



## Independent Auditor's Report

To the Members of United Artists' Association, Ganjam-761026

### Report on the Financial Statements

We have audited the accompanying financial statements of United Artists' Association, a public charitable society registered under Societies Registration Act, 1860, ("the Society"), which comprise the Balance Sheet as at March 31, 2016, the statement of Income and Expenditure and the statement of Receipts and Payments for the year then ended, and a summary of 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 that give a true and fair view of the financial position, financial performance and cash flows of the Society in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable to a Not-for-Profit Organisation. 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. 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, *subject to that the value of assets and liabilities shown in the balance sheet may not be realistic considering the fact that (i) Fixed Assets Register is not maintained properly to arrive at correct depreciation and written down value, (ii) periodic physical verification of fixed assets have not been carried out by the management to arrive at discrepancies, if any, vis-à-vis the fact that many of them may have surpassed their useful life but not retired, and (iii) realisability of some of the current assets may be doubtful;* the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2016;
- (b) in the case of the Statement of Income and Expenditure, of the excess of income over expenditure of the Society for the year ended on that date.
- (c) in the case of the Statement of Receipts and Payments, of the receipts and payments of the Society for the year ended on that date.

Bhubaneswar  
27th September, 2016



For A. K. Sabat & Co.  
Chartered Accountants  
Firm's Registration Number: 321012E

*P. K. Mahapatra*

Pradipta Kishore Mahapatra  
Partner  
Membership Number: 052993



United Artists' Association Ganjam - 761026, Odisha

Statement of Receipts and Payments for the year ended 31st March, 2016

	Note		Rupees
<b>Receipts</b>			
<i>Opening Balance:</i>			
Cash in hand		4,64,950.45	
Demand Draft in Hand		90,000.00	
Cash at Schedule Banks	3		
In Savings Account		48,14,989.90	
In Term Deposit		20,25,852.00	
		68,40,841.90	73,95,792.35
<i>Grant from:</i>	4		
Indian Source		6,38,566.00	
Foreign Source		36,65,368.00	
		43,03,934.00	
<i>Interest and Contributions deemed as Grant :</i>			
Interest relating to:			
Foreign Source		9,000.00	
<i>Organisation's Contribution:</i>			
Indian Source		1,042.00	
Foreign Source		155.00	
		10,197.00	43,14,131.00
<i>Interest from Bank and Investments:</i>			
Indian Source		4,07,737.27	
Foreign Source		96,167.00	
		5,03,904.27	
<i>Other General Fund Receipts:</i>			
Indian Source			
Membership Fees		1,400.00	
IGP and Fee on use of Organisation's Assets		69,660.00	
Interest on IT Refund		357.00	
LIC Commission		15,807.00	
Foreign Source		87,224.00	
Reimbursement of Expenses		2,70,049.00	
		3,57,273.00	
<i>Sundry Creditors and other payables:</i>			
Audit fee		91,000.00	
Other payables relating to:			
Foreign Source		40,889.00	
Indian Source		1,16,592.00	
		1,57,481.00	2,48,481.00
<i>Receivables:</i>			
Tax Deducted at Source Receivable		3,463.00	
Advance to Staff		7,153.00	
		10,616.00	
		1,28,30,197.62	

Continued ...





United Artists' Association Ganjam - 761026, Odisha

Statement of Receipts and Payments for the year ended 31 March, 2016 ... Continued

	Note		Rupees
<b>Payments</b>			
<i>Utilisation of Grants of:</i>	4		
Indian Source		7,20,916.00	
Foreign Source		<u>56,70,657.00</u>	63,91,573.00
<i>Other Foreign Source Expenses:</i>			
Other programme and incidental expenses			
Reimbursable Expenses			2,71,581.00
Administrative Expenses			
Bank Charges		175.00	
Audit fee		<u>14,500.00</u>	14,675.00
<i>Other General Fund Expenses:</i>	5		
Socio-cultural and Development Expenses		1,22,368.00	
Administrative Expenses		<u>2,91,944.00</u>	4,14,312.00
Organisation's Contribution for Programme Implementation		<u>1,197.00</u>	
		4,15,509.00	
LIC Commission Payment		<u>17,082.00</u>	4,32,591.00
<i>Sundry Creditors and other Payables:</i>			
Audit Fee payable		83,947.00	
Income Tax Deducted at Source		3,000.00	
Revolving Fund Support		2,25,000.00	
<i>Other payables relating to:</i>			
Foreign Source		47,190.00	
Indian Source		<u>81,460.00</u>	1,28,650.00
			4,40,597.00
<i>Receivable:</i>			
Advance to Staff		35,588.00	
Tax Deducted at Source		<u>32,554.18</u>	68,142.18
<i>Closing Balance:</i>			
Cash in hand		3,78,127.17	
Demand Draft in Hand		90,000.00	
Cash at Schedule Banks	3		
In Savings account		27,17,059.27	
In Term Deposit		<u>20,25,852.00</u>	47,42,911.27
			<u>52,11,038.44</u>
			<u>1,28,30,197.62</u>

The accompanying Notes 1 to 7 are an integral part of the Financial Statements.

In terms of our report of even date

For A. K. Sabat & Co.

Chartered Accountants

*P. K. Mahapatra*

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016



For United Artists' Association

*Mangaraj Panda*

Mangaraj Panda  
Secretary





United Artists' Association Ganjam - 761026, Odisha

Statement of Income and Expenditure for the year ended 31st March, 2016

	Note		Rupees
<b>Income</b>			
Restricted Grants utilised during the year recognised as income and transferred to Donors' Accounts			
Indian Source		7,20,916.00	
Foreign Source		56,70,657.00	63,91,573.00
Interest from Bank and Investments			
Indian Source		4,07,737.27	
Foreign Source		96,167.00	5,03,904.27
Other General Fund Income			
Indian Source			
Donation		-	
Membership Fees		1,400.00	
IGP and Fee on use of Organisation's Assets		69,660.00	
Others		16,164.00	87,224.00
Foreign Source			
Reimbursement of Expenses			2,70,049.00
			<u>72,52,750.27</u>
<b>Expenditure</b>			
Relating to Specific Programme of:	4		
Indian Source		7,20,916.00	
Foreign Source		56,70,657.00	63,91,573.00
Other Foreign Source Expenses:			
Administrative Expenses		14,675.00	
Other programme and Incidental expenses		2,71,581.00	
Depreciation on Foreign Contribution Assets		9,412.00	2,95,668.00
Other General Fund Expenses:	5		
Socio-cultural and Development Expenses		1,22,368.00	
Organisation's Contribution for Programme Implementation		1,197.00	
LIC Commission Payment		17,082.00	
Administrative Expenses		2,91,944.00	
Depreciation	2	26,452.00	4,59,043.00
Excess of Non-Foreign Contribution income over expenditure			35,918.27
Excess of Foreign Contribution income over expenditure			70,548.00
			<u>72,52,750.27</u>

The accompanying Notes 1 to 7 are an integral part of the Financial Statements.

In terms of our report of even date

For A. K. Sabat & Co.

Chartered Accountants

*P.K. Mahapatra*

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016

For United Artists' Association

*Mangaraj Panda*

Mangaraj Panda  
Secretary





United Artists' Association Ganjam - 761026, Odisha

Balance Sheet as at 31st March, 2016

	Note		Rupees
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Capital Fund			
As per last balance sheet			33,90,391.34
Foreign Contribution General Fund			
As per last balance sheet		4,55,354.29	
Add: Excess of income over expenditure of the year		<u>70,548.00</u>	5,25,902.29
Non-Foreign Contribution General Fund			
As per last balance sheet		18,08,962.59	
Add: Excess of income over expenditure of the year		<u>35,918.27</u>	18,44,880.86
Corpus Fund			2,07,000.00
Other Funds (Contra Investments)	1		1,50,450.00
Revolving Fund			4,13,224.00
<b>Non-Current Liabilities</b>			
Unspent Old Balances on account of Specific Programmes:			
Indian Sources		6,08,671.60	
Foreign Sources		<u>2,75,477.55</u>	8,84,149.15
<b>Current Liabilities</b>			
Grants to be spent relating to current specific programmes of	4		
Foreign Sources		44,730.50	
Indian Sources		<u>4,59,241.00</u>	5,03,971.50
Partner Organisations			1,981.00
Audit fee payable			1,03,953.00
Security Deposit - Staffs			1,19,571.00
Other payables relating to:			
Foreign Sources		1,83,159.50	
Indian Sources		<u>9,65,810.00</u>	11,48,969.50
Advance Rent			<u>2,000.00</u>
			<u>18,80,446.00</u>
			<u>92,96,443.64</u>

Continued ...





United Artists' Association Ganjam - 761026, Odisha

Balance Sheet as at 31 March, 2016 ... Continued

	Note		<u>Rupees</u>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed Assets	2		17,99,022.65
Investments (Contra Other Funds - in Fixed/ Savings Deposit with Scheduled Banks)	1		1,50,450.00
Other old receivables on account of specific programmes			
Indian Sources		10,43,389.50	
Foreign Sources		2,77,983.00	
Membership Deposit with AIMCS		100.00	
Advance and Deposits		5,992.00	
Tax Deducted at Source		<u>1,42,030.05</u>	14,69,494.55
<b>Current Assets</b>			
Cash in hand		3,78,127.17	
Demand Draft in Hand		90,000.00	
Cash at Schedule Banks	3		
In savings account		27,17,059.27	
In Term Deposit		<u>20,25,852.00</u>	52,11,038.44
Grants receivable relating to current specific programmes of Foreign Source	4		2,49,000.00
Advances To Staff		<u>4,17,438.00</u>	<u>58,77,476.44</u>
			<u>92,96,443.64</u>

The accompanying Notes 1 to 7 are an integral part of the Financial Statements.

In terms of our report of even date

For A. K. Sabat & Co.

Chartered Accountants

*P.K. Mahapatra*

Pradipta Kishore Mahapatra

Partner

Bhubaneswar, 27th September, 2016

For United Artists' Association

*Mangaraj Panda*  
Mangaraj Panda  
Secretary





United Artists' Association Ganjam - 761026, Odisha

Notes to the Financial Statements for the year ended 31 March, 2016

		Rupees
	As on 31.03.2016	As on 31.03.2015
1. Investments of Other Funds (in Fixed Deposit with Scheduled Banks)		
Environment Fund	6,446.00	6,446.00
Manjula Adhikari Memorial Fund	10,000.00	10,000.00
Dhaneswar Sahu Memorial Fund	10,000.00	10,000.00
Social Workers Children's Education Fund	12,000.00	12,000.00
Social Workers Family Welfare Fund	15,500.00	15,500.00
Social Workers Pension Fund	10,000.00	10,000.00
Social Workers Insurance Fund	15,500.00	15,500.00
Social Workers Welfare Fund	13,795.00	13,795.00
Social Workers Girl Children's Welfare Fund	41,754.00	41,754.00
Sanitary Mart Fund	15,455.00	15,455.00
	<u>1,50,450.00</u>	<u>1,50,450.00</u>

2. Fixed Assets

Particulars	GROSS BLOCK			Rate %	DEPRECIATION			NET BLOCK	
	As on 01.04.2015	Addition (Deletion)	As on 31.03.2016		Up to 31.03.2015	For the year	Total upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
Freehold Land	4,17,653.00	-	4,17,653.00					4,17,653.00	4,17,653.00
Building	15,34,468.39	-	15,34,468.39	5	15,34,468.39	-	15,34,468.39	-	-
Cow Shed	2,19,113.00	-	2,19,113.00	5	51,097.00	10,956.00	62,053.00	1,57,060.00	1,68,016.00
Furniture	4,11,314.36	-	4,11,314.36	10	4,11,314.36	-	4,11,314.36	-	-
Furniture (FC)	9,000.00	-	9,000.00	10	4,500.00	900.00	5,400.00	3,600.00	4,500.00
Book Self	37,200.00	-	37,200.00	10	18,600.00	3,720.00	22,320.00	14,880.00	18,600.00
Equipment (Old)	5,53,179.80	-	5,53,179.80	15	5,53,179.80	-	5,53,179.80	-	-
Equipment	70,170.00	-	70,170.00	15	70,170.00	-	70,170.00	-	-
Digital Camera (FC)	12,950.00	-	12,950.00	15	9,715.00	1,943.00	11,658.00	1,292.00	3,235.00
Books and Library (Old)	33,724.35	-	33,724.35	15	33,724.35	-	33,724.35	-	-
Books and Library	3,780.00	-	3,780.00	15	2,835.00	567.00	3,402.00	378.00	945.00
Computer (FC)	90,600.00	-	90,600.00	16.21	90,600.00	-	90,600.00	-	-
Computer (GF)	1,69,922.00	-	1,69,922.00	16.21	1,69,922.00	-	1,69,922.00	-	-
Computer (GF)	23,500.00	-	23,500.00	16.21	7,618.00	3,809.00	11,427.00	12,073.00	15,882.00
Computer (GF)	27,900.00	-	27,900.00	16.21	4,523.00	4,523.00	9,046.00	18,854.00	23,377.00
Computer & Accessories (FC)	40,525.00	-	40,525.00	16.21	32,845.00	6,569.00	39,414.00	1,111.00	7,680.00
Vehicles (Old)	2,11,787.38	-	2,11,787.38	20	2,11,787.38	-	2,11,787.38	-	-
Vehicles	1,15,841.00	-	1,15,841.00	20	1,15,841.00	-	1,15,841.00	-	-
Air Conditioner	19,178.00	-	19,178.00	15	14,385.00	2,877.00	17,262.00	1,916.00	4,793.00
Other Assets	1,29,625.79	-	1,29,625.79	15	1,29,625.79	-	1,29,625.79	-	-
Capital WIP	11,70,205.65	-	11,70,205.65		-	-	-	11,70,205.65	11,70,205.65
<b>Rupees</b>	<u>53,01,637.72</u>	<u>-</u>	<u>53,01,637.72</u>		<u>34,66,751.07</u>	<u>35,864.00</u>	<u>35,02,615.07</u>	<u>17,99,022.65</u>	<u>18,34,886.65</u>

3. Cash at Scheduled Banks

In Savings Bank Account:

	As on 31.03.2016	As on 31.03.2015
SBI - 11408532205 Ganjam (FC)	4,91,934.12	25,76,876.84
Andhra Bank - 15795 Courtpetta, Brahmapur	64,292.40	1,29,110.40
Andhra Bank - 15796 Courtpetta, Brahmapur	3,76,045.20	2,51,739.20
Andhra Bank - 4517 Courtpetta, Brahmapur	2,531.50	33,607.50
Andhra Bank - 6703 Chatrapur	568.00	568.00
Axis Bank - 212010100012999 Brahmapur	1,69,129.00	1,62,511.00
ING Vysya Bank - 531010005592 Brahmapur	68,099.23	53,129.59
Rusikulya Gramya Bank - 2397 Humma	43,966.00	22,417.00
Rusikulya Gramya Bank - 809310100003192 Ganjam	22,520.00	7,935.00
SBI - 10603380448 Chatrapur	1,047.69	1,006.69
SBI - 11408532170 Ganjam	10,02,463.05	9,38,109.05
SBI - 11408532181 Ganjam	61,378.46	58,994.46
SBI - 11408532192 Ganjam	1,59,374.23	2,44,369.23
SBI - 11408569789 Ganjam	3,293.72	3,165.72
SBI - 30345405468 - SCH	6,692.00	6,432.00
Syndicate Bank - 80352200009866 Brahmapur	47,046.67	1,36,161.22
SBI - 30336662777 Ganjam SDDT-SRI Project	1,96,678.00	1,88,857.00
	<u>27,17,059.27</u>	<u>48,14,989.90</u>
	<u>20,25,852.00</u>	<u>20,25,852.00</u>
	<u>47,42,911.27</u>	<u>68,40,841.90</u>

In Fixed Deposit



Continued ...



United Artists' Association Ganjam - 761026, Odisha

Notes to the Financial Statements for the year ended 31 March, 2016 ... Continued

4. Statement of Programme Grants, Donations and its Utilisation

Sponsoring Agency	Nature of Programme	Opening Balance		Received From		Utilised	Closing Balance	
		To Receive	To Spend	Funder's	Others		To Receive	To Spend
INDIAN								
GOVT. OF ODISHA								
District Water Sanitary Mission, Puri	Sanitation Intervention in Puri District		4,10,594.00	4,08,000.00		3,59,353.00		4,59,241.00
(A)		Nil	4,10,594.00	4,08,000.00	Nil	3,59,353.00	Nil	4,59,241.00
OTHER INDIAN								
UNICEF - GPRC			1,29,955.00	-	-	1,29,955.00		
CHILD IN NEED INSTITUTE	Study to find out the challenges of infant and young child feeding practices in Ganjam District"			2,07,240.00	1,042.00	2,08,282.00		
	Recipe Creation Exercise			23,326.00		23,326.00		
(B)		Nil	1,29,955.00	2,30,566.00	1,042.00	3,61,563.00	Nil	Nil
FOREIGN								
OXFAM (India) Trust	Increasing Income for Fish Workers In Orissa, India-13-14		17,72,865.50			17,65,769.00		7,096.50
	Increasing Income for Fish Workers In Orissa, India-1 October 2015 to 31 March 2016			8,00,000.00	4,155.00	10,53,155.00	2,49,000.00	
WaterAid, UK	Children are Agents of Change (6EE00)		18,999.00			18,999.00		
	Children are Agents of Change (6EOD0)			9,73,999.00		9,73,999.00		
	Promoting a healthy & enabling environment for Children in Puri (6EOD0)			18,91,369.00	5000.00	1858735.00		37,634.00
(C)		Nil	17,91,864.50	36,65,368.00	9,155.00	56,70,657.00	2,49,000.00	44,730.50
(A+B+C)		Nil	23,32,413.50	43,03,934.00	10,197.00	63,91,573.00	2,49,000.00	5,03,971.50

Continued ...





United Artists' Association Ganjam - 761026, Odisha

Notes to the Financial Statements for the year ended 31 March, 2016 ... Continued

Rupees

5. General Fund Expenses

Socio-cultural and Development Expenses:

Annual General Body Meeting	40,405.00
Beach Cleaning	14,851.00
Capacity Building Training	1,000.00
Climate Change Expenses	1,880.00
Farmers Awareness Meeting	5,000.00
Network Members & Partners Annual Consultation	13,642.00
Republic Day Celebration	330.00
	<u>77,108.00</u>

Community Support and Development Expenses:

Temporary Toilet for Car Festival'2015	45,260.00	1,22,368.00
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Administrative Expenses :

Salary

Accountant	32,000.00
Care Taker	16,000.00
Field Assistant	17,000.00
Librarian	3,600.00
Project Director	<u>75,000.00</u>
	1,43,600.00

AC Repairing Charges	1,300.00
Bank Charge	476.00
Electricity Charges	1,791.00
Guest Entertainment	13,536.00
Legal aid Cost at GGHS	1,000.00
NAC Tax	3,159.00
News Paper & Magazine Charges	11,228.00
Office Maintenance	11,002.00
OMRCC Account Opening	1,000.00
OMRCC Advertisement	3,000.00
OMRCC Care Taker	25,500.00
OMRCC Programme Expenses	14,423.00
OMRCC Travelling Charges	4,871.00
OMRCC - Bike Repairing	1,290.00
Renovation of UAA Office	10,480.00
Social Welfare	1,670.00
Support to Social Worker	507.00
TDS 16A Charges	1,400.00
TDS Consultancy Charge	5,000.00
TDS Quarterly Return	500.00
TDS Revised Return	1,408.00
Telephone & Communication	9,281.00
Transportation Charges	910.00
Travelling Expenses	6,362.00
Vehicle Insurance	950.00
White Washing	2,700.00
Wood Cutting Charges	2,100.00
Audit Fee	<u>11,500.00</u>

2,91,944.00

4,14,312.00

Continued ...





## 6. Additional Notes

1. Contingent Liability: Claims against the Society not acknowledged as debts – Nil.
2. Provision for Taxation: The Society being an institution for charitable purpose under the provisions of the Income-tax Act, 1961 and accordingly having registered itself under Section 12A of the said Act and having complied with the provision of sec. 11 to 13 of it, its income is exempt under Section 11 of the Act and hence no provision for Income-tax is necessary.
3. During the year under consideration the amount mentioned below have been paid to the person referred to in section 13(3) that is reasonable considering the service rendered, his qualification, experience and responsibilities undertaken; is not in excess of what may be reasonably paid for such service at arms length price; and do not result in any undeserved benefit to the said person and is only against adequate services rendered to the society. Accordingly this payment do not attract the provision of section 13(1)(c), read with 13(2), of the Income Tax Act, 1961.

<u>Name of Person</u>	<u>Position of Person</u>	<u>Nature of Transaction</u>	<u>Rupees</u>
Mangaraj Panda	Secretary	Salary	1,65,634

4. For brevity, detailed break-up of 'Receipts and Payments' and 'Income and Expenditure' relating to various programmes are not made part of these consolidated final statements. However individual statement of receipts and payments, statement of income and expenditure, balance sheets, narrative reports and utilisation certificates pertaining to various Programme Funds prepared, authenticated and certified by the auditors from time to time are furnished to the Donors as per contractual agreement.
5. Deemed Grant / Donation / Contribution include Rs.1,197 being inter-unit transfers within the organisation.
6. For programme expenses incurred in rural areas, it is not always possible to obtain proper bills and supporting. However keeping in view the nature of expenses, the Management considers them to be bonafide and genuine and have been booked to appropriate head of account.
7. Foreign sources include Donor Agencies from abroad as well as those having offices/ establishments in India and foreign nationals.
8. Donor Agencies do not always communicate / confirm / identify the details of contributions made by them as regards its nature, source etc. In the circumstance we have relied on all possible communication with the donor, verbal or otherwise in treating them as Foreign or Indian.
9. Govt. of India / Govt. of Orissa include Statutory Bodies/ Agencies of the respective Governments. Foreign sources include Donor Agencies from abroad as well as those having offices / establishments in India; and foreign nationals.
10. The buildings for "Staff Living Houses", "Community Centre" and "Training Centre cum Hostel" at Nolianuagaon are on government land and the title of the said land is yet to be transferred in favour of the organisation. The transfer of the land is under correspondence with the Govt. of Orissa.
11. Balance confirmation certificate of all the bank accounts could not be obtained.
12. There are a number of old and inoperative bank accounts the details of transactions therein, if any, are not available and the effect thereof, is not ascertainable. The management is in touch with the respective branches of the banks to close them.
13. The "Statement of Receipts and Payments" though titled as so, it is not limited to receipts and payments of cash only but a "Statement of Cash Flow", showing net amount of cash and cash equivalents as well.
14. Previous year's figures have been rearranged to conform with the revised presentation.

## 7. Significant Accounting Policies

### 1. Basis of Accounting

The Financial Statements are prepared under the historical cost convention on accrual basis.

### 2. Fixed Assets and Depreciation

- a. Assets acquired out of Restricted Grants for Project purposes are charged off as Expenditure / Utilization of the Grant – as per Donor/s Agreements.
- b. In order to reflect that these Assets are held in trust for and on behalf the Donor/s Agencies for the Project purposes – are reflected in the Balance Sheet, as "Contra", at their cost of Acquisition.
- c. Assets received in kind are recognized as Income at their values as declared by the Donor/s if not at their market value.
- d. Correspondingly, they are charged off as Expenditure / Utilization of the Grant – as per the Donor/s Agreements.
- e. Sale proceeds of Assets acquired out of Restricted Grants (in cash or in kind) are accounted in the year of realization, as Receipt. Such revenue is utilized as per specific Covenants of Donor/s Agreements.



Continued ...



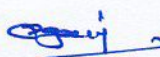
- f. Correspondingly, the "Contra" items of such Assets and the respective reserves there against, disclosed in the Balance Sheet are reduced to the extent of their cost of acquisition.
  - g. Assets acquired out of unrestricted resources/ internal accruals are capitalized at cost of acquisition.
  - h. Value of capital work in progress out of such Project Funds are shown as utilisation of funds and are capitalised only after completion of the construction if so allowed by the donor.
  - i. Depreciation is provided in the books of accounts on straight line method.
3. Investments  
Investments are valued at cost.
  4. Stock Valuation  
All materials purchased are treated as utilisation of fund.
  5. Revenue Recognition
    - a. In consonance with the Covenants (Grant Agreements with the Donors), the Grants are recognized as Income to the extent they are utilized in the respective year/s.
    - b. The balance of unutilized Grants - which in terms of the Grant Agreements, are specifically restricted / agreed to belong to the Donor/s are carried forward in the respective Donor/s accounts as Donor/s Funds to be utilized in the subsequent years.
    - c. The income earned on funds, assets relating to the Donor/s or in course of executing its programme; are treated as part of the Grant/s, in terms of the Donor/s Agreements.
    - d. Revenue from fixed price contracts is recognised on percentage completion basis.
  6. Foreign Exchange Transaction  
Foreign Currency transactions, if any, are accounted at the exchange rate prevailing on the date of transaction.
  7. Prior Period and Extraordinary Items  
Identifiable and material items of income and expenses pertaining to prior period and / or extraordinary items are disclosed separately.
  8. Provision, Contingent Liabilities and Contingent Asset  
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

In terms of our report of even date  
For A. K. Sabat & Co.  
Chartered Accountants

P. K. Mahapatra -

Pradipta Kishore Mahapatra  
Partner  
Bhubaneswar, 27th September, 2016

For United Artists' Association

  
Mangaraj Panda  
Secretary

