

Make A Difference - Cochin*(A Society Registered Under The Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955)*

Nedumala House, Harmony Enclave, Chilavannoor Road Ernakulam Cochin - 682020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	Sch. No.	As at March 31, 2021	As at March 31, 2020
<u>LIABILITIES AND TRUST FUNDS</u>			
<u>Trust Funds</u>			
Corpus Fund	3	1,61,000	1,61,000
Non - Corpus Fund including excess of income over expenditure	4	2,93,42,369	5,76,88,145
A. Total Trust Funds		2,95,03,369	5,78,49,145
<u>Current Liabilities</u>			
Sundry Creditors	5	14,43,912	1,91,160
Other Current Liabilities	6	3,57,873	13,38,853
Other Provisions	7	15,62,666	16,97,743
B. Total Current Liabilities		33,64,451	32,27,756
Total Liabilities	(A+B)	3,28,67,820	6,10,76,901
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets	8	92,73,212	25,75,696
A. Total Non-Current Assets		92,73,212	25,75,696
<u>Current Assets</u>			
Short Term Loans and Advances	9	11,22,387	21,75,387
Cash and Cash Equivalents	10	2,24,04,833	5,62,52,075
Other current assets	11	67,388	73,744
B. Total Current Assets		2,35,94,608	5,85,01,206
Total Assets	(A+B)	3,28,67,820	6,10,76,901
Summary of Significant accounting policies	2		
The accompanying notes form an integral part of financial statements			

As per our report of even date attached

For G. Joseph & Associates

Chartered Accountants

(Firm Reg. No.006310S)

For and on behalf of the governing council

Make A Difference - Cochin**Reuben Joseph**

Partner

M.No: 216884**Abid Millath**

President

Jithin C Nedumala

Secretary

M.D Arathi

Treasurer

Place: Ernakulam

Date : 16.09.2021

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INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Sch. No.	As at March 31, 2021	As at March 31, 2020
INCOME			
Donations received	12	2,79,49,101	11,30,71,180
Other income	13	18,10,095	13,29,735
		2,97,59,196	11,44,00,915
EXPENDITURE			
Project expenses	14	3,42,20,296	8,04,46,962
Other expenses	15	2,14,94,458	1,78,33,730
Depreciation	8	23,90,218	4,64,714
		5,81,04,972	9,87,45,405
Excess/(Deficit) of income over expenditure		(2,83,45,776)	1,56,55,510

Summary of Significant accounting policies 2

The accompanying notes form an integral part of financial statements

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RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021*(All amounts are in Indian rupees unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Opening Balance</u>		
Balance with Banks	5,62,52,075	3,99,48,113
Cash in Hand	-	-
A	5,62,52,075	3,99,48,113
<u>Receipts</u>		
Donation Income	2,79,49,101	11,30,71,180
Other Income	13,27,034	12,99,338
Sale of fixed assets	1,02,650	3,96,000
B	2,93,78,785	11,47,66,518
<u>Payments</u>		
Human Resource Cost	2,94,51,131	3,37,76,512
External Campaigns	-	88,27,550
Research and Impact analysis expense	33,764	2,72,819
Other Expenses- Project	5,07,170	23,42,808
Professional and Consultancy Charges	69,26,345	1,66,37,051
Rent	10,95,430	28,34,964
Repairs and maintenance - Office	-	9,72,324
Travelling Expenses	1,02,241	31,13,999
Payment for Fixed Assets	87,10,004	9,29,706
Leadership Conference Expenses	3,31,848	70,45,055
Skill Development Expenses - Children	1,75,394	62,07,891
Training and Recruitment Expenses	3,38,500	11,73,656
Student Education Expenses	1,32,18,246	1,35,32,398
Other Expenses	10,68,618	7,95,823
Covid 19 related support	12,67,335	-
C	6,32,26,026	9,84,62,556
Closing Balance (A)+(B) - (C)	2,24,04,833	5,62,52,075
<u>Represented By:</u>		
- Balance with Banks	2,24,04,833	5,62,52,075
- Cash in Hand	-	-
	2,24,04,833	5,62,52,075

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SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

1 Background

Make A Difference - Cochin ("The Society" or "MAD") is a society registered under The Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955. The object of the Society is to ensure that the children living in orphanages and street shelters receive additional care and support.

2 Significant Accounting Policies

a) General

The Financial Statements have been prepared on the historical cost convention. These statements have been prepared in accordance with the generally accepted accounting principles and the applicable mandatory accounting standards. The preparation required adoption of estimates and assumptions that can affect the reported amounts of revenue and expenditure and the assets and liabilities as well as the disclosure of contingent liabilities. Differences between actual results and estimates are recognised in the year in which they become known or materialises.

b) Use of Estimates

The preparation of financial statements in conformity with Indian Generally Accepted Accounting Policies(GAAP) in India requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses and the disclosures of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Fixed Assets

The Fixed Assets are stated at their original cost of acquisition including taxes, duties, freight and other incidental expenses relating to the acquisition and installation of the concerned assets. Sponsorship /grant received, if any, against specific assets have been adjusted against the cost incurred for generating the respective asset.

d) Depreciation on fixed assets

Depreciation has been provided on Fixed Assets under Written Down Value method at the rates and in the manner prescribed under the Income tax Act, 1961.

e) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances on hand, cash and deposits with bank and highly liquid investments with original maturities, at the date of purchase/investment, of three months or less.

f) Revenue Recognition

Grant/Donations

Only those Grant/Donations are accounted for as income which have been accrued and became due as per agreements with donor agencies/donors.

Interest income

Interest income is recognized on accrual basis when there is reasonable certainty of its ultimate collection/realization.

g) Employee Benefits

i. All employee benefits payable wholly within twelve months of rendering the services such as salaries, wages, performance incentives are recognised in the income and expenditure account in the period in which the employee renders the related service accordingly.

ii. Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains and losses are recognized in full in the statement of income and expenditure account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

h) Income Tax

Income Tax and Deferred Tax Asset /Liability has not been recognised, due to the exemptions available under sections 11 and 12 of the Income tax Act, 1961.

i) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Income and Expenditure account on a straight line basis.

j) Impairment of Assets

The Society assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Society estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the income and expenditure account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

k) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Society has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A Contingent Asset is neither recognised nor disclosed in the financial statements.

l) Corpus Fund

The Corpus Fund includes fund assigned by the executive committee as corpus.

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SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

(All amounts are in Indian rupees unless otherwise stated)

3 Corpus Fund

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	1,61,000	1,61,000
Add: Received during the year	-	-
At the end of the year	1,61,000	1,61,000

4 Non - Corpus Fund including excess/(deficit) of income over expenditure

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	5,76,88,145	4,32,12,636
Add : Net Surplus/(Deficit) for the Year	(2,83,45,776)	1,56,55,510
Less: Adjustment of gratuity on first time adoption of AS 15 (Revised)	-	(11,80,001)
At the end of the year	2,93,42,369	5,76,88,145

5 Sundry Creditors

Particulars	As at March 31, 2021	As at March 31, 2020
Creditors for expenses	12,45,934	-
Expenses Payable	1,97,978	1,91,160
	14,43,912	1,91,160

6 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Bank receipts not Acknowledged as Donation	-	4,78,561
Advance from employees	-	1,33,000
Statutory dues payable	3,57,873	7,22,792
Aftercare Youth Loan	-	4,500
	3,57,873	13,38,853

7 Other Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	15,62,666	16,97,743
Provision for city expenses (net off advances)	13,43,954	25,42,361
Less: Advance given to cities	(13,43,954)	(25,42,361)
	15,62,666	16,97,743

8 Fixed Assets and Depreciation

Items	Gross value as on 01.04.2020	Additions during		Deletions / write down of assets	Gross value as on 31.03.2021	Rate		Depreciation for the year			WDV as on 31.03.2021	WDV as on 31.03.2020
		1 st Half	2 nd Half			1 st Half	2 nd Half	1 st Half	2 nd Half	Total for the year		
<u>Tangible Assets:</u>												
Computers and accessories	1,61,850	-	95,80,112	-	97,41,962	40.00%	20.00%	64,740	19,16,022	19,80,763	77,61,200	1,61,850
Other equipments/Office equipments	14,12,767	13,150	1,24,906	4,07,443	11,43,380	15.00%	7.50%	1,52,771	9,368	1,62,139	9,81,241	8,73,259
Furniture and fittings	5,15,309	-	-	4,60,761	54,548	10.00%	5.00%	5,455	-	5,455	49,093	5,15,309
<u>Intangible Assets:</u>												
Computer software	4,85,769		2,37,770	-	7,23,539	40.00%	20.00%	1,94,308	47,554	2,41,862	4,81,678	4,85,769
Total	25,75,696	13,150	99,42,788	8,68,204	1,16,63,430			4,17,274	19,72,944	23,90,218	92,73,212	20,36,188

Note:

1. During the year the management has conducted physical verification of the assets and on the basis of such verification has identified certain assets which were found to be not in usable condition. Such assets have been written off and charged off to income and expense account during the year.

9 Short Term Loans and Advances

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Security deposits	3,18,000	13,18,000
Advances to employees	65,999	7,000
Balance with statutory authorities	3,26,505	3,26,505
Prepaid card - advance	3,65,877	4,77,876
Other loans and advances	46,006	46,006
	11,22,387	21,75,387

10 Cash and bank balances

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Balance with Banks		
- in Savings accounts	1,80,87,762	4,83,28,571
- in Savings accounts - FCRA	41,16,415	77,33,110
- in Deposit accounts	2,00,656	1,90,394
Cash in Hand	-	-
	2,24,04,833	5,62,52,075

Note :

Savings bank balance include restricted fund received from :

Particulars	March 31, 2021	March 31, 2020
DXC Technology India Private Limited	56,05,906	4,34,04,704
	56,05,906	4,34,04,704

11 Other Current Assets

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Advance recoverable in cash or kind or for value to be received	27,049	23,800
Other advances recoverable (Net of provisions)	40,339	49,944
	67,388	73,744

12 Donations Received

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Corporate donations	1,22,22,300	6,05,20,059
Non corporate donations	1,25,35,196	1,90,65,914
Foreign contributions	31,91,605	3,34,85,207
	2,79,49,101	11,30,71,180

13 Other Income

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Interest Received	11,25,189	8,80,653
Interest Received - Foreign Contribution Account	2,01,845	4,18,685
Profit on sale of car	-	30,397
Untraceable bank receipts now recognized as income	4,78,561	-
Accounts written back	4,500	-
	18,10,095	13,29,735

14 Project Expenses

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Human Resource Costs		
- Employee Benefits Expense	1,14,54,683	2,19,56,518
- Fellowship Reimbursement	6,20,481	1,99,887
- Employee welfare expenses	18,287	7,566
Execution and Planning Expenses	588	14,415
Internet and Communication	1,68,158	3,27,376
Leadership Conference Expenses	3,38,666	80,42,012
Professional and Consultancy Charges	44,16,567	97,91,279
Skill Development Expenses - Children	1,75,394	62,07,891
Training and Recruitment Expenses	3,38,500	11,73,656
Student Education and Allied Expenses		
- Student - Accomodation and other support charges	78,58,373	92,96,446
- Student - Books	76,391	2,59,252
- Student - College Fees	36,65,730	34,46,808
- Student - Training	9,53,430	5,29,892
- Internship Stipend	16,99,879	26,19,959
Travelling Expenses	1,01,137	30,51,893
External Campaigns	-	88,27,550
Research and impact analysis expense	33,764	2,72,819
Rent	-	54,295
Technology and subscription charges	6,94,511	21,99,276
Fundraising activity expenses	-	15,39,893
Covid 19 related support	12,67,334	-
Other expenses	3,38,424	6,28,279
	3,42,20,296	8,04,46,962

15 Other Expenses

Particulars	As at March 31, 2021	As at March 31, 2020
Human Resource Costs		
- Employee Benefits Expense	1,63,74,271	94,56,647
- Employee welfare expenses	2,21,049	2,91,808
- Fellowship Reimbursement	76,864	54,190
- Internship Stipend	52,500	37,500
Bank Charges	41,285	3,393
Internet and communication	88,495	1,11,495
Office expenses	4,56,772	2,16,701
Other expenses	76,386	2,17,589
Professional and consultancy charges	17,40,103	24,04,364
Rent	10,95,430	27,80,669
Repairs and maintenance - office	-	9,72,324
Technology and subscription charges	43,477	79,490
Travelling expenses	1,104	62,106
Rates & taxes	75,164	11,45,454
Repairs and Maintenance - assets	3,62,204	-
Write down of assets (net off value realised on disposal)	7,65,554	-
Accounts written off	23,800	-
	2,14,94,458	1,78,33,730

16 Details related parties:

Name of Board Members	Nature of relationship
Jithin C Nedumala	Member - Governing body
M.D. Arathi	Member - Governing body
Sanjay Thomas	Member - Governing body
Sunaina Pamudurthy	Member - Governing body
Abid Millath	Member - Governing body

Details of related party transactions for the period ended March 31, 2021:

Transactions	As at March 31, 2021	As at March 31, 2020
Salaries & allowances during the year:		
Jithin C Nedumala	18,25,931	18,41,290
M.D. Arathi	11,29,274	6,00,000
Balance outstanding as at end of the period:	Nil	Nil

17 Employee benefit plans

Gratuity plan

The Society has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefit vests on the employees after completion of 5 years of service. The Gratuity liability has not been externally funded. The Society makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation as per the Projected unit credit method.

The following table summarizes the components of expense recognized in the statement of income and expenditure and the amounts recognized in the Balance Sheet.

a. Expenses recognised in the statement of income and expenditure for the year:

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Current service cost	4,84,594	5,47,791
Interest cost on benefit obligation	1,15,447	80,240
Expected return on plan assets	-	-
Actuarial losses (gains) arising from change in financial assumptions	-	2,32,289
Actuarial losses (gains) arising from experience adjustments	(3,09,637)	(3,42,578)
Total included in employee benefit expense	2,90,404	5,17,742

b. Net (assets) / liability recognised in the balance sheet

	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	15,62,666	16,97,743
Fair value of plan assets	-	-
Net (assets) / liability recognised in the Balance Sheet	15,62,666	16,97,743

c. Change in Defined benefit obligation during the year

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Present value of obligation at the beginning of the year	16,97,743	11,80,001
Current service cost	4,84,594	5,47,791
Interest cost	1,15,447	80,240
Benefits paid	(4,25,481)	-
Actuarial losses (gains) arising from change in financial assumptions	-	2,32,289
Actuarial losses (gains) arising from experience adjustments	(3,09,637)	(3,42,578)
Present value of obligation as at the end of the year	15,62,666	16,97,743

d. Principal Actuarial assumption at the balance sheet date

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Discount rate	6.80%	6.80%
Increase in compensation cost	7.00%	7.00%
Attrition Rate	5% to 1%	5% to 1%
Expected retirement age (years)	58	58

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Since the entire amount of plan obligation is unfunded, changes in the fair value of plan assets are not given. Further, as the entire amount of plan obligation is unfunded, categories of plan assets as a percentage of the fair value of total plan assets and the Society's expected contribution to the plan assets in the next year is not given.

18 Previous year figures have been regrouped / reclassified wherever necessary to suit current year layout.

As per our report of even date attached

For G. Joseph & Associates

Chartered Accountants

(Firm Reg. No.006310S)

For and on behalf of the governing council

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Place: Ernakulam

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