



P. SIVARAMAKRISHNA & CO.,
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of Governing Body of
Social Action for Child Rehabilitation Emancipation and Development
Lakshmi Nagar,
Ananthapuramu

I. Opinion

We have audited the attached Financial Statements (of FCRA Transactions only) of Social Action for Child Rehabilitation Emancipation and Development, Lakshmi Nagar, Ananthapuramu, Ananthapuramu (Dt), which comprise the Balance Sheet as at 31st March, 2022 and also the statement of Income and Expenditure Account and Receipts and Payments Account for the year ended on that date and notes to the financial statements, including the summary of significant Accounting Policies, in order to certify the transactions and balances of foreign contributions received by the society, maintenance of records relating to foreign contributions and utilization and necessary approval in accordance with Foreign Contribution (Regulation) Act, 2010 ('the Act') read with Foreign Contribution (Regulation) Rules, 2011 ('the Rules') and to certify the annual return in Form FC-4 as per Rule 17 of the rules.

In our opinion, the accompanying financial Statements (of FCRA Related Transactions) give a true and fair view of the Financial position of the society as at 31st March, 2022 and of its excess of Income over Expenditure for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountant's of India (ICAI).



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II. Basis for Opinion :

We had conducted the audit in accordance with auditing 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 Code of Ethics issued by ICAI that are relevant to our audit and we have fulfilled our other esthetical 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.

III. Responsibilities of Management and Those Charged with Governance for the Financial Statements :

Management of the Society is responsible for preparation of these financial statements and Form FC-4 (the Form'''). This responsibility also includes design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the Form, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances and are free from material misstatement, where due to fraud or error.

The Management of the Society is also responsible for compliances of the provisions of the Foreign Contributions (Regulations) Act, 2010 and rules, notifications/orders issued there under from time to time.

IV. Auditor's Responsibilities :

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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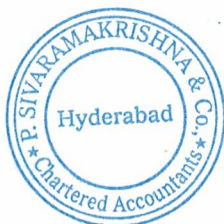
Our audit of these financial statements was conducted in accordance with the standards on Auditing and other applicable authoritative pronouncements and the Guidance Note on Reports or certificates for special purposes, issued by the Institute of Chartered Accountants of India ('ICAI'). Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement issued by ICAI.

We have examined the books of accounts and other relevant records and documents maintained by the Society as a part of our audit as at for the year ended March, 31st, 2022 for the purpose of providing reasonable assurance on the particulars mentioned in the certificate in the annual return in Form FC-4 as per Rule 17 of the Rules.

V. Restrictions on Use of Certificate in the Annual return in Form FC-4

The certificate is issued solely in the context of the Society's obligation to submit Form FC-4 as per Rule 17 of the Rules to the Ministry of Home Affairs, New Delhi.



Place : Hyderabad
Date : 29-12-2022

For and on behalf of
P.Sivaramakrishna & Co
Chartered Accountants,
Firm Registration No.006970S

(P.SIVARAMAKRISHNA)

Proprietor

(Membership No.026224)

UDIN 22026224BGJSSL5881

Social Action for Child Rehabilitation Emancipation & Development [SACRED]

D.No.6-1-194 - Laxmi Nagar, Anantapur

[Foreign Contributions Regulation Act]

RECEIPTS & PAYMENTS Account for the year ending 31st March 2022

(in Indian Rupees)

Receipts	Schedule	Fin.Year 2021-22	Fin.Year 2020-21		Payments	Schedule	Fin.Year 2021-22	Fin.Year 2020-21
To Cash in hand	1	14041.14	11131.48	By	Programs Expenditure	5	13736868.48	12992168.81
To Cash at Banks	1	302524.73	1537309.58	By	Provident Fund	4	277776.00	194532.00
To Grants and Donations Received	2	14093674.54	13920044	By	Gratuity Liability paid to Employees	-	0.00	24300.00
To Farm & Other Income	2	0.00	8000.00	By	Profession tax	-	2200.00	3000.00
To Interest Receipts	3	225216.45	448299.40	By	Contribution to Sacred	-	60000.00	0.00
To Sale of Assets	8	25200.00	0.00	By	Fixed assets	15	280359.00	1190899.00
To Income tax Refund	-	11621.50	27789.60	By	Loand and Advances	13	2852049.00	2754675.10
To Fixed Deposits	14	0.00	1512908.00	By	TDS on Audit Fee	-	8000.00	6000.00
To Loans and Advances	13	2852049.00	2804675.10	By	TDS Written off	-	2.50	0.00
To Provident Fund	4	277776.00	194532.00	By	TDS on Interest on Fixed Deposits	6	11580.00	21529.00
To TDS on Audit fee	-	8000.00	6000.00	By	Fixed & Other Deposits	14	304308.00	2306635.00
To Staff Gratuity	12	201803.00	203600.00	By	Nut Leaves	-	60000.00	86800.00
To Profession tax	-	2400.00	2400.00	By	Cash in Hand	1	14042.14	14082.67
To Instra program Receivables	-	18305.55	0.00	By	Cash at Banks	1	513526.15	1082067.58
To Nut Leaves	-	86800.00	0.00					
To Cash at Bank	1	1299.36	0.00					
Total		18120711.27	20676689.16		Total		18120711.27	20676689.16

Notes on Accounts and Significant accounting Policies - Annexure 16

As per our audit report of even date

for **P.Sivaramakrishna & Co.,**

Chartered Accountants

Place : Hyderabad

for **Social Action for Child Rehabilitation
Emancipation & Development**

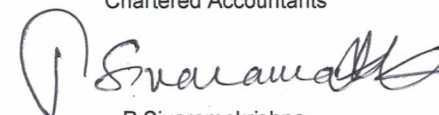
Date : 29-12-2022



C.C.Thippanna

President/Program Director

For Social Action for Child Rehabilitation
Emancipation and Development



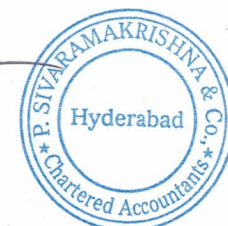
P.Sivaramakrishna

Proprietor

Membership.No.026224

Firm.Reg.No. 06970S

UDIN 22026224BGJSSL5881



Social Action for Child Rehabilitation Emancipation & Development [SACRED]

D.No.6-1-194 - Laxmi Nagar, Anantapur

[Foreign Contributions Regulation Act]

Income & Expenditure Account for the year ended 31st March 2022

(In Indian Rupees)

Expenditure	Schedule	Fin.Year 2021-22	Fin.Year 2020-21		Income	Schedule	Fin.Year 2021-22	Fin.Year 2020-21
To Programme Expenditure	5	13796868.48	12992168.81		By Grants and Donations Received	2	14093674.54	13920044.00
To TDS Written off	-	2.50	0.00		By Farm & Other Income	-	0.00	8000.00
To Loss on Sale of Assets	8	38935.00	0.00		By Interest Receipts	3	225216.45	448299.40
To Depreciation	15	461654.06	455105.93					
To Excess of Income over Expenditure	7	21430.95	929068.66					
Total		14318890.99	14376343.40		Total		14318890.99	14376343.40

Notes on Accounts and Significant accounting Policies - Annexure 16

Place : Hyderabad

Date : 29-12-2022

for Social Action for Child Rehabilitation
Emancipation & Development

C.C.Thippanna
President

For Social Action for Child Rehabilitation
Emancipation and Development

As per our audit report of even date
for P.Sivaramakrishna & Co.,

Chartered Accountants

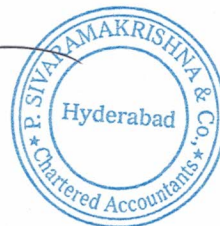
P.Sivaramakrishna

Proprietor

Membership.No.026224

Firm.Reg.No. 06970S

UDIN 22026224BGJSSL5881



Social Action for Child Rehabilitation Emancipation & Development [SACRED]

D.No.6-1-194 - Laxmi Nagar, Anantapur

[Foreign Contributions Regulation Act]

Balance Sheet as at 31st March 2022

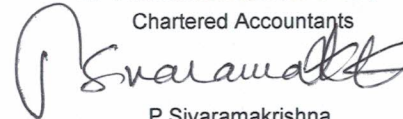
Liabilities	Schedule	Fin.Year 2021-22	Fin.Year 2020-21		Assets	Schedule	Fin.Year 2021-22	Fin.Year 2020-21
Capital Fund	9	6491370.52	7291324.57		Fixed Assets	15	6491370.51	7291324.57
General Fund	10	571423.38	5305216.36		Fixed & Other Deposits	14	2669566.17	6463542.78
Unspent Specific Grants	10	0.00	12918.00		Loans & Advances	13	0.00	200075.00
Corpus Fund	11	1039656.17	1000987.17		Tax Deducted at Source	6	20022.00	49945.50
Current Liabilities	12	1628910.00	1577392.00		Nut Leaves	-	60000.00	86800.00
Other Payables	12	200.00	17362.00		Insta Program Receivables	-	10358.60	10358.00
Insta Program Payables	-	46026.15	10358.00		Other Receivables	12	0.00	17362.00
Cash at Bank	1	1299.36	0.00		Cash in hand	1	14042.14	14082.67
					Cash at Banks	1	513526.15	1082067.58
Total		9778885.58	15215558.10		Total		9778885.57	15215558.10

Notes on Accounts and Significant accounting Policies - Annexure 16

As per our audit report of even date

for **P.Sivaramakrishna & Co.,**

Chartered Accountants



P.Sivaramakrishna

Proprietor

Membership.No.026224

Firm.Reg.No. 06970S

UDIN 22026224BGJSSL5881



Place : Hyderabad

Date : 29-12-2022

for **Social Action for Child Rehabilitation
Emancipation & Development**



C.C.Thippanna

President

For Social Action for Child Rehabilitation
Emancipation and Development

Social action for Child Rehabilitation Emancipation and Development (SACRED) ,Ananthapuramu

SCHEDULE - I (OPENING & CLOSING BALANCES)

FINANCIAL YEAR : 2021-2022

Cash In Hand:


PROGRAMME/ Major Donor	ON 01.04.2021 CASH IN HAND	ON 31.03.2022 CASH IN HAND
Action For Disability	12,607.38	12,607.38
Carers Worldwide	55.00	56.00
Fundation Vincent Ferrer	28.76	28.76
Prevent Poverty Foundation	55.00	55.00
General Fund-FCRA	1,295.00	1,295.00
TOTAL Rs..	14,041.14	14,042.14

Cash at Banks:

Program/ Major Donor	Bank A/c .No	Action for Dissability	General Fund-FCRA	Carers Worldwide	Rural Development	Fundation Vincent Ferrer	Prevent Poverty Foundation	ON 31.03.2021 Bank Balance
Name of the Bank								
Canara bank	21590	70762.45	81479.00	957.22	0.00	21116.00	5034.00	179348.67
Canara bank	05584	312.00	0.00	10312.46	0.00	0.00	0.00	10624.46
Canara bank	51458	0.00	0.00	0.00	0.00	10478.10	0.00	10478.10
Canara bank	08656	0.00	0.00	0.00	0.00	0.00	91921.00	91921.00
Andhra Pragathi Grameena Bank	65282	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bank of India, Anantapur	51218	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Andhra Pragathi Grameena Bank	37772	0.00	0.00	0.00	0.00	10152.50	0.00	10152.50
State Bank of India, New Delhi	40102365583	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL Rs.		71074.45	81479.00	11269.68	0.00	41746.60	96955.00	302524.73

Cash at Banks:

Program/ Major Donor	Bank A/c .No	Action for Dissability	General Fund-FCRA	Carers Worldwide	Rural Development	Fundation Vincent Ferrer	Prevent Poverty Foundation	ON 31.03.2022 Bank Balance
Name of the Bank								
Canara bank	21590	54529.40	91741.25	731.22	6013.70	78149.40	8122.10	239287.07
Canara bank	05584	312.00	0.00	16512.46	0.00	0.00	0.00	16824.46
Canara bank	51458	0.00	0.00	0.00	0.00	160356.24	0.00	160356.24
Andhra Pragathi Grameena Bank	65282	0.00	0.00	0.00	0.00	0.00	0.00	0.00
State Bank of India	51218	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Andhra Pragathi Grameena Bank	37772	0.00	0.00	0.00	0.00	46699.50	0.00	46699.50
Canara bank	08656	0.00	0.00	0.00	0.00	0.00	33335.00	33335.00
State Bank of India, New Delhi	40102365583	15262.50	0.00	356.84	0.00	-1299.36	1404.54	15724.52
TOTAL Rs.		70103.90	91741.25	17600.52	6013.70	283905.78	42861.64	512226.79


 For Social Action for Child Rehabilitation
 Emancipation and Development

Social action for Child Rehabilitation Emancipation and Development (SACRED)
,Ananthapuramu

SCHEDULE - II (GRANTS & DONATIONS)

FOR FINANCIAL YEAR : 2021-2022

ACCOUNT HEAD	Amount in Rs
FCRA Grants	
Action for Disability - United Kingdom	8,04,800.00
Carer's Worldwide - United Kingdom	4,41,418.00
Prevent Poverty Foundation - Switzerland	22,87,357.54
Father Vincent Ferrer - Spain	1,05,60,099.00
Total FCRA Grants	1,40,93,674.54

SCHEDULE - III (Other Receipts - Income - Interest)

FOR FINANCIAL YEAR : 2021-2022

ACCOUNT HEAD	Amount in Rs
Interest on Saving Bank Account	1,08,383.00
Interest on Bank Deposits	1,02,089.00
Interest on IT Refund	1,045.45
Interest on Gratuity Fund Investment	13,699.00
TOTAL INTEREST Rs	2,25,216.45

SCHEDULE - IV (Provedent Fund Receipt & Payments)

FOR FINANCIAL YEAR : 2021-2022

ACCOUNT HEAD	Receipts	Payments
General Fund FCRA and Action for Disability	-	-
Rural Development	-	-
Fundation Vincent Ferrer	2,40,864.00	2,40,864.00
Prevent Poverty Foundation	36,912.00	36,912.00
TOTAL Rs	2,77,776.00	2,77,776.00

SCHEDULE - V : PROGRAMME EXPENDITURE

FINANCIAL YEAR : 2021-2022

ACCOUNT HEAD	Administrative	Programme Expenditure	Total Expenditure
Program Expenditure : (for FCRA Programmes)			
Action for Disability	74395.50	5,35,398.00	6,09,793.50
Carers Worldwide	11724.16	4,28,371.00	4,40,095.16
Father vincent Ferrer	1991922.82	83,82,847.00	1,03,74,769.82
Prevent Poverty Foundation	424372.00	19,47,838.00	23,72,210.00
Total Expenditure for FCRA	25,02,414.48	1,12,94,454.00	1,37,96,868.48
Program Expenditure : (for Local Contribution Programmes)			
District CBR Programme	0.00	-	-
People & Other contribution Expenditure	0.00	-	-
Total Expenditure for Local Contributions	-	-	-
Total Administrative & Programme Expenditure	25,02,414.48	1,12,94,454.00	1,37,96,868.48

For Social Action for Child Rehabilitation
Emancipation and Development

Social action for Child Rehabilitation Emancipation and Development (SACRED)

Anantapur

SCHEDULE - VI (Tax Deducted at Source)

FOR FINANCIAL YEAR : 2021-2022

ACCOUNT HEAD		Amount
TDS for FY 2020-21		Amount
Action for Disability		58.00
Rural Development Trust		4090.00
General Fund Foreign Contributions		4294.00
Total (a)		8442.00
TDS for FY 2021-22		
Action for Disability		77.00
Rural Development Trust		5836.00
General Fund Foreign Contributions		4297.00
Fundacion Vicente Ferrer		992.00
Carer's worldwide		189.00
Prevent Poverty Foundation		189.00
Total (b)		11580.00
Grand Total		20022.00

SCHEDULE - VII

(Surplus / Deficit)

FOR FINANCIAL YEAR : 2021-2022

ACCOUNT HEAD		Amount
General fund FC		-8115.25
Action for Disability		-141009.10
Prevent Poverty Foundation		-108945.36
Carers worldwide		4168.38
Rural Development Trust		23452.10
Fundation Vincent Ferrer		251880.18
TOTAL Rs		21430.95

SCHEDULE - VIII (Sale of Fixed Assets)

ACCOUNT HEAD	Opening Balance	Sale of Asset	Profit/Loss
Action for Disability	64135	25,200.00	38,935.00
0		-	-
Total	64,135.00	25,200.00	38,935.00



For Social Action for Child Rehabilitation
Emancipation and Development

**Social action for Child Rehabilitation Emancipation and Development (SACRED) ,Ananthapuramu
(Schedules to Balance Sheet)**

Schedule IX - Capital Fund

FY 2021-22

Name of the Programme	Opening Balance Balance	Tr from Income & Exp	Tr from General Fund	Tr to General Fund	Transfer from Income & Exp A/c	Closing Balance
Action for Disability						
Building Corpus Fund	958923.00	0.00	0.00	95893.00	0.00	863030.00
Corpus Fund Sustainability	3204693.00	0.00	54755.00	0.00	0.00	3259448.00
Out of Capital Fund	1189681.00	105976.00	0.00	160463.00	0.00	1135194.00
	5353297.00	105976.00	54755.00	256356.00	0.00	5257672.00
General Fund Foreign contributions	831567.50	0.00	0.00	55313.00	0.00	776254.50
RDT Programme	292034.80	0.00	0.00	35401.40	0.00	256633.40
Carer's Worldwide	14403.08	0.00	0.00	4049.46	0.00	10353.62
Prevent Poverty Foundation	243248.00	0.00	0.00	52791.00	0.00	190457.00
	6734550.38	105976.00	54755.00	403910.86	0.00	6491370.52

Schedule X - General Fund

Name of the Programme	Opening Balance Balance	Tr from/to Income & Exp	Tr from Capital Fund	Tr to Capital Fund	Tr from Corpus Fund	Tr to Unspent Grants	Tr to Gratuity Payable	Closing Balance
Unspent Grants for Dist CBR Programme	12918.00	3677.00	0.00	0.00	0.00	0.00	0.00	16595.00
Total (a)	12918.00	3677.00	0.00	0.00	0.00	0.00	0.00	16595.00
Action for Disability	143892.23	246985.10	256356.00	0.00	54755.00	0.00	688.00	97820.13
General Fund Foreign Contributions	98795.10	8115.25	55313.00	0.00	38669.00	0.00	0.00	107323.85
RDT Programme	14270.20	23452.10	35401.40	0.00	0.00	0.00	52522.00	20601.70
Carer's Worldwide	11324.68	4168.38	4049.46	0.00	0.00	0.00	1697.00	17845.52
Prevent Poverty Foundation	99260.00	108945.36	52791.00	0.00	0.00	0.00	0.00	43105.64
Fundacion Vicente Ferrer	41775.36	251880.18	0.00	0.00	0.00	0.00	8929.00	284726.54
Total (b)	409317.57	643546.37	403910.86	0.00	93424.00	0.00	63836.00	571423.38
Grand Total (a + b)								

Schedule - XI - Corpus Fund

Name of the Programme	Opening Balance Balance	Additions	Tr from General Fund	Transfer from/to General Fund	Closing Balance
CorpusFund	1000987.17	0.00	0.00	38669.00	1039656.17
	1000987.17	0.00	0.00	38669.00	1039656.17

Schedule - XII - LongTerm Current Liabilities (Gratuity payable)

Name of the Programme	Opening Balance	Receipts	Transfer from General Fund	Payments	Closing Balance
Carers Worldwide	36207.00	0.00	1697.00	0.00	37904.00
Action for Disability	13072.00	0.00	688.00	0.00	13760.00
Prevent Poverty Foundation	33238.00	24903.00	0.00	0.00	58141.00
Rural Development Trust	1122885.00	0.00	52522.00	0.00	1175407.00
Fundation Vincent Ferrer	157869.00	176900.00	8929.00	0.00	343698.00
Total	1363271.00	201803.00	63836.00	0.00	1628910.00
Current Liabilities					1628910.00
Profession Tax Payable (FVF Program)	0.00	2400.00	0.00	2200.00	200.00
	0.00	2400.00	0.00	2200.00	200.00


**For Social Action for Child Rehabilitation
Emancipation and Development**

SCHEDULE -XIII : LOANS AND ADVANCES

**FINANCIAL YEAR : 2021-
2022**

ACCOUNT HEAD	Opening Balance	Dr	Cr	Closing Balance
General Fund FCRA & AFD	-	1,11,576.00	1,11,576.00	-
Carer's worldwide	-	43,588.00	43,588.00	-
Fundation Vincent Ferrer	-	22,15,293.00	22,15,293.00	-
General Fund LC	-	-	-	-
Prevent Poverty Foundation	-	4,81,592.00	4,81,592.00	-
Total	-	28,52,049.00	28,52,049.00	-

SCHEDULE -IVX : FIXED DEPOSITS

**FINANCIAL YEAR :
2021-2022**

ACCOUNT HEAD	Opening Balance	Dr	Cr	Closing Balance
General Fund FCRA & AFD	10,14,059.17	39,357.00	-	10,53,416.17
Carer's worldwide	36,207.00	1,697.00	-	37,904.00
Rural Development Trust	11,22,885.00	52,522.00	-	11,75,407.00
Fundation Vincent Ferrer	1,57,869.00	1,85,829.00	-	3,43,698.00
Prevent Poverty Foundation	33,238.00	24,903.00	-	58,141.00
	23,64,258.17	3,04,308.00	-	26,68,566.17
Other Deposits				
Telephone Deposit in AFD Programme	1,000.00	-	-	1,000.00
Internet Deposit in General Fund LC	-	-	-	-
Total		3,04,308.00		26,69,566.17

For Social Action for Child Rehabilitation
Emancipation and Development

Social action for Child Rehabilitation Emancipation and Development (SACRED) ,Ananthapuramu

SCHEDULE : XV - FIXED ASSETS AND DEPRECIATION

FY 2021-22

S.No.	Name of the Program	Opening Balance 01.04.21	Additions	Deletions	Total	Depreciation	Closing Balance 31.03.22
1	Action for Disability	5353297.00	280359.00	64135.00	5569521.00	311849.00	5257672.00
2	General Fund - FC	831567.50	0.00	0.00	831567.50	55313.00	776254.50
3	Carer's Worldwide	14403.07	0.00	0.00	14403.07	4049.46	10353.62
4	Prevent Poverty Foundation	245498.00	0.00	0.00	245498.00	55041.00	190457.00
5	Rural Development Trust	292035.00	0.00	0.00	292035.00	35401.60	256633.40
Total		6736800.57	280359.00	64135.00	6953024.57	461654.06	6491370.51


For Social Action for Child Rehabilitation
Emancipation and Development

SCHEDULE 16

SOCIAL ACTION FOR CHILD REHABILITATION EMANCIPATION AND DEVELOPMENT – ANANTHAPURAMU

Significant Accounting Policies and Notes on Accounts :

1. **Background:** Social Action for child Rehabilitation Emancipation and Development (SACRED), is a society registered under Societies Act, 1860 in the year 1994 and deemed to be registered under the Andhra Pradesh Societies Registration Act, 2001.

Social Action for Child Rehabilitation Emancipation and Development (SACRED) (Hereinafter referred to as 'the Society') is functioning in the State of Andhra Pradesh. The Society is framed in order to establish and execute socio economic development project and deprived, disabled child rehabilitation concentrating in Rural and Semi Urban slums, to contribute to basic rights of child development, education and vocational training, besides bringing quality life for disabled children and giving support to the parents of the disabled child. It also works with other organizations who are working with similar objectives.

The Society is registered under the Indian Societies Act, 1860 in the year 1994. The Society has been granted and exemption under Sec 12 A of the Income Tax Act, 1961 vide Reg.No.AACTA1281DE20219 dated 20.03.2022. And section 80G of the Income Tax Act, 1961 vide Approval No. AACTS7561AF20012 Dt.31-12-202. The Exemptions are in force as on the date. The Society is registered under the Foreign Contribution (Regulation) Act, 2010 to accept Foreign Contributions and has been granted regulation vide letter dated 02-11-1999 with Registration No.010120157 and renewed on 06-05-2022. The certificate of Regulation under FCRA is valid for a period five years from the date of registration.

2. Significant Accounting Policies.

(a) Basis of Preparation

The financial statements of the Society have been prepared under the historical cost convention, on the cash basis of accounting in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the Generally Accepted Accounting Principles ('GAAP') The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

(b) Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated Depreciation and accumulated impairment losses, if any, cost concludes inward freight, duties, taxes and expenses incidental to the installation of assets.

Depreciation on assets is provided on the basis of Written Down Value (WDV) method on the following rates.

Particulars	Rate of Dep
Buildings	10%
Furniture & Fixtures	10%
Vehicles – Motor cycles	15%
Electrical and Electronic equipment	15%
Computers & Periphirals	40%

The appropriates of Depreciation period and depreciation method is reviewed by the management in each financial year.

(c) Income Recognition

Income is recognized when they are received according to the cash basis of accounting. Any income which falls within the meaning of income from foreign source under Foreign Contribution Regulation Act is recognized as income from foreign source; and income not falling within the meaning of income from foreign source is recognized as income from local source.

Income is categorized into following:

- (i) **General Funds** : These are unrestricted funds without any obligations and / or conditions attached and can be utilized for any charitable activities as per the charitable objectives of the society.
- (ii) **Specific Grants** : These Grants are recognized as Income during the year of receipt in the Income and Expenditure Account and would be spent only for the purpose for which the same is received.
- (iii) **Reserve Fund / Corpus Fund** : As followed under the Income Tax Act, 1961, the Society creates Corpus / Reserve Fund only from the donations received with specific direction from the donors that they shall form part of corpus and/or up to 15% of general funds received, if the same is not utilized fully.
- (iv) **Interest Income** : Interest on Fixed Deposits and Savings Deposits is recognized as and when credited by Bank.
- (v) **Donations in Kind** : Donations in kind are recognized at the value of such item in kind in the books of accounts.
- (vi) **Other Receipts / Income** : These include income from sale of fixed Assets, program incomes or any income not included in i), ii) and iv) above.
- d) **Foreign Exchange Transactions** : Transactions in foreign currency are recorded at the exchange rate on realization of such foreign currency. The expenses on realization of foreign currency are charged to Expenditure Account.
- e) **Employee Benefits** : The Society's obligations towards employee benefits have been recognized follows :

Short Term Employee Benefits : All Employees benefits payable wholly for services rendered within a period of 12 months of the financial year such as salaries, Allowances and work incentive are recognized in the income and expenditure account in the period in which the employee rendered the related services.

Long Term Employee Benefits

Defined Contribution Plans : The Society's provident fund scheme is a defined contribution plan where the contribution paid / payable under the scheme is recognized as an expenses in the period in which the employee renders the related service. The society's contributions are deposited with the Regional provident Fund Commissioner and are charged to the Income and Expenditure account.

Defined Benefit Plans : The Society provides for gratuity, a defined benefit plan covering all the eligible employees. The gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment as per the Society's policy having regard to the payment of Gratuity Act.

Gratuity provision is calculated at one month's basic salary of each employee. Only the actual payments are recognized as expenditure and are taken as application / utilization of income.

f)

Other liabilities, contingent Liabilities and Contingent Asset :

Other liabilities are recognized when the Society has a present obligation as a result of past event and any sum has been received by the Society in this regard and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made at the balance sheet date.

The gratuity provision is neither recognized as expenses nor treated as application / utilization of income. Having regard to the cash basis of accounting, in the Receipts and Payments Account, contra entries reflect the total gratuity and health subsidy provision that results in net zero affect the Financial Statements.

Contingent liabilities and contingent assets are not recognized in the financial statements.

g) **Income Tax**

Income tax and deferred tax asset / liability is not recognized due exemptions available under Section 11 and 12 of Income Tax Act, 1961. The tax deducted at source on interest and other incomes is accounted as an asset in the balance sheet till its realization.

h) **Investements**

Investments are valued at Cost.

i) **Leases :**

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

- 3 In the opinion of Governing body, the current assets, loans and advances will realize a value not less than the amounts stated in the Balance Sheet, if realized in the ordinary course of Society's activities.

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4. The balance with the banks in savings bank accounts and fixed deposits were confirmed by the respective banks.

Place : Ananthapuramu

Date : 29-12-2022

**for Social Action for Child Rehabilitation
Emancipation and Development (SACRED)**



**C.C.THIPPANNA
PRESIDENT**

*For Social Action for Child Rehabilitation
Emancipation and Development*