

SINGH KRISHNA & ASSOCIATES

Chartered Accountants

8, Second Floor, Krishna Market, Kalkaji, New Delhi - 110 019
Tel.: 32500444, Telefax: 40590344, e-mail: skacamail@gmail.com

INDEPENDENT AUDITORS' REPORT

To the Trustees of

Breakthrough Trust

Report on the Financial Statements

We have audited the accompanying financial statements of Breakthrough Trust (the Trust), which comprise the Balance Sheet as at March 31, 2014 and the Income and Expenditure Account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of the Trust is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the Trust'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 Trust'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.

Auditors' Report and Opinion

We report that:

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Trust so far as appears from our examination of the books;
- (iii) the Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account;




- (iv) in our opinion, the Balance Sheet and the Income and Expenditure Account dealt with by this report comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India;
- (v) 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 Balance Sheet, of the state of affairs of the Trust as at March 31, 2014; and
 - b) in the case of the Income and Expenditure Account, of the surplus of the Trust for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 8 of Schedule – 9 ‘Accounting Policies and Notes on Accounts’ regarding receipt of foreign contribution (FC) amounting to ₹ 2,49,21,061.29 inadvertently in a bank account other than FC designated bank account of Breakthrough Trust. Our opinion is not qualified in respect of this matter.

for Singh Krishna & Associates
Chartered Accountants
Firm’s Registration No. 008714C


(Krishna Kumar Singh)
Partner
M. No. 077494



Place : New Delhi

Date : 25th September 2014

BREAKTHROUGH TRUST
E-1A, FIRST FLOOR, KAILASH COLONY, NEW DELHI - 110048
BALANCE SHEET AS AT MARCH 31, 2014

LIABILITIES	SCHEDULE #	AMOUNT ₹	AMOUNT ₹	ASSETS	SCHEDULE #	AMOUNT ₹	AMOUNT ₹
SETTLER'S FUND				FIXED ASSETS	3		1,091,603.00
GENERAL FUND				RESTRICTED FUNDS (GRANTS)			
Opening Balance				Grants Receivable	1		8,655,442.02
Add: Amount transferred from Income and Expenditure Account		16,418,717.70		CURRENT ASSETS, LOANS, ADVANCES, ETC.			
DEFERRED REVENUE FUND				CURRENT ASSETS			
Opening Balance				Cash-in-Hand		77,258.00	
Add: Fixed Assets Acquired out of Restricted Funds (Grants)		12,062,188.15		Fixed Deposits with Bank Including Accrued Interest		21,068,919.39	
Less: Amount equivalent to depreciation charged on such assets transferred to Income and Expenditure Account				Savings Account with Banks		68,896,969.94	
				LOANS, ADVANCES, ETC.			90,043,147.33
RESTRICTED FUNDS (GRANTS)				Security Deposits		437,000.00	
Unutilised Grants	1	1,212,062.00		Income Tax Recoverable		1,240,103.97	
		273,997.00		Prepaid Expenses		183,881.03	
CURRENT LIABILITIES AND PROVISIONS				Advances	4	2,337,117.04	
Liability for Expenses	2						4,198,102.04
Duties and Taxes							
Provision for Gratuity							
TOTAL			103,988,294.39	TOTAL			103,988,294.39

Accounting Policies and Notes on Accounts 9

As per our Report of even date attached

for Singh Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

Mukesh Kumar Singh
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi
Date : 25th September 2014



for Breakthrough Trust

Sonar
(Sonali Khan)
Vice President & Country Director

Benu Kumar
(Benu Kumar)
Trustee

BREAKTHROUGH TRUST
E-1A, FIRST FLOOR, KAILASH COLONY, NEW DELHI - 110048

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

PARTICULARS	SCHEDULE #	AMOUNT ₹	AMOUNT ₹	PARTICULARS	SCHEDULE #	AMOUNT ₹	AMOUNT ₹
EXPENSES				INCOMES			
Communication Expenses	5	893,879.11		Restricted Grants Availed/ Utilised	1		83,743,133.28
Consultancy Expenses		23,853,827.80		Unrestricted Grant			1,206,512.34
Establishment Expenses	6	2,740,420.56		Interest on Savings Bank Account			388,397.66
Information Dissemination	7	16,558,208.35		Interest on Fixed Deposit Accounts			3,959,010.29
Personnel Expenses	8	19,167,017.81		Miscellaneous Receipts			114,602.73
Repair and Maintenance		256,708.00		Donations			1,577,105.92
Travel Expenses		4,877,394.74		Appropriation from Deferred Revenue Fund			423,549.00
Trainings, Workshops and Seminars		10,707,316.26		Payables Written-off			233,332.56
Depreciation		428,683.00	79,583,455.63				
Excess of Income over Expenditure transferred to General Fund			12,062,188.15				
TOTAL			91,645,643.78	TOTAL			91,645,643.78

Accounting Policies and Notes on Accounts

9

As per our Report of even date attached

for Singh Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

Singh Krishna & Associates

(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi

Date : 29th September 2014



Sonali Khan
(Sonali Khan)
Vice President & Country Director

for Breakthrough Trust

Benu Kumar
(Benu Kumar)
Trustee

BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2014

SCHEDULE 1 - RESTRICTED FUNDS (GRANTS)

Particulars	Opening Balance as on April 01, 2013		Received During the Year	Total	Availed/ Utilised & Credited to Income and Exp. A/c	Availed/ Utilised & Credited to Deferred Revenue Fund	Total Utilisation	Closing Balance as on March 31, 2014	
	Unutilised Grants	Grants Receivable						Unutilised Grants	Grants Receivable
Asia Foundation	-	150,119.68	300,120.00	150,000.32	150,000.32	-	150,000.32	-	-
Catapult	-	-	3,245,577.90	3,245,577.90	2,073,773.77	-	2,073,773.77	1,171,804.13	-
Empower	582,429.34	-	-	582,429.34	582,429.34	-	582,429.34	-	-
Ford Foundation	8,195,915.67	-	-	8,195,915.67	8,195,915.67	37,500.00	8,195,915.67	-	-
HDF	2,760,164.86	-	8,347,870.50	11,108,035.36	3,700,477.90	48,000.00	3,748,477.90	7,359,557.46	-
Let's Breakthrough Inc. (Flow Additional Grant)	-	-	-	-	133,396.27	30,324.00	163,720.27	-	163,720.27
Let's Breakthrough Inc. (Flow)	-	2,945,480.80	26,010,431.70	23,064,950.90	29,791,436.68	24,500.00	29,815,936.68	-	6,750,985.78
Let's Breakthrough Inc. (Media Intervention)	-	1,740,735.97	-	(1,740,735.97)	-	-	-	-	1,740,735.97
Let's Breakthrough Inc. (Oxfam N(O)vib-UNTf)	1,776,201.43	-	-	1,776,201.43	1,678,994.00	-	1,678,994.00	97,207.43	-
Oak Foundation	1,846,490.00	-	13,996,356.18	15,842,846.18	15,737,996.18	104,850.00	15,842,846.18	-	-
Save The Children	-	-	30,575,334.00	30,575,334.00	399,949.35	-	399,949.35	30,175,384.65	-
Vodafone Foundation	-	-	5,890,678.00	5,890,678.00	550,773.30	-	550,773.30	5,339,904.70	-
Google India Pvt Ltd	-	-	15,000,000.00	15,000,000.00	1,149,650.75	20,100.00	1,169,750.75	13,830,249.25	-
UNDP	-	400,000.00	400,000.00	12,697,794.00	-	-	-	-	-
UNFPA - Grant	-	-	12,697,794.00	12,697,794.00	9,136,873.42	-	9,136,873.42	137,098.00	* Refer to Note 1
UNFPA - Interest on Grant	-	-	36,849.00	36,849.00	-	-	-	-	* Refer to Note 1
UNIFEM-Documentation	-	285,820.24	351,650.00	65,829.76	65,829.76	-	65,829.76	-	-
UN Women	-	-	9,921,061.29	9,921,061.29	385,126.90	-	385,126.90	9,535,934.39	-
The J.R.D. Tata Trust - Grant	2,419,178.00	-	9,424,000.00	11,843,178.00	9,966,603.67	8,723.00	9,975,326.67	1,867,851.33	-
The J.R.D. Tata Trust - Interest Earned on Grant	247,788.00	-	676,527.02	924,315.02	81,406.00	-	81,406.00	842,909.02	-
Total	17,828,167.30	5,522,156.69	136,874,249.59	149,180,260.20	83,743,133.28	273,997.00	84,017,130.28	70,357,900.36	8,655,442.02

* Note 1 : The unutilised grant amounting to Rs. 34,23,822.58 and Interest on Grant amounting to Rs. 36,849 have been refunded to the Donor



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BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2014

SCHEDULE 3 - FIXED ASSETS

Particulars	W.D.V. As on 01.04.13	Addition		Deductions	Total As on 31.03.14	Rate of Depreciation	Depreciation For the Year	Amount in ₹ W.D.V. As on 31.03.2014
		Upto 30.09.13	After 30.09.13					
A. Fixed Assets Acquired out of Project Funds (FCRA)								
Computers and Printers	293,965.00	71,400.00	66,910.00	-	432,275.00	60%	239,292.00	192,983.00
Office Equipment	455,819.00	8,740.00	70,324.00	-	534,883.00	15%	74,958.00	459,925.00
Office Furniture	344,868.00	13,260.00	14,540.00	-	372,668.00	10%	36,540.00	336,128.00
	1,094,652.00	93,400.00	151,774.00	-	1,339,826.00		350,790.00	989,036.00
B. Fixed Assets Acquired out of General Fund (FCRA)								
Office Equipment	34,227.00	-	-	-	34,227.00	15%	5,134.00	29,093.00
	34,227.00	-	-	-	34,227.00		5,134.00	29,093.00
C. Fixed Assets Acquired out of Project Funds (Non - FCRA)								
Computers and Printers	117,410.00	-	-	-	117,410.00	60%	70,446.00	46,964.00
Office Equipment	-	8,723.00	-	-	8,723.00	15%	1,308.00	7,415.00
Office Furniture	-	-	20,100.00	-	20,100.00	10%	1,005.00	19,095.00
	117,410.00	8,723.00	20,100.00	-	146,233.00		72,759.00	73,474.00
Total (A+B+C)	1,246,289.00	102,123.00	171,874.00	-	1,520,286.00		428,683.00	1,091,603.00



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BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2014

	AMOUNT ₹
SCHEDULE 2 - LIABILITY FOR EXPENSES	
Airtel	19,115.18
Ajay K Sud and Associates	229,500.00
Amrit Estate Pvt Ltd	94,500.00
Bharat S Karkera	1,760.00
BSES Rajdhani Power Limited	7,740.00
BSNL	1,181.00
Catalyst Management Services Pvt Ltd	424,559.00
Credit Card	53,060.30
Eagle Conferencing Pvt Ltd	7,170.00
Gram Vani Community Media Pvt Ltd	157,248.00
Gupshup Technology India Pvt Ltd	75,745.00
Kailash Tourist Service	4,799.00
Kapil Sharma	20,790.00
Manjula	5,793.00
Manoovar Consulting LLP	15,169.00
MTNL	1,114.00
Pal Business System	3,258.00
PB(BCI) Doordarshan Commercial Services	22,061.00
Pratham	115,276.00
Phoolwati Kailash Taxi Service	3,570.00
Prafulla G Puthran	33,000.00
Pumima Enterprises Pvt Ltd	56,357.00
Reliance Communication	13,484.00
Singh Krishna & Associates	116,293.00
Tata Indicom	2,102.00
Tech Process Payment Service Limited	90.00
Uday Kumar	3,052.00
Vani	36,389.70
Vodafone	6,708.00
Zobra The Buddha	9,180.00
Payable to Staff	131,983.00
	<u>1,672,047.18</u>

SCHEDULE 4 - ADVANCES

(recoverable in cash or in kind or for value to be received)

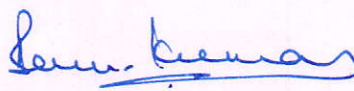
Advance Other	1,570.00
Asha Bekal	91.00
Corporate Law Group	2,472.00
Credit Card	48,003.02
Jyoti Hitnal	448.00
Kanmani M	1,784.00
Krati Prakash	14,521.00
Lets Breakthrough INC	1,582,357.66
Manjula	2,850.00
National Insurance Company Ltd	101.00
Oriental Insurance Company Ltd	2,638.00
Advances to Staff	477,508.36
Prem Chand	292.00
Shivani Pandey	2,630.00
Shramik Bharti	1,085.00
Shrinath	21,136.00
Sohini Bhattacharya	103,756.00
Tata Global Beverages Ltd	48,020.00
Travel Guru	607.00
Virgin Records (India) Pvt Ltd	903.00
Zee News Ltd	24,344.00
	<u>2,337,117.04</u>



BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2014

	AMOUNT ₹
SCHEDULE 5 - COMMUNICATION EXPENSES	
Courier and Postage	117,262.00
Telephone, Fax and Internet Charges	776,617.11
	<u>893,879.11</u>
SCHEDULE 6 - ESTABLISHMENT EXPENSES	
Audit Fees	129,214.00
Bank Charges	16,292.08
Electricity and Water Charges	257,767.47
Legal and Professional Charges	105,055.00
Office Expenses	178,478.00
Rent	1,895,750.00
Printing and Stationery	157,149.01
Filing Fees	715.00
	<u>2,740,420.56</u>
SCHEDULE 7 - INFORMATION DISSEMINATION	
Purchase/ Conversion - Audio and Visual	85,940.60
Campaigns and Advertisements for Awareness	15,110,377.76
Books and Periodicals	20,595.00
Website Development	350,824.99
Printing and Xeroxing	1,090,470.00
	<u>16,658,208.35</u>
SCHEDULE 8 - PERSONNEL EXPENSES	
Salaries	17,713,569.00
Mediclaim and Accidental Insurance	230,139.81
Gratuities	612,954.00
Other Benefits	610,355.00
	<u>19,167,017.81</u>



BREAKTHROUGH TRUST

Schedules forming part of the accounts for the year ended March 31, 2014

Schedule - 9

Accounting Policies and Notes on Accounts

1. Accounting Convention

The financial statements of the Trust have been prepared on a going concern basis under the historical cost convention on accrual basis and in accordance with mandatory accounting standards issued by the Institute of Chartered Accountants of India.

2. Fixed assets

Fixed assets are stated at cost, less accumulated depreciation. The cost of fixed assets comprises its purchase price and any cost attributable of bringing the assets to its working condition and intended use.

3. Depreciation

Depreciation on the assets is provided on written down value method at the rates and methods prescribed in the Income Tax Act, 1961. Assets purchased and put to use on or after 1st October of the year under review are depreciated for that year at 50% of the prescribed rates.

4. Impairment of Assets

Management of the Trust periodically assesses whether there is an indication that an assets may be impaired. In case of such an indication, the management estimates the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the difference is recognized as impairment loss.

5. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the income and expenditure account.

6. Employee Benefits

Liability for gratuity is calculated on the assumption that gratuity is payable to all employees at the end of the accounting year. Such amount of gratuity is charged to revenue. This is in accordance with the Accounting Standard (AS) 15 Employee Benefits issued by the Institute of Chartered Accountants of India as the average number of persons employed during the year is less than fifty.

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FOR BREAK THROUGH TRUST

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TRUSTEE

7. Revenue recognition

Grants received for specific purposes are initially treated as a liability and adjusted for capital or revenue expenses as per utilisation during the year. Generally, grants, to the extent utilised for revenue expenditure, are treated as income of the year. After fulfillment of obligations attached with a particular grant, any unutilised amount of the grant, not refundable to the donor, is transferred to Income and Expenditure Account.

Grants, to the extent utilised for depreciable assets, are treated as deferred income and recognised in the Income and Expenditure Account on a systematic and rational basis.

8. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Differences arising out of foreign currency transactions settled during the period are recognised in the Income and Expenditure Account.

Monetary items outstanding at the balance sheet date and denominated in foreign currencies are recorded at the exchange rate prevailing at the end of the period. Differences arising there from are recognised in the Income and Expenditure Account.

9. Provisions and Contingencies

Provisions are recognised when the Trust has a present obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provision required settling the obligation are reviewed regularly and are adjusted where necessary to reflect the current best estimate 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. Disclosure is also made in respect of a present obligation that probably requires an outflow of resources, where it is not possible to make a reliable estimate of the related outflow.

Notes on Accounts

1. Breakthrough Trust was established on October 12, 1999 as a Public Charitable Trust. The Trust is an innovative and effective human rights organization that deploys multi-media, popular culture, leadership development and community mobilization to promote values of dignity, equality and justice. The Trust is a nonprofit organization operating in India. The Trust is working on the issue related to violence against women, early marriage, sex selection and human rights. The Trust is actively involved in awareness generation and advocacy of these issues through innovative means of mass media.
2. The Trust is registered with the Income-Tax Department under Section 12A of the Income-Tax Act, 1961 vide a certificate No. DIT (E)/ 99-2000/ B -783/ 99/ 697 dated February 03, 2000.

In the opinion of the Board of Trustees, all activities undertaken by the trust during the year are within the purview of the said section. Hence, no provision for the current income-tax and deferred tax has been made in these financial statements.



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FOR BREAK THROUGH TRUST
Shan
TRUSTEE

3. Contingent Liability – Nil.
4. Capital Commitment – Nil.
5. As per the information available, there are no amounts due that require disclosure/provisioning as per the requirements of the Micro Small and Medium Enterprises Development Act, 2006.
6. In the opinion of the Board of Trustees, current assets, loans and advances have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet and provision for all known liabilities have been made in the financial statements.
7. The Trust leases certain office premises under cancellable operating lease arrangements. The rent expense under these agreements for the year is ₹ 18,95,750.
8. During the year under review a foreign contribution (FC) of ₹ 1,50,00,000 was inadvertently received in a bank account other than FC designated bank account of Breakthrough Trust. The FC was remitted by Google India Pvt Ltd a subsidiary Google Inc., USA. Out of the grant of ₹ 1,50,00,000, Breakthrough Trust has utilised ₹ 11,69,750.75, up to March 31, 2014, for the purposes of the grant from the bank account in which the grant was actually received.

Further, another FC of ₹ 99,21,061.29 remitted by the by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) was received in a bank account other than FC designated bank account of Breakthrough Trust on the presumption that UN Women is part of the list of agencies of the United Nations notified by the Central Government to be not covered by the definition of 'foreign source' under section 2(1)(j)(ii) of the Foreign Contribution (Regulation) Act, 2010. However, it was noticed later that the UN Women is not appearing in the list of agencies of the United Nations referred to above. Out of the grant of ₹ 99,21,061.29, Breakthrough Trust has utilised ₹ 3,85,126.90, up to March 31, 2014, for the purposes of the grant from the bank account in which the grant was actually received.

Breakthrough Trust would seek condonation from the Secretary to the Government of India, Ministry of Home Affairs for the aforesaid inadvertent omission in receipt of FC in a bank account other than FC designated bank account.

Signatories to the Schedule 1 to 9

As per our audit report of even date attached

for Singh Krishna & Associates
Chartered Accountants
Firm's Registration No. 008714C

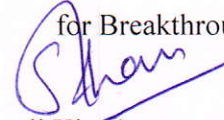


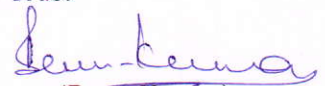
(Krishna Kumar Singh)
Partner
M. No. 077494

Place : New Delhi

Date : 25th September 2014



for Breakthrough Trust

(Sonali Khan)
Vice President &
Country Director


(Benu Kumar)
Trustee