,705,623**

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Gurgaon

ActionAid Association
New Delhi
110016
R-7, Hauz Khas Enclave

Schedule 3 : Fixed Assets

NON FOREIGN CONTRIBUTION (NFC)

Particulars	Gross block				Accumulated depreciation				Written down value
	As at 1 April 2017	Additions during the year	Deletions/ adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On deletion/ adjustments	As at 31 March 2018	As at 31 March 2018
Computers	89,609	75,900	-	165,509	89,557	15,201	-	104,758	60,751
Office equipment	149,500	56,780	-	206,280	110,922	10,045	-	120,967	85,313
Vehicle	21,000	61,932	-	82,932	9,071	11,079	-	20,150	62,782
Furniture and fixtures	13,792	61,020	-	74,812	3,279	6,478	-	9,757	65,055
Total (A)	**273,901**	**255,632**	-	**529,533**	**212,829**	**42,803**	-	**255,632**	**273,901**

Particulars	Gross block				Accumulated depreciation				Written down value
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	As at 31 Mar 2017	As at 1 April 2016	For the year	On deletion/ adjustments	As at 31 Mar 2017	As at 31 Mar 2017
Tangible assets									
Computers	89,609	-	-	89,609	89,479	78	-	89,557	52
Office equipment	149,500	-	-	149,500	104,115	6,808	-	110,923	38,577
Vehicle	21,000	-	-	21,000	6,966	2,105	-	9,071	11,929
Furniture and fixtures	3,487	10,305	-	13,792	2,111	1,168	-	3,279	10,513
Total (B)	**263,596**	**10,305**	-	**273,901**	**202,671**	**10,159**	-	**212,830**	**61,071**

FOREIGN CONTRIBUTION (FC)

Particulars	Gross block				Accumulated depreciation				Written down value
	As at 1 April 2017	Additions during the year	Deletions/ adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On deletion/ adjustments	As at 31 March 2018	As at 31 March 2018
Tangible assets									
Computers	9,409,764	1,118,082	-	10,527,846	7,067,741	1,279,581	-	8,347,322	2,180,524
Office equipment	3,566,753	693,505	5,000	4,255,258	927,562	485,524	2,160	1,410,926	2,844,332
Vehicle	2,280,282	-	-	2,280,282	973,591	196,004	-	1,169,595	1,110,687
Furniture and fixtures	513,338	58,882	-	572,220	95,972	44,680	-	140,652	431,568
Total (C)	**15,770,137**	**1,870,469**	**5,000**	**17,635,606**	**9,064,866**	**2,005,789**	**2,160**	**11,068,495**	**6,567,111**

Price Waterhouse Chartered Accountants LLP * Gurgaon * LLPIN AAC-5001 FRN 012754N/N500016

ActionAid Association * R-1, Hauz Khas Enclave * New Delhi 110016

Action Aid Association

Schedules to the financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Gross block				Accumulated depreciation				Written down value
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	As at 31 Mar 2017	As at 1 April 2016	For the year	On deletion/ adjustments	As at 31 Mar 2017	As at 31 Mar 2017
Tangible assets									
Computers	7,409,318	2,200,246	199,800	9,409,764	4,826,551	2,383,582	142,392	7,067,741	2,342,023
Office equipment	2,759,226	807,527	-	3,566,753	514,770	412,792	-	927,562	2,639,191
Vehicle	2,280,282	-	-	2,280,282	742,999	230,592	-	973,591	1,306,691
Furniture and fixtures	357,441	155,897	-	513,338	56,020	39,951	-	95,971	417,367
Total (D)	**12,806,267**	**3,163,670**	**199,800**	**15,770,137**	**6,140,340**	**3,066,917**	**142,392**	**9,064,865**	**6,705,272**

GRAND TOTAL (FC + NFC)

Particulars	Gross block				Accumulated depreciation				Written down value
	As at 1 April 2017	Additions during the year	Deletions/ adjustments	As at 31 March 2018	As at 1 April 2017	For the year	On deletion/ adjustments	As at 31 March 2018	As at 31 March 2018
Computers	9,499,373	1,193,982	-	10,693,355	7,157,298	1,294,782	-	8,452,080	2,241,275
Office equipment	3,716,253	750,285	5,000	4,461,538	1,038,484	495,569	2,160	1,531,893	2,929,645
Vehicle	2,301,282	61,932	-	2,363,214	982,662	207,083	-	1,189,745	1,173,469
Furniture and fixtures	527,130	119,902	-	647,032	99,251	51,158	-	150,409	496,623
Total (A+C)	**16,044,038**	**2,126,101**	**5,000**	**18,165,139**	**9,277,695**	**2,048,592**	**2,160**	**11,324,127**	**6,841,012**

Particulars	Gross block				Accumulated depreciation				Written down value
	As at 1 April 2016	Additions during the year	Deletions/ adjustments	As at 31 Mar 2017	As at 1 April 2016	For the year	On deletion/ adjustments	As at 31 Mar 2017	As at 31 Mar 2017
Tangible assets									
Computers	7,498,927	2,200,246	199,800	9,499,373	4,916,030	2,383,660	142,392	7,157,298	2,342,075
Office equipment	2,908,726	807,527	-	3,716,253	618,885	419,600	-	1,038,485	2,677,768
Vehicle	2,301,282	-	-	2,301,282	749,965	232,697	-	982,662	1,318,620
Furniture and fixtures	360,928	166,202	-	527,130	58,131	41,119	-	99,250	427,880
Total (B+D)	**13,069,863**	**3,173,975**	**199,800**	**16,044,038**	**6,343,011**	**3,077,076**	**142,392**	**9,277,695**	**6,766,343**

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Gurgaon

ActionAid Association R-7, Hauz Khas Enclave New Delhi 110016

ActionAid Association

Schedules to the financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2018			As at 31 March 2017		
	FC	NFC	Total	FC	NFC	Total
Schedule 4: Current assets, loans and advances						
Cash and bank balances						
Cash in hand	169,815	32,720	202,535	330,567	13,121	343,688
Balances with scheduled banks						
- in saving accounts	152,597,800	38,967,252	191,565,052	40,324,758	14,307,696	54,632,454
- in current accounts	-	-	-	339,480	894,265	1,233,745
	152,767,615	**38,999,972**	**191,767,587**	**40,994,805**	**15,215,082**	**56,209,887**
Loans and advances						
(Unsecured, considered good)						
Advances recoverable in cash or in kind or for value to be received	10,637,545	1,011,614	11,649,159	4,464,462	1,057,745	5,522,207
Advances to employees	3,316,179	589,908	3,906,087	2,022,621	58,948	2,081,569
Advance income tax	-	-	-	3,607	23,219	26,826
Grant receivable		-	-	-	-	-
Balance in gratuity fund [net of provision for gratuity of Rs. 28,636,926) (Previous Year Rs. 45,004,604)]	14,964,404	-	14,964,404	(254,119)	-	(254,119)
Security deposits	5,557,840	110,500	5,668,340	5,658,676	100,500	5,759,176
	34,475,968	**1,712,022**	**36,187,990**	**11,895,247**	**1,240,412**	**13,135,659**
Schedule 5: Current liabilities and provisions						
Sundry creditors	14,930,661	993,502	15,924,163	11,439,910	1,221,627	12,661,537
Other liabilities	3,718,461	162,430	3,880,891	3,536,046	73,459	3,609,505
Employee related payables	2,261,558	739,560	3,001,118	13,394,660	691,195	14,085,855
Provision for compensated absences	4,189,630	-	4,189,630	4,504,375	-	4,504,375
	25,100,310	**1,895,492**	**26,995,802**	**32,874,991**	**1,986,281**	**34,861,272**

Price Waterhouse Chartered Accountants LLP LLPIN AAC-6001 FRN 012754N/N500016 Gurgaon

ActionAid Association New Delhi 110016 R-1, Hauz Khas Enclave

ActionAid Association
Schedules to the financial statements for the year ended 31 March 2018
(All amounts are in Indian Rupees, unless otherwise stated)

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	FC	NFC	Total	FC	NFC	Total
Schedule 6: Fundraising expenses						
Awareness and dissemination	63,958	-	63,958	163,752	-	163,752
Bank charges	143,529	-	143,529	335,492	-	335,492
Books and periodicals	3,404	-	3,404	11,474	-	11,474
Computer maintenance expenses	117,591	-	117,591	130,474	-	130,474
Consultancy expenses	17,157,083	-	17,157,083	18,246,075	-	18,246,075
Contribution for gratuity	54,407	-	54,407	-	-	-
Contribution to provident fund	142,323	-	142,323	-	-	-
Depreciation	-	-	-	-	-	-
Documentation and Research	-	-	-	-	-	-
Electricity and water	40,533	-	40,533	65,218	-	65,218
Leave Encashment	20,033	-	20,033	-	-	-
Office repair & Maintenance	72,739	-	72,739	70,555	-	70,555
Postage and courier	24,222	-	24,222	79,780	-	79,780
Printing and stationery	48,755	-	48,755	95,344	-	95,344
Programme expenses - Internal programme	-	-	-	8,879,277	-	8,879,277
Programme expenses - Sub Grant	-	-	-	-	-	-
Rates and Taxes	86	-	86	653	-	653
Rent	248,608	-	248,608	514,872	-	514,872
Salaries and wages	3,074,349	-	3,074,349	-	-	-
Software expenses-Others	-	-	-	1,100	-	1,100
Staff recruitment expenses	7,433	-	7,433	44,104	-	44,104
Staff welfare expenses	160,163	-	160,163	-	-	-
Telephone and email charges	201,720	-	201,720	433,823	-	433,823
Training and workshops	55,763	-	55,763	87,988	-	87,988
Travelling and conveyance	858,743	-	858,743	1,381,813	-	1,381,813
Vehicle running expenses	1,830	-	1,830	-	-	-
	22,497,272	-	**22,497,272**	**30,541,794**	-	**30,541,794**
Schedule 7: Employee benefits expense						
Contribution for gratuity*	(15,098,088)	(15,460)	(15,113,548)	6,433,990	-	6,433,990
Contribution to provident fund**	7,799,889	134,983	7,934,872	8,424,040	107,567	8,531,607
Salaries and wages	107,780,703	(38,880)	107,741,823	113,351,611	(106,482)	113,245,129
Staff welfare expenses	7,468,029	3,135	7,471,164	7,403,291	527	7,403,818
	107,950,533	**83,778**	**108,034,311**	**135,612,932**	**1,612**	**135,614,544**

* This represents reversal of provisions for gratuity basis actuarial valuation done as at year end.
** Includes administration charges

Price Waterhouse Chartered Accountants LLP
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ActionAid Association

Schedules to the financial statements for the year ended 31 March 2018

(All amounts are in Indian Rupees, unless otherwise stated)

Schedule 8: Administrative and other expenses

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	FC	NFC	Total	FC	NFC	Total
Auditors' remuneration:	1,462,055	-	1,462,055	1,620,925	-	1,620,925
Awareness and dissemination	3,287,856	-	3,287,856	2,771,634	-	2,771,634
Bank Charges	12,977	515,567	528,544	(148,052)	534,915	386,863
Books and periodicals	1,126,193	-	1,126,193	778,921	-	778,921
Computer maintenance expenses	1,277,788	-	1,277,788	1,648,060	-	1,648,060
Consultancy Expenses	35,296,624	-	35,296,624	21,339,212	(5,581)	21,333,631
Documentation & Research	80,512	-	80,512	179,200	-	179,200
Electricity and water	2,358,492	-	2,358,492	2,313,617	-	2,313,617
Office repair & Maintenance	6,241,631	-	6,241,631	6,732,307	-	6,732,307
Postage and Courier	4,285,750	-	4,285,750	4,089,682	-	4,089,682
Printing and stationery	586,079	-	586,079	787,795	-	787,795
Rates and Taxes	28,177	-	28,177	19,903	-	19,903
Rent	15,952,639	-	15,952,639	15,277,006	-	15,277,006
Software Expenses-Others	416,682	-	416,682	636,474	-	636,474
Staff Recruitment Expenses	418,718	127,975	546,693	721,239	-	721,239
Telephone & Email Charges	3,709,289	-	3,709,289	3,944,803	-	3,944,803
Training and workshops	1,153,861	-	1,153,861	1,406,693	-	1,406,693
Travelling and conveyance	13,631,588	-	13,631,588	14,858,315	72,041	14,930,356
Vehicle Running Expenses	1,050,926	-	1,050,926	800,700	-	800,700
	92,377,837	**643,542**	**93,021,379**	**79,778,434**	**601,375**	**80,379,809**

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Schedule 9: Significant accounting policies and notes to the accounts

1. Background

ActionAid Association ('AAA' or' the Society') is registered under the Societies Registration Act, 1860 vide registration certificate number S-56828 dated 5 October 2006.

The Society has been granted registration under section 12A read with section 12AA of the Income Tax Act, 1961, vide letter no. DIT(E)/12A/2008-09/A-2513/119 dated 25 April 2008. The Society has also obtained registration under section 80G(5)(vi) of the Income Tax Act, 1961 vide Order No. DIT (E) 2011-12/A-2513/5744 dated 29 March 2012 for the period from 1 April 2012 to till it is rescinded. Further, the Society has been registered under the Foreign Contribution (Regulation) Act, 1976 for carrying out activities of social nature with registration no.231661299, vide letter no. II/21022/83(0070)/2011-FCRA.II- dated 29 December 2011. The registration of the Society has been renewed for a period of five years with effect from 29 December 2016 vide letter no. 0300051042016 - dated 22 August 2016.

The Society receives funds for charitable purpose in India. The Society aims to deepen understanding of peoples' ability for progressive expressions and solidarities within the context of widespread social and ecological injustices, economic, political and cultural dispossession and feminization of dispossession.

2. Significant accounting policies

(a) Basis of preparation of financial statements

The accompanying financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles ('GAAP') in India, and in all material aspects comply with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India as applicable for Level III Non-Corporate entity.

(b) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of income and expenses during the reporting period. Examples of estimates include useful life of fixed assets etc. Actual results could differ from these estimates. Any changes in estimates are adjusted prospectively.

(c) Fund accounting and Revenue recognition

(i) Grants and donations received for which there are stipulations as to use recognised in the Statement of Income and Expenditure as income in the year of utilization and as at balance sheet date, to unutilized amount i.e. represented by the restricted funds. At the end of the agreement, the unutilized restricted fund is returned to the respective donor. In case the unutilized amount is not required to be returned to the respective donor, the same is transferred to Statement of Income and Expenditure in the relevant year in which the project is completed. In cases income generated from assets held in restricted funds is not subject to the same restrictions and the fund therefore the same has not been classified to restricted funds and credited to Statement of Income and Expenditure.

(ii) Remittances received from donors for specific projects/ activities are disclosed under restricted funds. Disbursements made to other non-governmental organizations and project expenditures out of the restricted funds are netted off from the restricted funds and included in the Statement of Income and Expenditure as 'Amount transferred from restricted funds to the extent of expenditure incurred.

(iii) Unrestricted funds are contributions received or funds generated by the Society, the use of which is not restricted by the contributors donors. Donations received in kind are not valued or accounted in the books of account.

(iv) General donations and grants received for welfare programs carried out by the society for which there are stipulation as to use are recognised in the Statement of Income and Expenditure as income in the year of receipt.

(v) Interest income on savings bank accounts fixed deposits is accounted on accrual basis.

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(d) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the respective transactions. Realized gain and losses on foreign currency transactions during the year are recognized in the Statement of Income and Expenditure. Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at year end rates and resultant gains/ losses on foreign currency translation are recognized in the Statement of Income and Expenditure.

(e) Fixed assets and Depreciation

Fixed assets are stated at the cost of acquisition including incidental costs related to acquisition and installation, less accumulated depreciation and impairment losses, if any. Cost is inclusive of freight, duties, taxes and other directly attributable costs incurred to bring the assets to their working condition for intended use.

Depreciation on fixed assets is provided on written down value method in accordance with the rate prescribed under Appendix I in the Income Tax Rule, 1962.

Asset	Rate (in %) Per annum
Computers	40
Office equipment	15
Vehicles	15
Furniture and fixtures	10

The above rates and methods of depreciation are also in line with the estimated useful lives, as determined by the management.

The appropriateness of depreciation rate and depreciation method is reviewed by the management in each financial year.

Individual asset received as donation, if any, is recognised in the books of account at Re. 1.

(f) Impairment of assets

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognized in the Statement of Income and Expenditure. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

(g) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

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(h) Leases

As a lessee
Lease payment under an operating lease is recognized as expenditure in the Statement of Income and Expenditure on a straight line basis over the lease term.

(i) Employee Benefit

Employee's benefits comprise provident fund, gratuity and leave encashment/ compensated absences.
Defined contribution plan: Contribution towards provident fund for employees is made to the regulatory authorities, where the Society has no further obligations. Such benefits are classified as Defined Contribution Plan, as the Society does not carry any obligation, apart from the contributions made on a monthly basis.

Defined benefit plans:

Gratuity plan (Funded)

- Contribution towards Society's gratuity liability made to the Life Insurance Corporation of India (LIC) are adjusted against the gratuity liability determined by an independent actuary at the balance sheet date on the basis of "Projected Unit Credit Method" and the short fall, if any, is charged to the Income and Expenditure Account.
- Actuarial gains and losses comprise experience adjustments and the effects of change in actuarial assumptions are recognized in the Income and Expenditure Account as income or expense in the year in which they arise.

Other long term benefits

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Society's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(j) Expenditure

The Society implements its programmes for strengthening training, research and policy development in the area of eradication of poverty through projects conducted by itself or by other local non-governmental organizations to which it disburses grants. Accordingly, expenditure incurred by the Society during the year to monitor such non-governmental organizations and implement their internal projects is charged to Statement of Income and Expenditure.

10. Employee Benefit Obligations:

Provident fund: An amount of Rs. 79,34,872 (Previous year Rs. 85,31,607) has been recognized as an expense in respect of the AAA's contribution for provident fund deposited with the government authorities and has been shown under Employee benefits expense in the Statement of Income and Expenditure.

Gratuity plan: The Society operates a gratuity plan wherein every regular and contractual employees (with fixed term of three years and above) and who has completed three years of service, is eligible for gratuity as per the group gratuity scheme of the Life Insurance Corporation of India. The plan allows one month's basic salary per year of service (after a minimum of three years' service) to be paid. In addition, in case of death in service, the legal heir / heiress or the nominee of the staff as the case may be, is eligible to receive gratuity for the balance potential service up to the normal retirement age.

Other long term benefits: The society operates a leave encashment plan wherein every employee shall be entitled to encash privilege leave up to maximum of 30 days a year. The salary for calculation of earned leave is last drawn gross salary. Leave can be encashed up to a maximum of 30 days only at the time of resignation or death of the employee while in service.
Principal actuarial assumptions in respect of provision for gratuity at the balance sheet date are as follows:

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Particulars	As at 31 March 2018	As at 31 March 2017
Discount rate*	7.72%	7.31%
Expected rate of salary increase*	7%	7%
Demographic assumptions		
Retirement age	58 Years	58 Years
Mortality table	Standard Indian Assured Lives (2006-08) Ultimate Table	Standard Indian Assured Lives (2006-08) Ultimate Table
Withdrawal rates (%):		
Age		
Up to 30 years	4.00	3.00
31-44 years	10.00	2.00
Above 44 years	2.00	1.00

**The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.*

11. Leases

The Society has taken office premises under operating lease arrangements. The lease rent charged to Statement of Income and Expenditure is Rs 1,62,01,247 (Previous year Rs. 15,791,878).

12. Expenditure in foreign currency:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Travelling and conveyance	1,03,112	1,08,629
Legal and professional charges	NIL	1,48,370

13. Related Parties

(a) Related party and nature of the relationships, where control exists :

Name of the Party	Relationship
Action Aid International, United Kingdom	Affiliate
ActionAid - India Branch	Enterprise under the common control
ActionAid India- Karnataka Project	Enterprise under the common control

(b) Related parties where transactions have taken place during the year:

Name of the Party	Relationship
Action Aid International, United Kingdom	Affiliate
Action Aid - India Branch	Enterprise under the common control

(c) Related party and nature of the relationship with whom transactions have taken place during the year:

Name of the Party	Nature of transaction	For the year ended 31 March 2018	For the year ended 31 March 2017
Action Aid International, United Kingdom	Receipt of funds	462,010,600	433,067,162
Action Aid - India Branch*	Receipt of funds	NIL	3,500,000

*No balances were outstanding as at year-end.

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14. Income Taxes

The society is registered under section 12A read with sections 12AA of Income Tax Act, 1961 vide letter dated April 25, 2008 and subject to compliance with the conditions specified therein, it is no longer liable to pay tax on excess of income over expenditure. The Society has decided to accumulate or set apart the shortfall beyond 15% of income applied to charitable or religious purposes in accordance with Section 11(2) of the Income Tax Act, 1961. Accordingly, the Society has not recognised any provision for income tax in its books of account.

15. The Society is classified as Small and Medium Sized Enterprise (SME), being Level – III for the purposes of applicability of Accounting Standards as defined by the Council of the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the Accounting Standards and availed certain exemptions as applicable to a Small and Medium Sized Enterprise.

16. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on the information available with the management, there are no overdue outstanding to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Further, the Society has not received any claim for interest from any supplier under the said Act.

17. The Society has covered all its employees who in accordance with Employee State Insurance Corporation Act, 1948 are eligible for Employee State Insurance under Society's Group Mediclaim Insurance Policy. The Society through its letter dated August 21, 2014 to ESI Inspector has sought an exemption from applicability of Employee State Insurance Corporation Act, 1948 ('ESIC Act') which is pending for disposal with prescribed authorities.

18. Previous year's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification.

As per our report of even date attached

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No.: 012754N/N500016

Jyoti

Jyoti Vaish
Partner
Membership No.: 096521

Place: Gurugram
Date: October 22, 2018

For and on behalf of **ActionAid Association**

Sandeep Chachra
Secretary

ActionAid Association New Delhi 110016 R-7 Hauz Khas Enclave

Place: New Delhi
Date: October 22, 2018