

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

### **Opinion**

We have audited the financial statements of **UNITED WAY OF INDIA** ("the Society"), which comprise the Balance Sheet as at 31 March, 2020, the Income and Expenditure Account for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Society are prepared, in all material respects, in accordance with accounting principles generally accepted in India.

### **Basis for opinion**

We conducted our audit in accordance with Standards of Auditing (SAs) issued by the Institute of Chartered Accountants of India (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 and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Society's Management is responsible for the preparation of the financial statements in accordance with the accounting principles generally accepted in India and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operation, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are



## **Deloitte Haskins & Sells**

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

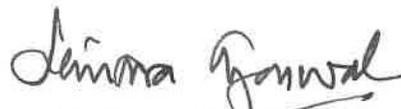
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 015125N)



**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)  
(UDIN: 20087104AAAAGZ4671)

Place: New Delhi

Date: 12<sup>th</sup> November 2020

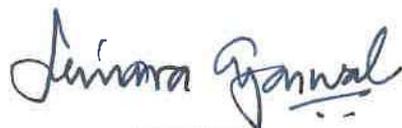
**United Way of India**  
**Balance Sheet as at 31 March, 2020**

	<u>Note No.</u>	<u>As at 31 March, 2020 (Rupees)</u>	<u>As at 31 March, 2019 (Rupees)</u>
<b>Sources of funds</b>			
1. Earmarked funds	3	20,901,152	37,846,185
2. Income and expenditure account balance	4	4,729,811	6,554,615
<b>Total</b>		<b><u>25,630,963</u></b>	<b><u>44,400,800</u></b>
<b>Application of funds</b>			
3. Property, plant and equipment	5	880,268	613,537
<b>4. Current assets, loans and advances</b>			
a. Cash and bank balances	6	22,758,588	42,067,584
b. Loans and advances	7	<u>2,210,591</u>	<u>1,719,679</u>
		24,969,179	43,787,263
<b>5. Less: Current liabilities and provisions</b>			
Current liabilities	8	218,484	-
<b>6. Net current assets</b>			
		<b><u>24,750,695</u></b>	<b><u>43,787,263</u></b>
<b>Total</b>		<b><u>25,630,963</u></b>	<b><u>44,400,800</u></b>

**See accompanying notes forming part of the financial statements** 1-12

In terms of our report attached

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants

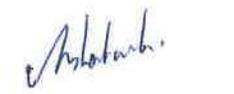


**JITENDRA AGARWAL**  
Partner

Place: *N. Delhi*  
Date: *12/11/2020*

**FOR AND ON BEHALF OF UNITED WAY OF INDIA**

  
**GULSHAN SACHDEV**  
Chairman

  
**SUNEETH KATARKI**  
Vice Chairman

Place:  
Date: *12/11/2020*

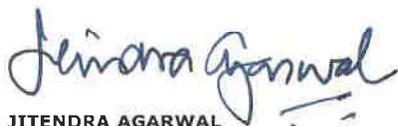


**United Way of India**  
**Income and Expenditure Account for the year ended 31 March, 2020**

	Note No.	Year ended 31 March, 2020 (Rupees)	Year ended 31 March, 2019 (Rupees)
<b>1. Income</b>			
a. Donations received		8,470,703	8,273,757
b. Membership fees		2,250,000	2,250,000
c. Interest income		2,102,834	1,269,839
d. Amounts appropriated from the earmarked funds for expenditure / disbursements on specified projects/activities	3	40,584,614	32,297,577
		<b><u>53,408,151</u></b>	<b><u>44,091,173</u></b>
<b>2. Expenditure</b>			
a. Employee benefits expense	9	8,448,606	8,309,402
b. Depreciation expense	5	744,080	564,369
c. Administration and other expenses	10	5,455,655	4,661,452
d. Amounts incurred from earmarked funds for expenditure / disbursements on specified projects/activities being the appropriation from earmarked funds	3	40,584,614	32,297,577
		<b><u>55,232,955</u></b>	<b><u>45,832,800</u></b>
<b>3. Surplus/(deficit) carried to Income and expenditure account balance</b>	4	(1,824,804)	(1,741,627)
<b>See accompanying notes forming part of the financial statements</b>	1-12		

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

Place: **N. Delhi**  
Date: **12/11/2020**

FOR AND ON BEHALF OF UNITED WAY OF INDIA

  
**GULSHAN SACHDEV**  
Chairman

  
**SUNEETH KATARKI**  
Vice Chairman

Place:  
Date: **12/11/2020**



**United Way of India**  
**Notes forming part of the Financial Statements**

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**Note 1 – Background**

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

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

The Society also accepts membership fees from its members (United Way of India Chapters) which is utilised for meeting the operating cost and administrative overheads of the Society.

**Note 2 – Significant accounting policies**

**2.1 Basis of accounting**

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

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

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

**2.2 Use of estimates**

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

**2.3 Recognition of grants and donations**

**a. Earmarked funds**

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

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

The Society transfers a specified percentage (as per the respective agreements with donors) of the donations received to itself for being incurred on general administrative purposes.

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

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



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**United Way of India**  
**Notes forming part of the Financial Statements**

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**b. Donations other than towards 'Earmarked Funds'**

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

**c. Membership fees**

Amount received as annual membership fees are recognised as income on receipt basis.

**2.4 Depreciation**

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

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

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

Leasehold improvements are amortised over the remaining period of lease.

Full year depreciation has been provided on additions to property, plant and equipment irrespective of the date of capitalisation of assets.

**2.5 Property, plant and equipment**

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

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

**2.6 Leases**

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

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

**2.7 Income tax**

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



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**United Way of India**  
**Notes forming part of the Financial Statements**

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**2.8 Provision, Contingent liabilities and Contingent assets**

A provision is recognized when the trust 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 is a possible obligation that arise from past events and the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of society, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow are resource embodying benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent Asset is neither disclosed nor recognized in the financial statements. (refer note 11)



**United Way of India**  
**Notes forming part of financial statements**

**Note 3**

**Earmarked funds**

(Amount in Rupees)

Name of funds	Opening balance as at 1 April, 2019	Received during the year including interest income	Disbursed during the year	Balance as at 31 March, 2020
1. United Way Disaster Response Fund- India-Uttarakhand	3,921,954 (5,408,242)	571,956 -	1,201,834 (1,486,288)	3,292,076 (3,921,954)
2. United Way Disaster Response Fund- India-Jammu & Kashmir	16,627,923 (17,848,585)	83,530 -	13,823,464 (1,220,662)	2,887,989 (16,627,923)
3. Seed Fund - United Way Disaster Response Fund (see note-A below )	5,000,000 (5,000,000)	- -	- -	5,000,000 (5,000,000)
4. Other projects (see note-B below)	12,296,308 (3,634,461)	22,984,095 (38,252,474)	25,559,316 (29,590,627)	9,721,087 (12,296,308)
<b>Total</b>	<b>37,846,185</b>	<b>23,639,581</b>	<b>40,584,614</b>	<b>20,901,152</b>
<b>Previous year</b>	<b>(31,891,288)</b>	<b>(38,252,474)</b>	<b>(32,297,577)</b>	<b>(37,846,185)</b>

**Note-A:**

During the financial year 2015-16, an amount of Rs. 5,000,000 was transferred from United Way Disaster Response Fund- India-Jammu & Kashmir to Seed Fund- United Way Disaster Response Fund and the same had been shown as disbursement and receipt in the respective funds accordingly.

**Note-B:**

Amounts received by the Society for 'earmarked' purposes for other projects are given to various United Way of India Chapters to be disbursed for the purpose for which these were received from the donors. The respective chapters disburse these funds for the stated purpose and provide a utilisation certificate to this effect. The Society records these expenses in its books as disbursement from the 'earmarked' funds based on these 'utilisation certificate' received from the respective Chapters. Out of total disbursed amount of Rs. 25,559,316 (previous year Rs 29,590,627), the amount recorded and utilised based on the utilisation certificate amounts to Rs. 22,74,081 (Previous year Rs.27,654,936).

As at 31 March, 2020 (Rupees)	As at 31 March, 2019 (Rupees)
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**Note 4**

**Income and expenditure account balance**

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

6,554,615	8,296,242
(1,824,804)	(1,741,627)
<b>4,729,811</b>	<b>6,554,615</b>

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**UNITED WAY OF INDIA**  
Notes forming part of financial statements

**Note 5**

**Property, plant and equipment**

Particulars	Gross block			Accumulated depreciation		Net block	
	Balance as at 1 April, 2019	Additions during the year	Balance as at 31 March, 2020	Balance as at 1 April, 2019	Depreciation for the year	Balance as at 31 March, 2020	Balance as at 31 March, 2019
<b>Tangible assets</b>							
a. Furniture and fixtures	104,625	-	104,625	41,852	10,463	52,315	52,310
<i>Previous year</i>	104,625	-	104,625	31,389	10,463	41,852	62,773
b. Office equipment	485,163	63,040	548,203	369,272	109,641	478,913	69,290
<i>Previous year</i>	459,663	-	485,163	272,239	97,033	369,272	115,891
c. Leasehold improvements	1,931,031	768,652	2,699,683	1,544,824	539,937	2,084,761	614,922
<i>Previous year</i>	1,931,031	-	1,931,031	1,158,618	386,206	1,544,824	386,207
d. Computers	268,000	179,119	447,119	219,334	84,039	303,373	143,746
<i>Previous year</i>	268,000	-	268,000	148,667	70,667	219,334	48,666
<b>Total</b>	<b>2,788,819</b>	<b>1,010,811</b>	<b>3,799,630</b>	<b>2,175,282</b>	<b>744,080</b>	<b>2,919,362</b>	<b>860,268</b>
<i>Previous year</i>	<i>2,763,319</i>	<i>-</i>	<i>2,788,819</i>	<i>1,610,913</i>	<i>564,369</i>	<i>2,175,282</i>	<i>613,537</i>

Note: Previous year figures are in italics




*Ashtabhi*

*James*

**United Way of India**  
**Notes forming part of financial statements**

	<b>As at 31 March, 2020 (Rupees)</b>	<b>As at 31 March, 2019 (Rupees)</b>
<b>Note 6</b>		
<b>Cash and bank balances</b>		
Cash in hand	3,845	34,447
Balances with scheduled banks		
- in saving accounts	4,446,838	30,890,282
- in deposit accounts	18,307,905	11,142,855
	<b><u>22,758,588</u></b>	<b><u>42,067,584</u></b>
<b>Note 7</b>		
<b>Loans and advances (Unsecured, considered good)</b>		
Tax deducted at source	321,230	413,739
Income tax recoverable (paid under protest )	1,449,819	-
Security deposit	439,542	1,305,940
	<b><u>2,210,591</u></b>	<b><u>1,719,679</u></b>
<b>Note 8</b>		
<b>Current liabilities and provisions</b>		
Statutory remittance (Withholding taxes)	218,484	-
	<b><u>218,484</u></b>	<b><u>-</u></b>

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**United Way of India**  
**Notes forming part of financial statements**

	<u>Year ended</u> <u>31 March, 2020</u> <u>(Rupees)</u>	<u>Year ended</u> <u>31 March, 2019</u> <u>(Rupees)</u>
<b>Note 9</b>		
<b>Employee benefit expenses</b>		
Salaries and wages	8,331,648	8,285,599
Staff welfare	17,655	23,803
Health Insurance	99,303	
	<u><b>8,448,606</b></u>	<u><b>8,309,402</b></u>
<b>Note 10</b>		
<b>Administration and other expenses</b>		
Professional and consultancy charges	757,100	1,228,933
Travelling and conveyance	392,201	288,062
Communication expenses	37,353	37,317
Rent	1,309,356	2,473,012
Electricity expenses	52,730	50,410
Postage and courier	18,897	23,475
Membership fees	2,503,291	-
Miscellaneous expenses	384,727	560,243
	<u><b>5,455,655</b></u>	<u><b>4,661,452</b></u>



*January*      *Asst. Secy.*



**United Way of India**  
**Notes forming part of financial statements**

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	<u>Year ended</u> <u>31 March, 2020</u> (Rupees)	<u>Year ended</u> <u>31 March, 2019</u> (Rupees)
<b>Note 11</b>		
<b>Contingent Liabilities</b>		
Income tax demand (see note below)	3,812,781	-
	<u><u>3,812,781</u></u>	<u><u>-</u></u>

**Note :**

During the year, the Trust has received an Income Tax demand of Rs. 3,812,781 for Assessment Year 2017-18 towards disallowance of expenditure incurred by utilizing the accumulated funds in terms of section 11(2) of the Income Tax Act, 1961. The Income Tax Authorities have appropriated Rs. 1,449,819 from the bank account of Trust towards demand, which has been shown as Income tax recoverable (paid under protest) (see also note 7).

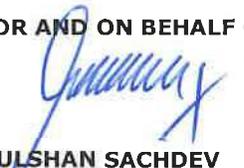


**United Way of India**  
**Notes forming part of the Financial Statements**

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**Note 12.** Previous year figures have been regrouped and reclassified, wherever necessary, to conform to the current year's classification.

**FOR AND ON BEHALF OF THE UNITED WAY OF INDIA**

  
**GULSHAN SACHDEV**  
Chairman

  
**SUNEETH KATARKI**  
Vice Chairman

Place:

Date: 12/11/2020



