



INDEPENDENT AUDITOR'S REPORT

To
The Members
Cankids...Kidscan,
New Delhi

Report on the Financial Statements

We have audited the FCRA financial Statements of **Cankids...Kidscan** (the 'Society') which comprises the FCRA Balance Sheet as at 31st March 2019, the FCRA Income & Expenditure account and the FCRA Receipts & Payment account for the year then ended and a summary of significant accounting policies and other explanatory information on that date annexed thereto.

Opinion

In our opinion, the accompanying FCRA financial statements give a true and fair view of the financial position of the entity as at 31st March 2019 and of its financial performance for the year then ended in accordance with the Accounting standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Members and Those Charged with Governance for the Financial Statements

The Members are responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards, and for such internal control as members 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, members are 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 members either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Financials Statements

Our objectives are to obtain reasonable assurance about whether the financials statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonable be expected to influence the economic decisions of users taken on the basis of these financial statements.

For N D R & Co.

Chartered Accountants

Firm Reg. No. 007396N



CA Sanjiv Nanda

Partner

M.No. 086284

Dated: 08/08/2019

Place: New Delhi

CANKIDS...KIDSCAN

NOTE: 13 - SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

(Forming part of the Balance Sheet as at 31st March, 2019)

(a) Basis of Preparation

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the generally accepted accounting principles and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

(b) Use of Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles which require the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements. Actual results if they differ from those estimates are recognized in the current and future accounting periods.

(c) Revenue Recognition

Donation/Grants

General Donation/Grants Income is recognized as income on receipt basis. Donation/Grants Income for the specific ongoing projects/purpose are recognized as income on accrual basis to the extent of expenditure incurred during the year.

Interest Income

Interest income is accounted for on time proportionate basis at the applicable rate of interest.

(d) Fixed Assets and Depreciation

Fixed assets are stated at historical cost less accumulated depreciation. The depreciation is provided as per the written down value method as per Income Tax Act, 1961. However, Fixed Assets acquired from FCRA fund is fully depreciated in the year of purchase.

(e) Investments

All investments are stated at cost. Provision for diminution, if any, in the value of investments, other than temporary, is made in the books of accounts.

(f) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction.

(g) Employee Benefits

Gratuity

Gratuity is calculated in the manner prescribed under Income Tax Act, 1961 and is recognized as expense on actual payment basis.



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Provident Fund

The Society makes contribution to statutory provident fund account held with the Government in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

Other short term benefits

Other short-term benefits are recognized as expenses on actual payment basis for the period during which services are rendered by the employee.

(h) Provisions and contingent liabilities

The Society creates a provision 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. 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. Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(i) Allocation of Common Expenses

1. **Central Core Services Allocation** – of Core staff and administrative expenses of all the core service programs including Medical Support and Projects, TSP, PPOP, Education, CEPAA, Capacity Building, PSG and KCK. The allocation includes salaries and allowances of the staff. The allocation of Central Core Services to all the CHSU's is as fixed percentage of the net direct cost of the CHSU as decided by the management. Where funding is already secured from other donor the same is not charged as allocation.
2. **Central Admin cost allocation:** taken at a fixed percentage of each CHSU or Care Centre budget as decided by the management. (Central admin cost includes Accounts and finance, Audit, monitoring, HR and Resource mobilization expenses).

(j) Note 01 to Note 13 form an integral part of the Financial Statement.

(k) The figures have been rounded off to the nearest rupee.



Hank Kumar

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