

INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF UNITED WAY OF INDIA

Report on the Financial Statements

We have audited the accompanying financial statements of **UNITED WAY OF INDIA** ("the Society"), which comprise the Balance Sheet as at 31 March, 2018, the Income and Expenditure Account for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Society's Management is responsible for the preparation of these financial statements in accordance with the accounting principles generally accepted in India including the Accounting Standards 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 of the financial statements 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 the 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 control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements of the Society dealt with by this report comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Society as at 31 March, 2018; and
- (b) in the case of the Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date.



For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No.015125N)

JITENDRA AGARWAL
Partner
(Membership No. 87104)

GURUGRAM, 24 September, 2018

**United Way of India
Balance Sheet as at 31 March, 2018**


	<u>Schedule Ref</u>	<u>As at 31 March, 2018 (Rupees)</u>	<u>As at 31 March, 2017 (Rupees)</u>
Sources of funds			
1. Earmarked funds	1	3,18,91,288	4,05,53,843
2. Income and expenditure account balance	2	82,96,242	1,36,33,917
Total		<u>4,01,87,530</u>	<u>5,41,87,760</u>
Application of funds			
3. Fixed assets	3	10,79,406	16,33,008
4. Current assets, loans and advances			
a. Cash and bank balances	4	3,79,32,852	5,09,92,859
b. Loans and advances	5	<u>11,75,272</u>	<u>15,73,946</u>
		3,91,08,124	5,25,66,805
5. Less: Current liabilities and provisions			
Current liabilities	6	-	12,053
6. Net current assets (4-5)		<u>3,91,08,124</u>	<u>5,25,54,752</u>
Total		<u>4,01,87,530</u>	<u>5,41,87,760</u>
Notes forming part of the financial statements	9		

The above Schedules form an integral part of the financial statements

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

Jitendra Agarwal
JITENDRA AGARWAL
Partner



Place: **GURUGRAM**
Date: **24 SEPTEMBER, 2018**

FOR AND ON BEHALF OF UNITED WAY OF INDIA

Sunit Mehra
SUNIT MEHRA
Chairman

Place: **MUMBAI**
Date: **24.09.2018**

Suneeth Katarki
SUNEETH KATARKI
Treasurer



United Way of India
Income and Expenditure Account for the year ended 31 March, 2018

	Schedule Ref.	Year ended 31 March, 2018 (Rupees)	Year ended 31 March, 2017 (Rupees)
1. Income			
a. Donations received		1,11,61,357	29,70,812
b. Interest income		28,833	13,14,158
c. Amounts appropriated from the earmarked funds for expenditure / disbursements on specified projects/activities	1	19,42,95,988	1,70,71,371
		<u>20,54,86,178</u>	<u>2,13,56,341</u>
2. Expenditure			
a. Employee benefits expense	7	1,15,82,789	32,71,717
b. Depreciation expense	3	5,53,602	5,53,602
c. Administration and other expenses	8	43,91,474	65,33,137
d. Amounts incurred from earmarked funds for expenditure / disbursements on specified projects/activities being the appropriation from earmarked funds	1	19,42,95,988	1,70,71,371
		<u>21,08,23,853</u>	<u>2,74,29,827</u>
3. Surplus/(deficit) carried to schedule	2	(53,37,675)	(60,73,486)
Notes forming part of the financial statements	9		

The above Schedules form an integral part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner



FOR AND ON BEHALF OF UNITED WAY OF INDIA

SUNIT MEHRA
Chairman

SUNEETH KATARKI
Treasurer

Place: **GURUGRAM**
Date: **24 SEPTEMBER, 2018**

Place: **MUMBAI**
Date: **24.09.2018**



United Way of India
Schedules forming part of the Balance Sheet

Schedule 1

Earmarked funds

Name of fund	(Rupees)			
	Opening balance as at 1 April, 2017	Received during the year including of interest income	Disbursed during the year	Balance as at 31 March, 2018
1. United Way Disaster Response Fund- India-Uttarakhand	65,50,147 (1,41,53,432)	1,23,288 (14,79,004)	12,65,193 (90,82,289)	54,08,242 (65,50,147)
2. United Way Disaster Response Fund- India-Jammu & Kashmir (See note 3 of schedule 9)	2,46,93,013 (3,05,84,638)	61,644 (8,75,959)	69,06,072 (67,67,584)	1,78,48,585 (2,46,93,013)
3. Seed Fund - United Way Disaster Response Fund	50,00,000 (50,00,000)	-	-	50,00,000 (50,00,000)
4. Other projects (See note below)	43,10,683 (42,45,391)	18,54,48,501 (12,86,790)	18,61,24,723 (12,21,498)	36,34,461 (43,10,683)
Total	4,05,53,843	18,56,33,433	19,42,95,988	3,18,91,288
Previous year	(5,39,83,461)	(36,41,753)	(1,70,71,371)	(4,05,53,843)

Note:

Amounts received and disclosed under "Other projects" Includes contribution amounting to Rs.180,668,729 received from donors for being disbursed to other United Way Chapters in India, which was disbursed to the respective United Way Chapters during the year.

Schedule 2

Income and expenditure account balance

Opening balance
Add: Surplus/(deficit) for the year transferred from the Income and Expenditure Account
Closing balance

As at <u>31 March, 2018</u> (Rupees)	As at <u>31 March, 2017</u> (Rupees)
1,36,33,917	1,97,07,403
<u>(53,37,675)</u>	<u>(60,73,486)</u>
<u>82,96,242</u>	<u>1,36,33,917</u>






UNITED WAY OF INDIA
Schedule forming part of the Balance Sheet

Schedule 3

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at 1 April, 2017	Additions during the year	Balance as at 31 March, 2018	Balance as at 1 April, 2017	Depreciation/ amortisation expenses for the year	Balance as at 31 March, 2018	Balance as at 31 March, 2018	Balance as at 31 March, 2017
Tangible assets								
a. Furniture and fixtures	1,04,625	-	1,04,625	20,926	10,463	31,389	73,236	83,699
<i>Previous year</i>	<i>1,04,625</i>	-	<i>1,04,625</i>	<i>10,453</i>	<i>10,463</i>	<i>20,926</i>	<i>83,699</i>	
b. Office equipment	4,59,663	-	4,59,663	1,80,306	91,933	2,72,239	1,87,424	2,79,357
<i>Previous year</i>	<i>4,41,863</i>	<i>17,800</i>	<i>4,59,663</i>	<i>88,373</i>	<i>91,933</i>	<i>1,80,306</i>	<i>2,79,357</i>	
c. Leasehold improvements	19,31,031	-	19,31,031	7,72,412	3,86,206	11,58,618	7,72,413	11,58,619
<i>Previous year</i>	<i>19,31,031</i>	-	<i>19,31,031</i>	<i>3,86,206</i>	<i>3,86,206</i>	<i>7,72,412</i>	<i>11,58,619</i>	
d. Computers	1,95,000	-	1,95,000	83,667	65,000	1,48,667	46,333	1,11,333
<i>Previous year</i>	<i>56,000</i>	<i>1,39,000</i>	<i>1,95,000</i>	<i>18,667</i>	<i>65,000</i>	<i>83,667</i>	<i>1,11,333</i>	
Total	26,90,319	-	26,90,319	10,57,311	5,53,602	16,10,913	10,79,406	16,33,008
<i>Previous year</i>	<i>25,33,519</i>	<i>1,56,800</i>	<i>26,90,319</i>	<i>5,03,709</i>	<i>5,53,602</i>	<i>10,57,311</i>	<i>16,33,008</i>	

Note: Previous year figures are in *Italics*



United Way of India
Schedules forming part of the Balance Sheet

	<u>As at</u> <u>31 March, 2018</u> <u>(Rupees)</u>	<u>As at</u> <u>31 March, 2017</u> <u>(Rupees)</u>
Schedule 4		
Cash and bank balances		
Cash in hand	5,511	21,606
Balances with scheduled bank		
- in savings account	2,79,27,341	2,59,71,253
- in deposit accounts	1,00,00,000	2,50,00,000
	<u>3,79,32,852</u>	<u>5,09,92,859</u>
Schedule 5		
Loans and advances (Unsecured, considered good)		
Loans and advances	2,69,332	6,68,006
Security deposit	9,05,940	9,05,940
	<u>11,75,272</u>	<u>15,73,946</u>
Schedule 6		
Current liabilities and provisions		
Other payables	<u>-</u>	<u>12,053</u>



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United Way of India
Schedules forming part of the Income and Expenditure Account

	<u>Year ended</u> <u>31 March, 2018</u> <u>(Rupees)</u>	<u>Year ended</u> <u>31 March, 2017</u> <u>(Rupees)</u>
Schedule 7		
Employee benefits expenses		
a. Salaries and wages	1,15,50,180	29,46,467
b. Staff welfare	32,609	3,25,250
	<u>1,15,82,789</u>	<u>32,71,717</u>
Schedule 8		
Administration and other expenses		
a. Professional and consultancy charges	13,51,721	41,22,381
b. Travelling and conveyance	3,73,009	2,89,921
c. Communication expenses	60,499	20,265
d. Rent	19,91,322	18,69,330
e. Electricity expenses	59,244	23,742
f. Postage and courier	20,550	12,597
g. Miscellaneous expenses	5,35,129	1,94,901
	<u>43,91,474</u>	<u>65,33,137</u>



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United Way of India
Schedule forming part of the Financial Statements

Schedule 9 – Background and significant accounting policies

1. Background

United Way of India ('the Society') was registered on 28 July, 2009 under the Societies Registration Act, 1860 with the objective to provide charitable and other welfare related services.

To carry out its objectives, the Society accepts voluntary donations, grants, contributions etc. from any person or entity. These funds are then majorly distributed to implementation partners/institutes for application in a wide range of human service programs including those in the fields of education, health, relief of the poor, relief of people effected by natural or other calamities or for the advancement of any other objects of general public utility.

2. Significant accounting policies

2.1 Basis of accounting

The financial statements of the Society have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards issued by the Institute of Chartered Accountants of India.

The financial statements are prepared under the historical cost convention. Income mainly comprises donations received which are accounted for as mentioned in the paragraph 2.3 below. Interest income on demand deposits is accounted for when such interest is credited by bank. All expenses are accounted for on cash basis.

The Society is a Level III entity- Small and Medium Sized Enterprise (SME) as defined in the Applicability of Accounting Standards to Non-corporate Entities issued by Institute of Chartered Accountants of India. Accordingly, the Society has complied with the Accounting Standards as applicable to a Level III entity.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities). The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Recognition of grants and donations

a. Earmarked funds

Amounts received against specific projects with a stipulation that expenses are to be incurred only against specified projects are considered as 'Earmarked funds'.

Donations received as 'Earmarked Funds' are accounted as income and expenses to the extent incurred on the specified projects, the balance being carried forward as a liability to be spent in future periods.

All amounts disbursed from 'Earmarked funds' for expenditure on specified projects/activities are accounted for as utilisation of "Earmarked funds" on cash basis.



United Way of India
Schedule forming part of the Financial Statements

These disbursements are made to implementing partners/institutes as per the terms of project implementation agreement ("agreement") entered with them.

Further, in case the implementation of the project by the implementing partners/institutes is not as per the agreement, the Society has recourse to receive only the balance unutilised amount with the implementing partners/institutes.

b. Donations other than towards 'Earmarked Funds'

Amount received as donations towards general objects of the society are considered as donations other than towards 'Earmarked Funds'. These are recognised as income on receipt basis and are credited to the Income and Expenditure account.

2.4 Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life of the assets which has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacements anticipated technological changes, manufacturers warranties and maintenance support etc. Accordingly, the useful life of the assets has been considered as follows:

<u>Asset</u>	<u>Useful Life</u>
i. Furniture and fixtures	10 years
ii. Office equipment	5 years
iii. Computers	3 years

Leasehold improvements are amortised over the remaining period of lease.

Full year depreciation has been provided on additions to fixed assets irrespective of the date of capitalisation of assets.

2.5 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure relating to fixed assets after its purchase/completion is capitalised only if such expenditure results in an increase in future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.



United Way of India
Schedule forming part of the Financial Statements

2.6 Leases

Lease arrangements where the risk and rewards incidental to ownership of an asset substantially vest with lessor are recognised as operating leases.

Lease rentals under operating lease are recognised as an expense in the Statement of Profit and Loss on the basis of payment (on cash basis) according to the lease term.

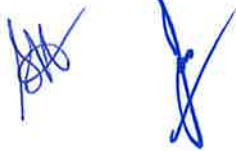
2.7 Income tax

The society is registered under Section 12A of the Income tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the society is exempt from tax, subject to the compliance of terms and conditions specified in the Act.

3. During the previous year, the Society, based on a communication received from a former employee of one of its implementation partner/institute, engaged a firm of Chartered Accountants to carry out a 'Grant Audit' of the projects entered with the above implementation partner/institute during the period September, 2013 to September, 2016. The total amount disbursed by the Society in respect of different projects during the above period was Rs. 3,896,774.

The firm of Chartered Accountants referred to above reported that due to insufficient information and explanations provided to them and lack of documentation, they were unable to form a true and fair view on the genuineness of the expenditure incurred by the above partner/institute on the projects entered with the Society during the aforesaid period. Based on the above report, the Society had discontinued the ongoing projects with the above referred implementation partner and sought refund of the unutilised balance.

During the current year, the Society has received refund of unutilised balance of Rs.1,674,290 from the above referred implementation partner. This amount, being shown as a disbursement under "United Way Disaster Response Fund- India-Jammu & Kashmir" during the previous years has been netted off from current year disbursements.



United Way of India
Schedule forming part of the Financial Statements

4. Previous year figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

FOR AND ON BEHALF OF THE UNITED WAY OF INDIA



SUNIT MEHRA
Chairman



SUNEETH KATARKI
Treasurer



Place: **MUMBAI**

Date: **24.09.2018**

