

INDEPENDENT AUDITORS' REPORT

To the Governing Council - MAKE A DIFFERENCE - COCHIN
Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of MAKE A DIFFERENCE - COCHIN ('the Society'), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Income and Expenditure for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the society as at 31st March, 2023, and its deficit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

The society's is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the society in accordance with the accounting principles generally accepted in India, including the Accounting Standards. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the society and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 Responsibilities for the Audit of the Financial Statements

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, 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 financial control relevant to the society's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the society, 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.

For G Joseph & Associates
Chartered Accountants
Firm Reg. No. 006310S

UDIN: 23233286BGUKRY8589

Place: Ernakulam
Date : September 15, 2023

Raphael Sharon
Partner
M.No: 233286

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Make A Difference - Cochin

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

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Sch. No.	As at March 31, 2023	As at March 31, 2022
<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	51,78,255	1,96,98,666
A. Total Trust Funds		53,39,255	1,98,59,666
<u>Other Liabilities</u>			
Sundry Creditors	5	9,70,822	46,56,670
Other Current Liabilities	6	4,65,262	6,42,232
Other Provisions	7	18,70,218	29,55,552
B. Total Current Liabilities		33,06,301	82,54,454
Total Liabilities	(A+B)	86,45,557	2,81,14,120
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Fixed Assets	8	46,08,922	60,30,915
A. Total Non-Current Assets		46,08,922	60,30,915
<u>Current Assets</u>			
Short Term Loans and Other Advances	9	13,04,464	6,85,321
Cash and Cash Equivalents	10	26,63,055	2,13,57,545
Other current assets	11	69,115	40,339
B. Total Current Assets		40,36,634	2,20,83,205
Total Assets	(A+B)	86,45,557	2,81,14,120
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

Raphael Sharon

Partner

M.No: 233286

Abid Millath

President

Jithin C Nedumala

Secretary

M.D Arathi

Treasurer

Place: Ernakulam

Date : September 15, 2023

Make A Difference - Cochin

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

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in Indian rupees unless otherwise stated)

Particulars	Sch. No.	As at	As at
		March 31, 2023	March 31, 2022
INCOME			
Donations received	12	9,13,24,976	6,85,47,153
Other income	13	2,77,169	3,84,380
		9,16,02,145	6,89,31,533
EXPENDITURE			
Project expenses	14	9,76,21,495	6,00,97,448
Other expenses	15	61,63,663	1,48,82,476
Depreciation	8	23,37,398	35,95,312
		10,61,22,556	7,85,75,236
Excess/(Deficit) of income over expenditure		(1,45,20,411)	(96,43,703)

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

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For and on behalf of the governing council

Make A Difference - Cochin

Raphael Sharon

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Place: Ernakulam

Date : September 15, 2023

Make A Difference - Cochin*(A Society Registered Under The Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955)***RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023***(All amounts are in Indian rupees unless otherwise stated)*

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening Balance		
Balance with Banks	2,13,57,545	2,24,04,833
Cash in Hand	-	-
A	2,13,57,545	2,24,04,833
Receipts		
Donations received	9,13,24,976	6,85,47,153
Other income	2,77,169	3,84,380
B	9,16,02,145	6,89,31,533
Payments		
Human Resource Cost	4,97,38,939	3,09,40,161
Other Expenses- Project	10,33,486	3,04,359
Professional and Consultancy Charges	1,09,99,038	1,07,98,383
Security Deposits	3,75,000	-
Other advances recoverable	4,20,144	-
Rent	10,00,000	1,29,120
Travelling Expenses	47,23,565.29	-
Fundraising Activity Expenses		22,251
Technology and Subscription Charges	21,25,327	19,17,479
Payment for Fixed Assets	9,15,404	20,27,223
Leadership Conference Expenses	74,97,191	-
Training and Recruitment Expenses	34,88,315	17,95,778
Student Education Related Expenses	2,57,48,670	1,95,94,548
Shelter home renovations and allied works	-	14,29,430
Office Expense	20,88,587	4,92,971
Rates & Taxes	5,965	-
Other Expenses	1,37,004	2,50,494
Covid 19 related support	-	2,76,625
C	11,02,96,636	6,99,78,821
Closing Balance (A)+(B) - (C)	26,63,055	2,13,57,545
Represented By:		
- Balance with Banks	26,63,055	2,13,57,545
- Cash in Hand	-	-
	26,63,055	2,13,57,545

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**Raphael Sharon**

Partner

M.No: 233286**Abid Millath**

President

Jithin C Nedumala

Secretary

M.D Arathi

Treasurer

Place: Ernakulam

Date : September 15, 2023

Make A Difference - Cochin

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

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.

Make A Difference - Cochin

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

SCHEDULES ATTACHED TO AND FORMING PART OF THE ACCOUNTS

(All amounts are in Indian rupees unless otherwise stated)

3 Corpus Fund

Particulars	As at	As at
	March 31, 2023	March 31, 2022
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	As at
	March 31, 2023	March 31, 2022
At the beginning of the year	1,96,98,666	2,93,42,369
Add : Net Surplus/(Deficit) for the Year	(1,45,20,411)	(96,43,703)
Less: Adjustment of gratuity on first time adoption of AS 15 (Revised)	-	-
At the end of the year	51,78,255	1,96,98,666

5 Sundry Creditors

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Creditors for expenses	1,03,172	5,22,627
Expenses Payable	8,67,650	41,34,043
	9,70,822	46,56,670

6 Other Current Liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Statutory dues payable	4,65,262	6,42,232
	4,65,262	6,42,232

7 Other Provisions

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Provision for gratuity	18,70,217	29,55,552
Provision for city expenses	34,27,138	25,58,405
Less: Advance given for meeting city expenses	(34,27,137)	(25,58,405)
	18,70,218	29,55,552

9 Short Term Loans and Other Advances

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Security deposits	4,92,000	2,93,000
Advances to employees	35,000	-
Balance with statutory authorities	3,26,505	3,26,505
Prepaid card - advance	50,959	65,816
Other loans and advances	4,00,000	-
	13,04,464	6,85,321

8 Fixed Assets and Depreciation

Items	Gross value as on 01.04.2022	Additions		Deletions / write down of assets	Gross value as on 31.03.2023	Rate		Accumulated Depreciation as on 01.04.2022	Deletions / write down of assets	Depreciation for the year			Accumulated Depreciation as on 31.03.2023	WDV as on 31.03.2023	WDV as on 31.03.2022
		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	1,00,59,665	1,47,617	76,129	-	1,02,83,411	40.00%	20.00%	51,97,443	-	20,03,935	15,226	20,19,159	72,16,602	30,66,808	48,62,222
Other and other equipments	11,43,380	1,23,899	5,890	-	12,73,169	15.00%	7.50%	3,04,047	-	1,44,485	442	1,44,927	4,48,974	8,24,195	8,39,333
Furniture and fittings	54,548	5,11,589	50,280	-	6,16,417	10.00%	5.00%	14,194	-	55,194	2,514	57,708	71,903	5,44,514	40,354
<u>Intangible Assets:</u>															
Computer software	7,23,539	-	-	-	7,23,539	40.00%	20.00%	4,34,533	-	1,15,603	-	1,15,603	5,50,135	1,73,404	2,89,007
Total	1,19,81,132	7,83,105	1,32,299	-	1,28,96,536			59,50,217	-	23,19,217	18,182	23,37,397	82,87,614	46,08,922	60,30,915

10 Cash and bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with Banks		
- in Savings accounts	19,41,723	45,34,887
- in Savings accounts - FCRA	5,12,636	1,66,13,963
- in Deposit accounts	2,08,696	2,08,696
Cash in Hand	-	-
	26,63,055	2,13,57,545

11 Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Advance recoverable in cash or kind or for value to be received	-	-
Other advances recoverable (Net of provisions)	-	40,339
Prepaid Expenses	69,115	-
	69,115	40,339

12 Donations Received

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Corporate donations	3,69,57,765	1,69,66,066
Non corporate donations	3,68,19,180	1,75,12,675
Foreign contributions	1,75,48,031	3,40,68,412
	9,13,24,976	6,85,47,153

13 Other Income

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest Received	1,76,824	2,32,982
Interest Received - Foreign Contribution Account	1,00,345	1,51,398
	2,77,169	3,84,380

14 Project Expenses

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Human Resource Costs		
- Employee Benefits Expense	4,38,33,297	2,88,78,789
- Fellowship Reimbursement	4,23,281	4,96,826
Internet and Communication	2,05,415	1,99,014
Office Expenses	2,05,376	-
Leadership Conference Expenses	74,97,191	22,251
Professional and Consultancy Charges	99,93,160	72,53,963
Training and Recruitment Expenses	24,38,515	-
Student Education and Allied Expenses		
- Student - Accomodation and other support charges	50,41,579	57,65,471
- Student - Books	1,26,676	68,454
- Student - College Fees	93,22,332	58,69,673
- Student - Training	19,81,596	1,60,108
- Student - Placement	70,000	4,48,666
- Student- Stipend	91,43,706	65,27,234
- Internship Stipend	62,781	1,40,211
Travelling Expenses	41,17,777	6,14,731
Shelter home renovations and allied works	-	14,29,430
Technology and subscription charges	21,25,327	16,41,643
Other expenses	10,33,486	5,80,984
	9,76,21,495	6,00,97,448

15 Other Expenses

Particulars	As at March 31, 2023	As at March 31, 2022
Human Resource Costs		
- Employee Benefits Expense	5,05,433	77,41,904
- Employee welfare expenses	-	6,53,311
- Fellowship Reimbursement	-	56,400
Accounts written off	2,06,087	-
Bank Charges	83,314	1,11,560
Internet and communication	1,78,092	71,793
Office expenses	14,16,389	1,10,604
Other expenses	1,06,916	3,91,750
Professional and consultancy charges	10,05,878	35,44,420
Rent	10,00,000	1,29,120
Technology and subscription charges	-	2,75,836
Travelling expenses	6,05,788	-
Training and Recruitment Expenses	10,49,800	17,95,778
Rates & taxes	5,965	-
	61,63,663	1,48,82,476

16 Details of related parties:

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

Details of related party transactions for the period ended March 31, 2022:

Transactions	As at March 31, 2023	As at March 31, 2022
Salaries & allowances during the year:		
Jithin C Nedumala	30,65,900	27,50,000
M.D. Arathi	27,787	15,24,000
Balance outstanding as at end of the period:		
Jithin C Nedumala	2,60,700	81,999
M.D. Arathi	-	1,58,032

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 March 31, 2023	As at March 31, 2022
Current service cost	5,06,791	6,89,592
Interest cost on benefit obligation	2,00,978	1,06,261
Expected return on plan assets	-	-
Actuarial losses (gains) arising from change in financial assumptions	-	-
Actuarial losses (gains) arising from experience adjustments	(17,93,104)	5,97,033
Total included in employee benefit expense	(10,85,335)	13,92,886

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

	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	18,70,217	29,55,552
Fair value of plan assets	-	-
Net (assets) / liability recognised in the Balance Sheet	18,70,217	29,55,552

c. Change in Defined benefit obligation during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year		
Current service cost	5,06,791	6,89,592
Interest cost	2,00,978	1,06,261
Benefits paid	-	-
Actuarial losses (gains) arising from change in financial assumptions	-	-
Actuarial losses (gains) arising from experience adjustments	(17,93,104)	5,97,033
Present value of obligation as at the end of the year	(10,85,335)	13,92,886

d. Principal Actuarial assumption at the balance sheet date

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.52%	6.80%
Increase in compensation cost	7.00%	7.00%
Attrition Rate	5.00%	5.00%
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

Make A Difference - Cochin

Raphael Sharon

Partner

M.No: 233286

Abid Millath

President

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Treasurer

Place: Ernakulam

Date : September 15, 2023