Action Aid Association

Statutory audit for the year ended 31 March 2015

BSR & Company

Chartered Accountants

Building No.10, 8th Floor, Tower-B DLF Cyber City, Phase - II Gurgaon - 122 002 (India) Telephone: + 91 124 2358 610 Fax: + 91 124 2358 613

Independent Auditor's Report

To the Chairperson of ActionAid Association

Report on Financial Statements

We have audited the accompanying financial statements of ActionAid Association ('the Society') which comprise the Balance Sheet as at 31 March 2015 and the Statement of Income and Expenditure 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, financial performance of the Society in accordance with the accounting principles generally accepted in India and the Accounting Standards, to the extent applicable, issued by Institute of Chartered Accountants of India. 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 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 Society's internal controls. 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.



BSR & Company

Opinion

Place: Gurgaon

Date: 29-Jep-15

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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 31 March 2015; and
- (ii) in the case of the Statement of Income and Expenditure, excess of income over expenditure of the Society for the year ended on that date.

For BSR & Company

Chartered Accountants

ICAI Firm Registration No.: 128032W

Sandeep Batra

Partner

Membership No.: 093320

Balance Sheet
(All amounts are in Indian Rupees) ActionAid Association

	Schedule	FC	As at 31 March 2015 NFC	Total	FC	As at 31 March 2014 NFC	Total
Funds employed							
Unrestricetd funds							
-Capital reserve -General find	- (·	1	101,000	77,836	178,836
Restricted funds	7	(61,232,869)	212,648	(61,020,221)	7,485,717	10,801,941	18,287,658
-Sponsorship Fund	3		i			2.211.181	2 2 11 181
- Specific projects fund	4	96,693,881	7,053,181	103,747,062	73,596,915	3,329,942	76,926,857
Application of fund			(40,004,)	17,770,041	81,183,632	16,420,900	97,604,532
Fixed assets	ıc						
Gross block		8,320,010	263,596	8,583,606	3.245.837	963 596	3 509 433
Less: Accumulated depreciation		2,846,766	191,837	3,038,603	457,605	178,831	636.436
NCC DICK		5,473,244	71,759	5,545,003	2,788,232	84,765	2,872,997
Current assets, loans and advances	9						
Cash and bank balances		32,619,751	7,262,477	39,882,228	68,076,506	15.386.017	83 462 523
Loans and advances		17,755,396	320,528	18,075,924	20,852,770	1,004.321	21 857 091
Less: Current liabilities		50,375,147	7,583,005	57,958,152	88,929,276	16,390,338	105,319,614
Current liabilities and provisions		20,387,379	388,935	20,776,314	10,533,876	54,203	10,588,079
Net current assets		29,987,768	7,194,070	37,181,838	78,395,400	16,336,135	94,731,535
		35,461,012	7,265,829	42,726,841	81,183,632	16,420,900	97,604,532
Significant accounting policies and notes to the accounts	10						

For and on behalf of ActionAid Association

The accompanying schedules form an integral part of the financial statements

As per our report of even date attached

ICM Firm Registration No.: 128032W

For BSR& Company Chartered Accountants

Place: New Delhi Date: 29-5ep-2015

New Delhi 310011

Parinke) Membership No.: 093320

Place: Gurgaon Date: 29 - Selo - 2015

ActionAid Association Statement of Income and Expenditure (All amounts are in Indian Rupees)

	Schedule		Year ended 31 March 2015	15	Year	Year ended 31 March 2014	
		FC	NFC	Total	FC	NFC	Total
Income							
Grants received from AA International and its affiliates		555,760,845	1	555,760,845	125,175,932		135 175 037
Grants received (from sponsorship fund)		206,012	3,011,064	3,217,076	12,383	794,660	807,043
Amount transferred from restricted funds to the extent of		ī.	8,939,901	8,939,901		7	1
expenditure incurred							
- Restricted funds		216 791 286	27 291 820	201 100 050			
- sponsorship fund			23,720,820	23,063,100	11,152,731	25,183,656	102,336,387
Other income:			056,010,57	75,070,950		35,023,484	35,023,484
- Interest income		2.896.016	541 897	2 437 013	0.001001		
- Miscellaneous income		13,228		13 278	1,001,239	703,768	2,365,027
	(A)	775,667,386	57.855.632	013 £73 010	3,930		3,936
			7000000000	610,676,660	204,006,241	61,705,568	265,711,809
Expenditure							
Grants disbursed							
- Restricted funds		157 394 319	13 001 500	010 010			
- Sponsorship funds		616,466,161	0000,186,61	171,375,819	64,276,455	20,424,753	84,701,208
- Others			23,070,950	23,070,950	ı	34,598,284	34 598 784
Internal programme expanses		328,443,752	22,001,897	350,445,649	70,281,093		70 781 093
- Destroyed Earlier							000,104,07
- Restricted funds		59,396,967	8,310,320	67,707,287	17 876 276	4 759 000	000
Damesandia		44,578,727	479,225	45,057,952	3 644 883	521.769	4 1/6/21
Description P	ır.	2,389,161	13,006	2.402.167	447 605	14.021	4,100,001
reisonnet Expenses	œ	162,753,296	42.233	062 795 500	27 950 310	1,0,4	420,0/6
Administrative and other expenses	6	89,530,750	623,630	90.154.380	016,050,72		27,850,310
	(B)	844,486,972	68,522.761	013 000 733	100 222 140	5,595,075	23,257,221
				667,000,00	0//,567,661	63,712,852	262,946,622
	(A) - (B)	(68,819,586)	(10,667,129)	(79.486.715)	177 477	200 200 20	
				(51,500,50)	1,4,7/1,4	(7,00/,284)	2,765,187
Excess of expenditure over income transferred to general fund		(68,819,586)	(10,667,129)	(517 386 77)		10000	
				(at the text)	1,1,2,1,1	(7,00,7,284)	2,765,187

Significant accounting policies

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The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For B S R & Company

Place Gurgaon Date 29-5ep-2015

For and on behalf of ActionAid Association

Place: New Delhi Date: 29-566-2015



Schedules to the financial statements for the year ended 31 March 2015 (All amounts are in Indian Rupees) ActionAid Association

		As at 31 March 2015			As at 31 March 2014	
	FC	NFC	Total	FC	NFC	Total
Schedule 1: Capital reserve						
Opening balance Add:	101,000	77,836	178,836	35,000	77,836	112,836
-Transferred from restricted fund - regular giving	101,000	77,836	178,836	101,000	77,836	66,000
Less: Transfer to general fund	- 101,000	77,836	178,836	101,000	77,836	178,836
Schedule 2: General fund						
Opening balance Add:	7,485,717	10,801,941	18,287,658	2,713,246	12,809,225	15,522,471
-Transferred from capital reserve -Transferred from statement of income and expenditure	101,000 (68,819,586)	77,836 (10,667,129)	178,836 (79,486,715)	4,772,471	(2,007,284)	2,765,187
	(61,232,869)	212,648	(61,020,221)	7,485,717	10,801,941	18,287,658
Schedule 3: Sponsorship fund						
Opening balance Add:		2,211,181	2,211,181	000,99	2,525,472	2,591,472
-Funds received during the year Less:		29,799,670	29,799,670	1	34,709,193	34,709,193
-Transfer to income and expenditure account	ı	8,939,901	8,939,901	1		
Gronte dichurcad during the ways	i	23,070,950	23,070,950	000,99	37,234,665	37,300,665
-Grants dispulsed duffig the year -Expenditure on project	ī	23,070,950	23,070,950	t	34,598,284	34,598,284
Transferred to capital reserve	ī			ı	425,200	425,200
	1	1		000,99		000,99



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ActionAid Association
Schedules to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

			As at 31 March 2015			As of 21 Moreh 2014	
Sahadula 4. Daniel L. F. 1. S. 10		FC	NFC	Total	FC	NFC	Total
Schedule 4: Restricted lund -Specific projects fund							
a) From various donors except mentioned in (b) below							
Opening balance Add:		46,454,390	3,329,942	49,784,332	31,535,689	212,280	31,747,969
-Funds received during the year	. !	72,438,214	26,015,059	98,453,273	32.014.427	28301318	60 315 745
SSOT		118,892,604	29,345,001	148,237,605	63,550,116	28,513,598	92,063,714
-Grants disbursed during the year		34,539,744	13.981.500	48 571 744	14 043 746	CST NCN OC	0 4 4 6 0 4 0 0
-Expenditure on project		13,456,112	8,310,320	21,766,432	3,051,980	4 758 903	7.810.883
	(a)	70,896,748	7,053,181	77,949,929	46,454,390	3,329,942	49,784,332
b) Restricted fund (ActionAid International & its affiliates)							
Opening balance		27,142,525		27.142.525	,		
Add:							
-Funds received during the year		167,450,038		167,450,038	87,199,530		87 199 530
See		194,592,563		194,592,563	87,199,530		87,199,530
-Grants disbursed during the year		122,854,575		122,854,575	50.232.709	,	50.737.709
-Expenditure on project		45,940,855		45,940,855	9,824,296	•	9 824 296
	(q)	25,797,133		25,797,133	27,142,525		27,142,525
Grand Total	(a+b)	96 693 881	7 053 181	COO TAT CO.	100000000000000000000000000000000000000		
		- Inotecator	= = ===================================	103,747,062	73,596,915	3,329,942	76,926,857





ActionAid Association
Schedules to the financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

Schedule 5: Fixed assets

NON FOREIGN CONTRIBUTION (NFC)

Particulars		Gros	Gross block			Accumula	Accumulated depreciation		Net	Net block
	As at	Additions	Deletions/	As at	As at	For the	On deletion/	As at	As at	Asat
	1 April 2014	1 April 2014 during the year	adjustments	31 March 2015	1 April 2014	year	adjustments	31 March 2015	31 March 2015 31 March 2014	31 March 2014
			during the year							
Tangible assets	3									
Computers	609.68	r		609'68	88,797	487	í	89,284	325	
Office equipment	149,500			149,500	86,671	9,435	1	96,106	53,394	62,829
Vehicles	21,000	1		21,000	1,575	2,914	ľ	4,489	16,511	19,425
Furniture and fixtures	3.487	1		3,487	1,788	170	ī	1,958	1,529	1,699
Current year	263,596	1		263,596	178,831	13,006	1	191,837	71,759	84,765
Previous year	242,596	21,000		263,596	164,760	14,071		178.831	84,765	

FOREIGN CONTRIBUTION (FC)

Particulars		Gross	Gross block			Accumula	Accumulated depreciation		Net block	lock
	As at 1 April 2014	As at Additions April 2014 during the year	Deletions/ adjustments	As at 31 March 2015	As at 1 April 2014	For the year	On deletion/ adjustments	As at 31 March 2015	As at As at 31 March 2014	As at 31 March 2014
			during the year							
Tangible assets									20	
Computers	847,521	3,629,634		4,477,155	275,256	1,909,160	ı	2,184,416	2,292,739	572,265
Office equipment	230,866	1,095,494		1,326,360	19,790	144,731	1	164,521	1,161,839	211,076
Vehicles	2,167,450	56,144		2,223,594	162,559	309,155		471,714	1,751,880	2,004,891
Furniture and fixtures	1	292,901		292,901	1	26,115	1	26,115	266,786	•
Current year	3,245,837	5,074,173		8,320,010	457,605	2,389,161		2,846,766	5,473,244	2,788,232
Previous year	50,000	3,195,837		3,245,837	15,000	442,605		457,605	2.788.232	

TOTAL

Particulars		Gros	Gross block			Accumula	Accumulated depreciation		Net	Net block	
	As at	Additions	Deletions/	As at	As at	For the	On deletion/	As at	As at	As at	
	1 April 2014	I April 2014 during the year	adjustments	31 March 2015	1 April 2014	year	adjustments	31 March 2015	31 March 2015 31 March 2014	31 March 2014	
			during the year								
Tangible assets											
Computers	937,130	3,629,634		4,566,764	364,053	1,909,648	1	2,273,701	2,293,063	573,077	
Office equipment	380,366	1,095,494		1,475,860	106,461	154,166	•	260,627	1,215,233	273,905	
Vehicles	2,188,450	56,144	,	2,244,594	164,134	312,069	1	476,203	1,768,391	2,024,316	
Furniture and fixtures	3,487	292,901	•	296,388	1,788	26,285	1	28,073	268,315	1,699	
Current year	3,509,433	5,074,173		8,583,606	636,436	2,402,168	1	3,038,604	5,545,002	2,872,997	
Predrings year	292,596	3,216,837	-	3,509,433	179,760	456,676	1	636,436	2,872,997	No.	Stion x 6,
100										10011	14

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Schedules to the financial statements for the year ended 31 March 2015 (All amounts are in Indian Rupees) ActionAid Association

		FC	As at 31 March 2015 NFC	Total	FC	As at 31 March 2014 NFC	Total
Schedule 6: Current assets, loans and advances							
Cash and bank balances							
Cash in hand Balances with scheduled banks		293,052	2,627	295,679	259,533	271	259,804
- in saving accounts		31,022,724	7,259,850	38,282,574	67,816,973	15,385,746	83,202,719
Funds in transit		1,303,975	7,262,477	1,303,975	68,076,506	15,386,017	83,462,523
Loans and advances (Unsecured, considered good)							
Advances recoverable in cash or in kind or for value to be received	to be received	3,786,767	84,332	3,871,099	3,165,464	852,027	4,017,491
Advance income (ax		307,976	000,9	313,976	273,218	000,9	279,218
Advances to employees		1,974,435	130,196	2,104,631	1,971,174	46,294	2,017,468
Security deposits		5,641,745	100,000	5,741,745	3,269,650	100,000	3,369,650
Balance in gratuity fund (net of provision for gratuity of Rs. 39,811,542 (previous year Rs. 33,219,349)	Jo.	6,044,473	,	6,044,473	12,173,264	,	12,173,264
		17,755,396	320,528	18,075,924	20,852,770	1,004,321	21,857,091
Schedule 7: Current liabilities and provisions							
Sundry creditors		12,879,499	346,339	13,225,838	2,437,322	39,034	2,476,356
Other liabilities		3,354,500	9,420	3,363,920	3,286,399	7,193	3,293,592
Employee Related payables		306,360	33,176	339,536	1,514,018	7,976	1,521,994
Provisions for compensated absences		3,847,020		3,847,020	3,296,137		3,296,137
		20,387,379	388,935	20,776,314	10,533,876	54,203	10,588,079





ActionAid Association Schedules to the financial statements for the year ended 31 March 2015 (All amount are in Rupees)

Schedule 8: Personnel expenses
Salaries and wages
Contribution to provident fund
Contribution for other funds
Staff welfare expenses



37,246,092 2,305,615 (12,190,690)

37,246,092 2,305,615 (12,190,690)

9,672,905

37,673

9,668,345 7,081,123 4,137,354 **162,753,296**

141,866,474

489,293

7,081,123 4,137,354 **162,795,529**

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Total

For the year ended 31 March 2014 C NFC T

Total

For the year ended 31 March 2015

NFC

FC

489,293





Schedules to the financial statements for the year ended 31 March 2015 ActionAid Association

(All amount are in Rupees)

	Fort	or the year ended 31 March 2015	1 2015	For the	For the year ended 31 March 2014	ch 2014
	FC	NFC	Total	FC	NFC	Total
Schedule 9: Administrative and other expenses						
Consultancy expenses	13,754,626	166,293	13,920,919	2,024,231	2,776,474	4,800,705
Rent	15,037,668	14,000	15,051,668	3,834,243	40,000	3,874,243
Travelling and conveyance	27,752,629		27,752,629	6,161,584		6,161,584
Documentation and research	575,330		575,330	28,279	ı	28,279
Telephone and email charges	3,522,765		3,522,765	1,152,796	4,840	1,157,636
Repairs and maintenance	6,729,266	1,335	6,730,601	998,390	7,219	1,005,609
Electricity and water charges	2,748,947		2,748,947	476,789		476,789
Bank charges	91,277	431,826	523,103	42,048	510,854	552,902
Auditors' remuneration:						
-audit fees	1,148,675		1,148,675	98,440	(45,134)	53,306
Printing and stationery	1,643,158		1,643,158	363,257	67,750	431,007
Software expenses	1,567,504		1,567,504	497,029	18,000	515,029
Postage and courier	4,313,099		4,313,099	1,624,164		1,624,164
Training and workshops	4,815,525	1	4,815,525	1,412,801		1,412,801
Computer maintenance expenses	1,967,085		1,967,085	375,625		375,625
Rates & taxes	44,796	10,176	54,972	80,714	70	80,784
Books and periodicals	1,140,197		1,140,197	59,933	15,000	74,933
Staff recruitment expenses	660,027		660,027	154,526	1	154,526
Vehicle running expenses	2,018,176	,	2,018,176	477,299	1	477,299
	89,530,750	623,630	90,154,380	19,862,148	3,395,073	23,257,221





Schedule 10: 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 an exemption under Section 12A of the Income Tax Act, 1961, vide letter no. DIT(E)/12A/2008-09/A-2513/119 dated 25th April 2008. The Society has also obtained exemption under section 80G(5)(vi) of the Income Tax Act, 1961 vide Order No. DIT(E) 2011-12/A-2513/5744 dated 29th March 2012 for the period from 1 April 2012 to till it is rescinded.

The Society receives funds for charitable purpose in India. The Society aims to deepen our 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 practices prevailing in India as applied consistently by AAA.

(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

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Restricted fund are grants received from various funding agencies/individuals to carry out specific activities. These are held in Society until used for the purpose specified against them. 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.

Comp. Remittances received from donors for specific projects/activities are disclosed under restricted Tunds. Disbursements made to other non-governmental organizations and project expenditures tof the restricted funds are netted off from the restricted funds and included in the statement income and expenditure as 'Amount transferred from restricted funds to the extent expenditure incurred.

Unrestricted funds are contributions received or funds generated by the Society, the use of which is not restricted by the contributors/donors.

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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 Income and Expenditure account.

(e) Fixed assets

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 at the following rates:

Asset	Rate (in %)
	Per annum
Computers	60
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.

(f) Impairment

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 recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in the Profit and Loss Account. 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 amortisation, if no impairment loss had been recognised.

(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

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

Benefits such as salaries, etc., are recognized in the statement of income and expenditure in the period in which the employee renders the related service.

Defined contribution plan: The AAA's employee provident fund scheme is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions and will have no constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Income and Expenditure in the year when the employee renders the related service. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans:

Gratuity plan

The AAA's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined annually based on an actuarial valuation carried out by an independent actuary for the plan using the Projected Unit Credit Method, which recognizes each period of current and past service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the valuation date having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

The Society has taken a policy with the Life Insurance Corporation of India to cover it's liability towards gratuity. The difference between the fund balance with the Life Insurance Corporation of India and the gratuity liability of the society, as determined by an independent actuary, is charged/written back to the Statement of Income and Expenditure.

Other long term benefits

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Benefits under leave encashment constitute other long-term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year-end using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the Statement of Income and Expenditure.

(j) Revenue recognition

General donations and grants received for welfare programs carried out by the society are accounted in the Statement of Income and Expenditure on cash basis.

Interest income on Savings Bank accounts is accounted on cash basis and interest income on Fixed Deposits is accounted on accrual basis.

(k) 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.

3. 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 overdues 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.

4. Employee Benefit Obligations:

Provident fund: An amount of Rs. 9,672,905 (Previous year Rs. 2,305,615) 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 personnel expenses in the Statement of Income and Expenditure.

Gratuity plan: The AAA 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. 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.

Principal actuarial assumptions in respect of provision for gratuity and compensated absences at the balance sheet date are as follows:

Economic assumptions Discount rate* Expected rate of salary increase*	As at 31 March 2015 8% 7%	As at 31 March 2014 9.12% 7%
Demographic assumptions		
Retirement age Mortality table	58 Years IALM (1994-96) duly modified	58 Years IALM (1994-96)
Withdrawal rates (%):	dury modified	duly modified
Age Upto 30 years	2.00	2.00
31-44 years	3.00 2.00	3.00
Above 44 years	1.00	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.

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Other long term benefits: An amount of Rs. 763,449 (previous year Rs.234,251) pertaining to compensated absences is recognised as an expense and included in 'Employee benefits expense' in Note 9.

5. Leases

The Society has taken office premises under operating lease arrangements. The lease rent charged to Statement of Income and Expenditure is Rs. 15,051,668 (Previous year Rs. 3,874,243).

6. Expenditure in foreign currency:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Travelling	343,907	89,766

7. Related Parties

(a) Related party where transactions have taken place:

Name of the Party	Relationship	
Action Aid - India Branch	Enterprise under the common control	
Action Aid India- Karnataka Project	Enterprise under the common control	
ActionAid India Society	Enterprise under the common control	

(b) 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 2015	For the year ended 31 March 2014
Action Aid International, United Kingdom	Receipt of funds	572,027,129	212,522,961
Action Aid - India Branch	Receipt of funds	146,000,000	0
	Sale of Assets	0	-
	Transfer of provision for gratuity	-	265,437
	Transfer of provision for compensated absences	-	3,130,486
Action Aid- Karnataka Project	Grant disbursement	11,96,286	3,15,000



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ActionAid Association Schedules forming parts of the financial statements (All amount are in rupees)

- **8.** The Society is classified as Small and Medium Sized Enterprise (SME) of Level III entity 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 as applicable to a Small and Medium Sized Enterprise.
- **9.** Previous year's figures have been regrouped / reclassified, wherever necessary, to confirm to current year's classification.

As per our report attached

For BSR & Company

Chartered Accountants

ICAI Firm Registration No.: 128032W

Sandeep Batra

Partner

Membership No.: 093320

Place: Gurgaon

Date: 29-Sep-2015

For and on behalf of ActionAid Association

) (Macha) Sandeep Chachra

Secretary

Place: New Delhi

Date: 29-5ep-2015