Independent Auditor's Report

To the Members of Board
ChildFund International USA

Report on the Financial Statements

We have audited the accompanying financial statements of **ChildFund International USA – India Office** which comprise the Balance Sheet as at March 31, 2018 and the Statement of Income & Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, 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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

S. SAHOO & CO. FRN 322952E New Delhi Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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

Opinion

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 by the Act 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 Company as at March 31, 2018, and its deficit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "***Annexure* A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Income & Expenditure and the Receipts & payment account dealt with by this Report are in agreement with the books of account

   d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

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e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of:
S.SAHOO & CO.
Chartered Accountants
Firm No. 322952E

S. SAHOO & CO.
CA
FRN 322952E
New Delhi
Chartered Accountants

CA Subhajit Sahoo, FCA, LLB
Partner
M. NO: 057426

Place: Bangalore
Date: 19-09-2018

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

2) Child Fund International USA – India office is engaged in supporting locally led initiatives that strengthen families and communities, helping them break the cycle of poverty and protect the rights of their children. Accordingly it does not hold any physical inventory, thus paragraph 3 (ii) of the order is not applicable to the company.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) According to the information and explanations given to us, the company has not granted/taken any loans, investments, guarantees, and securities therefore the compliance with the provisions of section 185 and I86 of the Companies Act, 2013 are not applicable.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

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7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax (Tax Deducted at Source), Professional Tax, Provident Fund and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, professional tax, provident fund outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) Inouropinion,alltransactionswiththerelatedpartiesareincompliancewithsection 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.

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15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of:
S.SAHOO & CO.
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Firm No. 322952E

S. SAHOO & CO.
CA
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New Delhi
Chartered Accountants

CA Subhajit Sahoo, FCA,LLB
Partner
M. NO: 057426

Place: Bangalore
Date: 19-09-2018

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of ChildFund International USA – India Office

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ChildFund International USA – India Office** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For and on behalf of:
S.SAHOO & CO.
Chartered Accountants
Firm No. 322952E

S. SAHOO & CO. ★ FRN 322952E New Delhi ★ Chartered Accountants

CA Subhajit Sahoo, FCA, LLB
Partner
M. NO: 057426

Place: Bangalore
Date: 19-09-2018

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Balance sheet as at 31st March 2018

	Notes	31 March 2018	31 March 2017
			Amount in Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital		-	-
Reserves and Surplus:			
Working fund	3	2,62,46,238	2,91,11,192
(2) Non-Current Liabilities			
Long term borrowings		-	-
Long term provisions		-	-
(3) Current Liabilities			
Designated Fund - Projects	4	34,148	9,15,331
Funds for NSP Project	5	40,81,929	8,20,364
Subsidy Funds - Projects	6	2,69,612	10,67,415
Grants for Projects	7	14,37,209	73,39,124
Other Current liabilities	8	62,98,165	34,21,314
Other Provisions	9	25,20,811	5,25,987
		4,08,88,114	**4,32,00,728**
II. Assets			
Non-current assets			
Fixed assets	12		
Tangible assets		1,95,40,246	2,07,25,801
Intangible assets		-	-
		1,95,40,246	**2,07,25,801**
Current assets			
Cash and cash equivalents	10	1,62,23,729	1,71,11,357
Other current assets	11	51,24,140	53,63,570
		2,13,47,868	**2,24,74,927**
Summary of significant accounting policies	**2.1**		
		4,08,88,114	**4,32,00,728**
		-	-

The accompanying notes are integral part of the financial statements

As per our attached report of even date

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E

S.SAHOO & CO. CA FRN 322952E New Delhi Chartered Accountants

CA. Subhajit Sahoo FCA, LLB
Partner
M. No.: 057426

Place: Bangalore
Date : 19.09.2018

for ChildFund International USA - India Office

Neelam Makhijani

Neelam Makhijani
Country Director

ChildFund International Museum Road Bangalore 560 001

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)

Statement of Income and Expenditure account

(Amount in Rupees)

Particulars	Notes	31 March 2018	31 March 2017
Income			
Funds from International Office / Grants	13	16,81,57,020	14,02,13,408
Expenses paid by International Office		62,16,290	86,37,509
Miscellaneous Income		89,879	77,016
Total Revenue		**17,44,63,189**	**14,89,27,932**
Expenses:			
Personnel expenses	14	8,48,14,827	6,83,93,665
Project related expenditure	15	4,40,44,723	4,09,85,956
Other/ Incidental project expenses	16	4,48,19,529	4,13,62,923
Depreciation and amortization expense	12	36,49,065	38,56,436
Total Expenses		**17,73,28,143**	**15,45,98,980**
Excess of (Expenditure over Income)/ Income over Expenditure		**(28,64,954)**	**(56,71,048)**
Tax expense:			
Current tax expenses for current year		-	-
Current tax expenses for Previous year		-	-
Excess of (Expenditure over Income)/ Income over Expenditure transferred to working fund		**(28,64,954)**	**(56,71,048)**
Summary of significant accounting policies	**2.1**		

The accompanying notes are integral part of the financial statements

As per our attached report of even date

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E

S. SAHOO & CO. ★ FRN 322952E New Delhi ★ Chartered Accountants

CA. Subhajit Sahoo FCA, LLB
Partner
M. No.: 057426

for ChildFund International USA - India Office

Neelam Makhijani

Neelam Makhijani
Country Director

Place: Bangalore
Date : 19.09.2018

ChildFund International Museum Road Bangalore 560001

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Receipts and payments account for the year ended March 31, 2018

Amount in Rs.

	Notes	31 March 2018	31 March 2017
Opening balance			
Cash in hand		71,597	75,000
Cash balance with scheduled bank, in current account	10	1,70,39,760	1,27,53,585
		1,71,11,357	**1,28,28,585**
Add : Receipts			
Funds from International Office		15,12,26,912	12,73,15,535
Grants received for Projects		76,05,975	79,33,668
Designated Fund - Projects	4	7,23,21,125	7,90,84,335
Subsidy Funds - Projects	6	28,74,35,709	38,40,78,230
Funds for NSP Project	5	66,65,312	1,04,68,213
Expenses paid by International Office		62,16,290	86,37,509
Designated funds send to National Office		18,471	18,600
Miscellaneous /Other Receipts		60,30,129	38,29,870
		53,75,19,923	**62,13,65,959**
Less: Payments			
Fixed Assets	12	25,70,572	45,50,130
Personnel expenses	14	8,48,14,827	6,83,93,665
Project related expenditure	15	4,40,44,723	4,09,85,956
Other/Incidental project expenses	16	4,48,06,716	4,09,40,103
Designated Fund - Projects	4	7,32,02,307	7,81,69,004
Subsidy Funds - Projects	6	28,82,33,512	38,46,58,669
Changes in current liabilities and provisions		(48,71,675)	(15,02,289)
Changes in loans and advances		(2,39,430)	(6,17,050)
Other Payments		58,46,000	15,05,000
		53,84,07,552	**61,70,83,188**
Closing balance		**1,62,23,729**	**1,71,11,357**
Cash in hand	10	45,783	71,597
Cash balance with scheduled bank, in current account	10	1,61,77,946	1,70,39,760
		1,62,23,729	**1,71,11,357**
Summary of significant accounting policies	**2.1**		-

The accompanying notes are integral part of the financial statements
As per our attached report of even date

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E

S. Sahoo

S. SAHOO & CO. ★ CA FRN 322952E New Delhi ★ Chartered Accountants

CA. Subhajit Sahoo FCA, LLB
Partner
M. No.: 057426

Place: Bangalore
Date : 19.09.2018

for ChildFund International USA - India Office

Neelam Makhijani

Neelam Makhijani
Country Director

ChildFund International Museum Road Bangalore 560 001 ★

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Notes to the financial statements

Amount in Rs.

	As at 31 March 2018	As at 31 March 2017
Note 3 - Working fund		
Opening balance	2,91,11,192	3,47,82,240
Add: Excess of (Expenditure over Income)/ Income over Expenditure	(28,64,954)	(56,71,048)
	2,62,46,238	**2,91,11,192**
Note 4 - Designated Fund - Projects		
Opening balance	9,15,331	-
Add: Received during the year	7,23,21,125	7,90,84,335
Less: Distributed during the year	7,32,02,307	7,81,69,004
	34,148	**9,15,331**
Note 5 - Funds for NSP Project		
Opening balance	8,20,364	63,880
Add: Received during the year	66,65,312	1,04,68,213
Less: Spent during the year	34,03,747	97,11,729
	40,81,929	**8,20,364**
Note 6 - Subsidy Funds - Projects		
Opening balance	10,67,415	-
Add: Received during the year	28,74,35,709	38,40,78,230
Less: Remitted to projects during the year	28,82,33,512	38,30,10,815
Less : Undelivered Subsidy transferred to working fund	-	-
	2,69,612	**10,67,415**

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ChildFund International Museum Road Bangalore 560 001

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Notes to the financial statements

Amount in Rs.

	As at 31 March 2018	As at 31 March 2017
Note 7 - Grants for Projects		
Opening balance	73,39,124	25,73,000
Add: Received during the year	76,05,975	79,33,668
Less: Spent during the year	1,35,07,890	31,67,544
	14,37,209	**73,39,124**
	-	
Note 8 - Current liabilities		
Statutory Dues payable	25,08,381	19,86,608
Salary & Expenses Payable	37,89,784	14,34,706
	62,98,165	**34,21,314**
Note 9 - Provisions		
Provision for Leave Encashment	19,27,132	-
Provision for Audit Fees	5,93,679	5,25,987
	25,20,811	**5,25,987**
Note 10 - Cash and bank balances		
Cash on hand	45,783	71,597
Balances with scheduled banks, in current accounts	1,61,77,946	1,70,39,760
	1,62,23,729	**1,71,11,357**
Note 11 - Loans and advances		
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	7,71,538	1,88,981
Deposits	29,88,832	38,90,185
Prepaid expenses	13,63,770	12,84,404
	51,24,140	**53,63,570**

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ChildFund International
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ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)

Notes to the financial statements

	(Amount in Rupees) 31 March 2018					(Amount in Rupees) 31 March 2017					
	Non Grant Funds	Grant Fund	Working Fund	Partnership Effective Fund	Total	Non Grant Funds	Grant Fund	Working Fund	Special Grant Funds	Partnership Effective Fund	Total
Note 13 - Funds from International Office / Grants											
Funds from International Office	3,52,61,477		5,43,22,808.66	6,16,42,627	15,12,26,912	1,56,46,994	-	3,24,05,822	1,45,85,015	6,46,77,704	12,73,15,535
Designated funds send to National Office			18,471		18,471	-	-	18,600	-	-	18,600
Restricted funds from Donor	34,03,747	1,35,07,890			1,69,11,636	97,11,729	31,67,544	-			1,28,79,273
	3,86,65,224	**1,35,07,890**	**5,43,41,280**	**6,16,42,627**	**16,81,57,020**	**2,53,58,723**	**31,67,544**	**3,24,24,421**	**1,45,85,015**	**6,46,77,704**	**14,02,13,408**
Note 14 - Personnel expenses											
Salaries and allowances	59,42,311	32,09,138	3,94,85,357	3,40,51,804	8,26,88,610	17,02,423	11,16,150	3,06,67,502	49,41,853	2,84,57,151	6,68,85,078
Other Employee Benefits (Severance, Gratuity, Insurance etc.)	1,28,837	1,00,617	8,39,019	10,57,743	21,26,216	-	26,942	6,18,042	-	8,63,603	15,08,587
	60,71,148	**33,09,755**	**4,03,24,376**	**3,51,09,547**	**8,48,14,827**	**17,02,423**	**11,43,092**	**3,12,85,544**	**49,41,853**	**2,93,20,754**	**6,83,93,665**
Note 15 - Project related expenditure											
Community project expenditure	2,84,96,498	83,58,478	-	42,61,987	4,11,16,963	2,33,06,745	6,41,003	-	10,74,130	94,53,081	3,44,74,958
Training, Conference & Meetings	9,40,405		19,87,355	-	29,27,760	2,37,582	1,70,855	-	61,02,561	-	65,10,998
					-						-
	2,94,36,903	**83,58,478**	**19,87,355**	**42,61,987**	**4,40,44,723**	**2,35,44,327**	**8,11,858**	**-**	**71,76,691**	**94,53,081**	**4,09,85,956**
Note 16 - Other/ Incidental project expenses											
Supplies	3,70,279		7,63,474	49,37,621	60,71,374	-	21,956	15,55,415	33,014	8,68,845	24,79,230
Contracted services	4,41,259	7,64,500	26,12,567	33,63,922	71,82,248	23,700	63,050	36,29,125	1,42,146	17,69,634	56,27,655
Travel expenses	5,21,387	4,93,444	28,19,556	73,39,423	1,11,73,811	67,112	1,92,608	36,44,359	6,81,506	57,70,721	1,03,56,306
Rent and Occupancy	17,11,684		10,06,624	55,12,612	82,30,920	-	20,130	19,79,510	15,40,580	45,22,532	80,62,752
Legal & Professional charges			8,50,172	24,39,267	32,89,439	-		6,85,162	-	30,44,386	37,29,548
Communication expenses	87,579		9,86,990	43,81,891	54,56,460	19,873	13,492	12,61,118	69,225	57,47,998	71,11,706
Conferences and meetings			9,03,433	8,81,125	17,84,558	-		4,99,559	-	15,38,469	20,38,028
Other expenses	24,985		10,79,273	5,13,648	16,17,906	1,289	-	7,93,438	-	7,40,151	15,34,878
Bad Debt/Amount Receivable Written off			-		-	-	-		-	-	-
Loss on Sale of Assets			12,812		12,812			4,22,819			4,22,819
	31,57,173	**12,57,944**	**1,10,34,901**	**2,93,69,510**	**4,48,19,529**	**1,11,974**	**3,11,236**	**1,44,70,505**	**24,66,471**	**2,40,02,736**	**4,13,62,923**
TOTAL	**3,86,65,224**	**1,29,26,177**	**5,33,46,632**	**6,87,41,045**	**17,36,79,079**	**2,53,58,723**	**22,66,186**	**4,57,56,049**	**1,45,85,015**	**6,27,76,572**	**15,07,42,544**

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ChildFund International Museum Road Bangalore 560 001

ChildFund International USA - India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Schedules to the financial statements

Note 12 - Tangible assets

Amount in Rs.

Assets	Gross Block				Depreciation				Net Block As at	
	As at 31-Mar-17	Additions	Deletions	As at 31-Mar-18	As at 31-Mar-17	Deletions on assets discarded	For the Year	As at 31-Mar-18	31-Mar-18	31-Mar-17
Land	1,75,000	-	-	1,75,000	-	-	-	-	1,75,000	1,75,000
Building	6,22,707	-	-	6,22,707	3,74,976	-	9,267	3,84,243	2,38,464	2,47,731
Electrical Equipment	54,49,570	8,73,211	19,866	63,02,916	17,12,842	3,261	6,03,828	23,13,409	39,89,507	37,36,728
Computers/Printers	89,06,638	14,86,730	-	1,03,93,368	68,62,596	-	10,78,302	79,40,898	24,52,470	20,44,041
Vehicles	64,20,116	69,865	11,62,232	53,27,749	21,81,084	10,71,774	6,21,427	17,30,737	35,97,012	42,39,032
Furniture and Fixture	1,37,95,009	1,40,766	-	1,39,35,775	35,11,740	-	13,36,242	48,47,982	90,87,793	1,02,83,269
Total	**3,53,69,040**	**25,70,572**	**11,82,098**	**3,67,57,515**	**1,46,43,239**	**10,75,035**	**36,49,065**	**1,72,17,269**	**1,95,40,246**	**2,07,25,801**
Previous year	3,24,38,910	45,50,130	16,20,000	3,53,69,040	1,13,83,983	5,97,181	38,56,436	1,46,43,239	2,07,25,801	2,10,54,927

S. SAHOO & CO. Chartered Accountants FRN 322952E New Delhi

ChildFund International Museum Road Bangalore 560 001

Notes to Financial Statements

1. **Background**

ChildFund International USA (formerly Christian Children's Fund Inc.,) ('the International Office' or 'IO') incorporated in the United States of America has established ChildFund International USA – India Office (formerly known as Christian Children's Fund Inc., National Office India) as a place of business in Bangalore, India which is registered under Section 379 of the Companies Act, 2013 as a Foreign Company having its place of business in India vide registration no. F00052.

ChildFund International USA – India is registered under Section 12A of the Income Tax Act, 1961, vide letter no. PRO.718/10A/VOL AIC298.

Further, ChildFund International USA – India Office has been given permission by Reserve Bank of India to hold immovable property in India vide letter no. EC.CO.FCS (III) 1224 C29-74 dated 19 June 1974. ChildFund International USA – India Office has been granted registration from the Ministry of Home Affairs under the Foreign Contribution (Regulation) Act, 2010 to accept specified foreign contributions vide letter no. II/21022/69(268)/85-FCRA.3 dated 15th December 1987 bearing registration No. 094420147.

ChildFund International USA – India Office receives funds for charitable purposes in India. The principal activity is to support locally led initiatives that strengthen families and communities, helping them break the cycle of poverty and protect the rights of their children. This includes supporting programs relating to health, education, nutrition, water, sanitation and livelihood provided to millions of children and their families so that they can take greater control of their lives and their future.

2. **Basis of Preparation**

The financial statements of ChildFund International USA – India Office have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles ("GAAP") in India. These financial statements comply with the Accounting Standards notified by the Central Government under the Companies (Accounting Standards) Rules and the relevant provisions of the Companies Act, 2013, to the extent applicable. The remittances are received from the IO in the bank account of ChildFund International USA – India Office and expenditures are incurred therefrom. Since ChildFund International USA – India Office is not carrying on business, it prepares an income and expenditure and not a profit and loss account.

2.1 Summary of Significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with the accounting policies described below requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amounts of expenses and related incomes. Actual results could differ from those estimated. Any revision to accounting estimates is recognised prospectively in current and future periods.

S. SAHOO & CO. FRN 322952E New Delhi Chartered Accountants

(b) Tangible Fixed assets

Fixed assets are stated at historical cost. The cost of fixed assets includes taxes, duties, freight and other incidental expenditure related to acquisition and installation.

(c) Depreciation

Depreciation is provided on all fixed assets using straight line method at the rates of depreciation prescribed under Schedule II to the Companies Act, 2013.

(d) Provisions and contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(e) Contributions received and income recognition.

Non-Grant Program funds are contributions received from members of the ChildFund Alliance, Major Donors, and Corporate gifts to International Office (IO). It collectively assists the National Offices and projects in meeting their program goals and objectives. NSP categories include program enhancement, special opportunity, and emergency response. Income is recognized on receipt of amount and expenses are booked on the basis of monthly expense report submitted by the Local Partner Organizations (LPs).

Grant Awards from institutional donors, Grants are awarded via a signed agreement between the grantor and grantee, and the funds awarded are restricted for the implementation of specific programs. Segregated fund accounting is required and balances unspent must be returned to the donor.

Designated Fund - Projects - Designated (DFC) are the child specific contribution made by the sponsors in the form of monetary gifts to the sponsored child. List of children to get the gifts are sent to ChildFund International USA – India Office along with the money transfer. All gifts received through cash or cheques are deposited in ChildFund International USA – India's bank account and a corresponding cheque for the same value is issued in favour of the LPs.

Subsidy Funds - Projects – Monthly contributions received from sponsors to be used for ChildFund's program purposes. Subsidy funds are transferred from the International Office to the NO's account and subsequently are transferred to various LPs based on approved budgets for the implementation of projects for children.

S. SAHOO & CO.
FRN 322952E
New Delhi
Chartered Accountants

Special Grant Program is created out of withheld subsidy of local partners in International Office to address a specific program need in the country. The funds are transferred to India Office on the basis of program plan on a monthly basis to its working fund.

Partnership Effective Fund empowers National Offices to have in-country spending discretion for up to 20% of a country's sponsorship funds which will support the capacity of local partners to deliver quality programs.

(f) Leases

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Lease rentals are charged to the profit and loss on accrual basis.

(g) Income taxes

ChildFund International USA – India is registered under Section 12A of the Income tax Act, 1961 ('the Act') which exempts from taxes on income from property held under trust and voluntary contributions received. Accordingly, the income of ChildFund International USA – India is exempt from tax, subject to the compliance of terms and conditions specified in the Income Tax Act, 1961.

(h) Employee benefits

Benefits such as salaries, allowances are recognised in the Income and Expenditure Account in the period in which the employee renders the related services.

Provident fund:

All eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and ChildFund International USA – India make monthly contribution to the fund, which is equal to a specified percentage of the covered employee's basic salary. ChildFund International USA – India has no further obligations under this plan beyond its monthly contributions. Monthly contributions made are charged to income and expenditure account.

Gratuity:

ChildFund International USA – India has an employee's gratuity fund managed by Life Insurance Corporation of India. The annual premiums paid to the LIC are charged to the Income & Expenditure account.

Compensated Absences:

Provision for leave encashment has been made as per the human resource policy of the Child Fund International – India Office. The company follows the period July to June to calculate the provision for leave encashment and accordingly the provision for leave encashment was made on 30th June 2017.

S. SAHOO & CO.
FRN 322952E
New Delhi
Chartered Accountants

(i) Foreign exchange transactions

Transactions in foreign exchange are recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies (if any) as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the income and expenditure account. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(j) Expenditure

ChildFund International USA – India implements its programmes for strengthening training, research and policy development in the area of eradication of poverty through projects conducted by itself or by other local non-governmental organizations to which it disburses grants. Accordingly, expenditure incurred during the year to monitor such non-governmental organizations and implement their internal projects is charged to the Income and Expenditure.

S. SAHOO & CO.
FRN 322952E
New Delhi
Chartered Accountants

(All amount are in Indian Rupees)

17. Additional Information to the Financial Statements

A. The Company is registered without share capital, there are no shareholders in the company. Therefore Shareholders fund in the Balance sheet as on 31st March 2018 is NIL.

B. **Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. Nil (Previous year: Nil).

C. **Auditors' remuneration (including GST, included in professional charges)**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Statutory audit fees	593,679-	525,987-
Out of pocket expenses	-	-
	593,679-	**525,987-**

D. Details of expenses in foreign currency during the year:- SGD 600 / INR 29,862

E. **Receipts in foreign currency**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sponsorship Funds – Designated	72,321,125	79,084,335
Sponsorship Funds – Projects	287,435,709	384,078,230
Funds from International Office	151,226,912	127,315,535
Grant received	7,605,975	7,933,668
NSP received	6,665,312	10,468,213
	525,255,033	**608,879,981**

F. ChildFund International USA – India Office has not imported any capital assets or traded goods during the year ended 31 March 2018 and in the previous year.

G. **Dues to Micro, Small and Medium Enterprise**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. ChildFund International USA – India Office has not received such intimation from any of the enterprises which have supplied goods and services.

H. Related party disclosures

(a) Related party where control exists

Childfund International USA (formerly Christian Children's Fund Inc.,) – International Office

(b)The following is a summary of significant transactions with related parties for the year

S. SAHOO & CO. FRN 322952E New Delhi Chartered Accountants

ChildFund International Museum Road Bangalore 560001

ChildFund International USA – India Office
(formerly known as Christian Children's Fund Inc., National Office India)
Schedules forming parts of the financial statements
(All amount are in Indian Rupees)

Rs.

Particulars	**31 March 2018**	**31 March 2017**
ChildFund International, USA		
• Remittances received	510,983,746	608,879,981
• Expenses paid by Head Office	6,216,290	8,637,509
ChildFund India, Society		
• Subsidy Paid to Society	-	105,692,021.28
• DFC Paid to Society	17,519,628	18,112,267.72
• NSP Paid to Society	5,130,657.00	17,265,340.03
• Grant Paid to Society	1,671,843.00	641,003.00

I. ChildFund International USA – India Office does not have any unhedged foreign currency exposure and outstanding derivative instruments as at year end.

for S.Sahoo & Co.
Chartered Accountants
FRN: 322952E

SAHOO & CO. CA FRN 322952E New Delhi Chartered Accountants

CA. Subhajit Sahoo FCA, LLB
Partner
M. No.: 057426

Place: Bangalore
Date : 19.09.2018

for ChildFund International USA - India Office

Neelam Makhijani
Country Director

ChildFund International Museum Road Bangalore 560 001