

Lords Education & Health Society

Financial Statements for the year ended March 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Managing Committee of Lords Education & Health Society

Report on the Financial Statements

We have audited the accompanying financial statements of Lords Education & Health Society ("LEHS" or "the Society"), a society registered under the Societies Registration Act, 1860, which comprise the Balance Sheet as at March 31, 2015, the Income and Expenditure Account; the Receipts and Payments Account for the year then ended; a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of LEHS in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2015;
- (b) in the case of the Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date; and
- (c) in the case of the Receipts and Payments Account, of the excess of payments over receipts for the year ended on that date.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W


per Prashant Singhal

Partner

Membership Number: 93283

Place: Gurgaon

Date: October 26, 2015



LORDS EDUCATION AND HEALTH SOCIETY
(All amounts are in Indian Rupees)

Balance Sheet as at 31st March, 2015

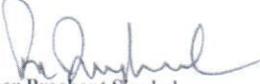
PARTICULARS	Notes	As at March 31, 2015	As at March 31, 2014
SOURCES OF FUNDS			
Members fund			
Corpus fund		231,016	198,016
Income & expenditure account	2	8,231,805	18,381,720
Current liabilities & provisions			
Other current liabilities & provisions	3	5,281,743	1,656,706
		13,744,564	20,236,442
APPLICATION OF FUNDS			
Fixed assets			
Tangible assets	9	1,626,628	912,782
Intangible assets	9	154,674	12,616
Current assets			
Cash & cash equivalents	4	7,951,023	18,016,782
Loans and advances	5	4,012,239	1,294,262
		13,744,564	20,236,442

Summary of significant accounting policies 1.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W
Chartered Accountants


per Prashant Singh
Partner
Membership No.: 93283



Place: GURGAON
Date: OCTOBER 26, 2015

For and on behalf of the Managing Committee of
Lord Education and Health Society


Suhaan Mukerji
President


Aditya Prakash
General Secretary


Soumitra Ghosh
Chief executive officer

PLACE : NEW DELHI
DATE : OCTOBER 26, 2015

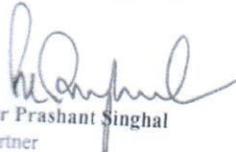
LORDS EDUCATION AND HEALTH SOCIETY
(All amounts are in Indian Rupees)

Income and Expenditure Account for the year ended March 31, 2015

Particulars	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
Income			
Foreign remittances			
Other income - interest received		54,750,560	27,742,476
Total Income		<u>149,504</u>	<u>4,230</u>
Expenditure			
Employee benefits expense			
Administrative expenses	6	17,058,671	1,585,686
Program expenses	7	7,739,072	5,224,229
Depreciation and amortization expense	8	39,573,849	2,800,227
Total expenditure	9	<u>678,387</u>	<u>53,441</u>
Excess of expenditure over income (I-II) carried to balance sheet		<u>65,049,979</u>	<u>9,663,583</u>
		<u>(10,149,915)</u>	<u>18,083,123</u>
Summary of Significant accounting policies			
The accompanying notes are an integral part of the financial statements	1.1		

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W
Chartered Accountants


per Prashant Singhal
Partner
Membership No.: 93283



Place: GURGAON
Date: OCTOBER 26, 2015

For and on behalf of the Managing Committee of
Lord Education and Health Society


Suhaan Mukerji
President


Aditya Prakash
General Secretary


Soumitra Ghosh
Chief executive officer

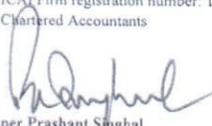
PLACE: NEW DELHI
DATE: OCTOBER 26, 2015

LORDS EDUCATION AND HEALTH SOCIETY
 Receipts & Payments Accounts for the year ended March 31, 2015
 (All amounts are in Indian Rupees)

Receipts	Amount	Payments	Amount
Opening Balance		Fixed deposits made during the year	12,000,000
Bank Accounts	18,003,602	Payment of statutory dues	5,725,698
Cash-in-Hand	13,180	Capital advances	2,119,838
		Purchase of fixed assets	1,350,529
Corpus Fund		Advances given to supplier	713,506
Addition during the year	33,000	Payment of trade creditors	574,515
Grants received	54,750,560	Payment towards:	
Proceeds from Fixed deposits matured	12,000,000	Program expenses	27,553,029
Amount received from bank on account of foreign exchange fluctuation	393,148	Payroll expenses	18,242,218
Interest received	138,125	Rent expenses	2,980,109
		Miscellaneous expenses	458,589
		Travel & conveyance expenses	1,746,384
		Legal & professional expenses	925,050
		Audit fees	460,517
		Repair & maintenance expenses	1,209,876
		Communication expenses	232,523
		Printing & stationary expenses	400,883
		Meeting expenses	663,782
		Training expenses	23,546
		Closing Balance	
		Bank Accounts	7,941,227
		Cash-in-Hand	9,796
Total	85,331,615	Total	85,331,615

As per our report of even date

For S. R. Batliboi & Associates LLP
 ICAI Firm registration number: 101049W
 Chartered Accountants


 per Prashant Singhal
 Partner
 Membership No.: 93283

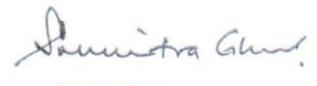


Place: GURGAON
 Date: OCTOBER 26, 2015

For and on behalf of the Managing Committee of
 Lord Education and Health Society


 Subaan Mukerji
 President


 Aditya Prakash
 General Secretary


 Soumitra Ghosh
 Chief executive officer

PLACE : NEW DELHI
 DATE : OCTOBER 26, 2015

1. Basis of preparation

The financial statement of Lords Education & Health Society ("LEHS" or "Society") has been prepared in accordance with generally accepted accounting practices in India (Indian GAAP). The financial statements have been prepared on an accrual basis and under the historical cost convention.

1.1 Summary of significant accounting policies

a) Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of acquisition is net of grants, if any, received for acquiring the assets.

Gains or losses arising from de-recognition of an fixed asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Income and Expenditure Account when the asset is derecognized.

c) Depreciation on fixed assets

Depreciation on fixed assets is provided on the written down value of the fixed assets as per the rates given in the Income tax Act, 1961 on a pro-rata basis, from the date of purchase or from the date when is first put to use, whichever is earlier.

Depreciation on asset sold is ascertained on pro-rata basis till the date of sale.

d) Intangibles assets and their amortization

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Income and Expenditure Account in the year in which the expenditure is incurred.

Intangible assets are amortized on the written down value of the fixed assets as per the rates given in the Income tax Act, 1961 over the estimated useful economic life. All intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Income and Expenditure Account when the asset is derecognized.

e) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, fixed assets / intangibles assets are depreciated / amortized on the revised carrying amount over its remaining useful life.



f) **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of twelve months or less.

g) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to LEHS and the revenue can be reliably measured.

h) **Grants**

Grants received are recorded in the books on the date when the amount is actually credited in the bank account. Foreign grants are recorded in the books on the similar basis by applying the exchange rate as per AS-9 and AS-11. Grants received against specific fixed assets are presented in the Balance Sheet by disclosing the grant as a deduction from the gross value of the assets concerned in arriving at their book value. Where the grant related to a specific fixed asset equals the whole, or virtually the whole, of the cost of the asset, the asset is shown in the Balance Sheet at a nominal value. Depreciation in such a case is charged on asset value, net of grant.

Revenue grants, are recorded in the books on the date when the amount is actually credited in the bank account.

i) **Expenses**

Expenses are in the nature of employee related expenses; program expenses; administrative expenses; miscellaneous expenses are recorded on accrual basis.

j) **Foreign currency transactions and balances**

i) **Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Receipts in foreign currency are translated at the rates applicable on the date of the transactions. All transactions during the year have been converted at the actual rate applicable as certified by the principal bankers where FCRA account is being maintained. Rate of remittances to the said Offices is as under:

<u>Location of office</u>	<u>Currency</u>	<u>Equivalent INR</u>
Delhi	U.S Dollar	Rs 61.16

iii) **Exchange differences**

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of LEHS at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items of LEHS at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.



Lords Education & Health Society
Schedule forming part of the Financial Statements as at and for the year ended March 31, 2015
(All amounts are in Indian Rupees)

k) Provisions

Provisions are recognized when there is a present obligation as a result of past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provision is not discounted to its present value and is 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 best current estimate.

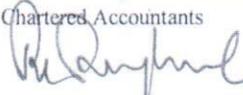
l) Corpus fund

Contributions received from members and non-members towards lifetime membership of the society, where the amount contributed is not refundable in the event of membership termination, are credited under the caption "Corpus Fund" in the Balance Sheet.

10. LEHS operates under a single (primary) segment viz, Education and Health care and currently operating in State of Rajasthan only. Further, there are no reportable geographical segments based on parameters given in Accounting Standard on Segment Reporting (AS - 17) issued by the Institute of Chartered Accountants of India. Accordingly, additional segment reporting disclosures are not required to be given.
11. The Society has obtained registration under section 12A & 80G of The Income Tax Act, 1961 with effect from November 24, 2003. The society is exempt under section 11 of the Income Tax Act with respect to the income and the donors are also eligible to certain tax exemptions under the Income Tax Act. These registrations are valid as on date of financial statements.
12. There are no related party relationships and transactions as defined in Accounting Standard on Related party Disclosures (AS 18) issued by the Institute of Chartered Accountants of India.
13. On the basis of information available with LEHS, there are no transactions with any micro, small or medium enterprises as defined under the Micro, small and medium enterprises development Act, 2006.
14. The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Associates LLP and have been regrouped and reclassified wherever necessary, to conform to the current year's classification.

As per our report of even date

For S. R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W
Chartered Accountants


per Prashant Singhal
Partner

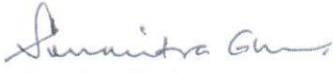


Membership No.: 93283
Place: Gurgaon
Date: OCTOBER 26, 2015

For and on behalf of Lords Education & Health Society


Suhaan Mukerji
President


Aditya Prakash
General Secretary


Soumitra Ghosh
Chief Executive Officer

PLACE : NEW DELHI
DATE : OCTOBER 26, 2015

LORDS EDUCATION AND HEALTH SOCIETY
Notes to financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

	As at March 31, 2015	As at March 31, 2014
2. Balance in Income & expenditure account		
Opening balance	18,381,720	298,597
Surplus/ deficit for the period	(10,149,915)	18,083,123
	8,231,805	18,381,720
3. Other Current liabilities & provisions		
Trade payables	5,136,093	896,257
Payable to employees	90,765	10,000
Statutory dues payable		
Tax deducted at source payable	54,885	750,449
	5,281,743	1,656,706
4. Cash and bank balances		
Cash in hand	9,796	13,180
<u>Balance with banks</u>		
With scheduled banks		
In current account	-	163,470
In savings account	-	129,482
In forex account		
- ICICI Bank	7,941,227	17,710,649
	7,951,023	18,016,782
5. Loans & advances		
Capital advances	2,177,563	57,725
Security deposit	898,933	573,075
Advances recoverable in cash or kind	765,804	633,106
Other loans and advances		
- Prepaid expenses	153,939	30,356
- Advances to employees	16,000	-
	4,012,239	1,294,262



LORDS EDUCATION AND HEALTH SOCIETY

Notes to financial statements for the year ended 31 March 2015

(All amounts are in Indian Rupees)

	For the year ended March 31, 2015	For the year ended March 31, 2014
6. Employee benefits expense		
Salary, wages and bonus	16,405,326	685,514
Contribution to provident and other funds	346,877	-
Staff recruitment expenses	306,468	897,512
Staff welfare expenses	-	2,660
	17,058,671	1,585,686
7. Administrative expenses		
Rent	3,239,861	1,536,269
Repairs and maintenance	1,150,904	2,082,381
Legal and professional	1,624,973	873,531
Water and electricity	-	18,492
Communication expenses	447,640	30,508
Printing and Stationery	368,421	29,271
Brokerage	108,020	191,025
Audit Fees	10,000	224,720
Miscellaneous expenses	789,253	238,032
	7,739,072	5,224,229
8. Program expenses		
Establishment expenses (salaries of health care staff and maintenance cost)	12,732,226	-
Meeting expenses	7,744,419	-
Professional expenses	6,971,349	-
Testing equipments for health centers	5,963,249	-
Travelling & conveyance	3,170,940	317,737
Consultancy Fees	2,613,539	2,332,490
Printing and Stationery	354,581	-
Training Cost	23,546	-
Donation	-	150,000
Total	39,573,849	2,800,227



LORDS EDUCATION AND HEALTH SOCIETY
Notes to financial statements for the year ended 31 March 2015
(All amounts are in Indian Rupees)

9. Fixed assets

Tangibles				
Particulars	Computers	Furniture & Fixtures	Office Equipments	Total
Gross Block				
At 1 April 2013	73,004	38,250	-	111,254
Additions	-	333,666	627,158	960,824
Disposals	73,004	38,250	-	111,254
At 31 March 2014	-	333,666	627,158	960,824
Additions	578,346	457,129	124,770	1,160,245
Disposals	-	-	-	-
At 31 March 2015	578,346	790,795	751,928	2,121,069
Accumulated Depreciation				
At 1 April 2013	62,202	14,680	-	76,882
Charge for the year	-	16,684	31,358	48,042
Disposals	62,202	14,680	-	76,882
At 31 March 2014	-	16,684	31,358	48,042
Charge for the year	270,260	77,411	98,728	446,399
Disposals	-	-	-	-
At 31 March 2015	270,260	94,095	130,086	494,441
Net Block				
At 31 March 2014	-	316,982	595,800	912,782
At 31 March 2015	308,086	696,700	621,842	1,626,628

Intangibles	
Particulars	Software
Gross Block	
At 1 April 2013	-
Additions	18,016
Disposals	-
At 31 March 2014	18,016
Additions	374,046
Disposals	-
At 31 March 2015	392,062
Accumulated Depreciation	
At 1 April 2013	-
Charge for the year	5,400
Disposals	-
At 31 March 2014	5,400
Charge for the year	231,988
Disposals	-
At 31 March 2015	237,388
Net Block	
At 31 March 2014	12,616
At 31 March 2015	154,674

