



Kiran Foundation is a non-profit organization registered under the Society Act of 1860 and also as Kiran Foundation - US as a 501(c)(3) organization in America.

It started as a small initiative in 2006 by Sabina Khatri, who drew inspiration from motherhood.

The Foundation provides transformational education and holistic support to marginalized communities in Lyari and Kati Pahari.

KF is rooted in the belief of motherhood as the pillar of humanitarian values and the importance of mental health and well-being. We educate children and empower mothers in a way that nurtures the entire family unit. Kiran Foundation has introduced Pakistan's first and only Mother and Child Trauma-Informed Schooling System.



## ایک شفقت بھرے معاشرے کا تصور Envisioning A Compassionate Society

- \* Restoring society's faith in love and peace
- \* Bridging the socioeconomic gap

- \* Strengthening & celebrating motherhood
- \* Raising awareness of mental health and wellbeing.

### KIRAN FLAGSHIP - LYARI

Bridging The Gap

The flagship initiative, taken in 2006, prepares toddlers and their mothers for mainstream schools. This sowed the seed of our Trauma-Informed Mother and Child Kiran School System, initially as the Ibtadari model. The Nafeesa forum is the mother's program that runs parallel.

### KIRAN SCHOOL SYSTEM 1- DCTO LYARI

A Safe and Happy School

KSS is an expansion of the Mother-Child Trauma Informed Ibtadari Model all the way to 10th Grade, running at our adopted DCTO Government Campus in Lyari since 2014, accommodating 800 students at a given time.

Supported by CM Sindh

### KIRAN SCHOOL SYSTEM 2 - KATI PAHARI

A Safe and Happy School

A generous lady, Ambreen Khalid, donated the Kati Pahari campus to us in 2022 in memory of her parents. This Campus runs the mother & child KSS Model, starting with Ibtadari and adding a class every year.

### KIRAN SCHOOL 3 ALAMABAD- SWABI' KPK

A Safe and Happy School

Kiran School Alamabad, our 3rd Mother and Child Preschool, opens January 2024 at the Alamabad Education Complex, accommodating 90 toddlers and caregivers. Support and Sponsor is needed for final setup before the launch.

### URAAAN - FLY HIGH

College Support Program

URAAAN is a College/University Support Program offered mainly to the youth of Lyari and its surroundings. URAAN applies only to Matric/O-Level and intermediate/A level graduate students.

## MENTAL HEALTH & WELL-BEING

Love and acceptance heal the deepest of scars

Mental Health and well-being are at the core of all our education programs; with professionals on our team, we train the communities on positive parenting, self-regulation skills, and coping mechanisms for day-to-day stressors.

## ROSHNI - SALMA GHAR LYARI

Awareness Empowers Women

Roshni provides non-formal and informal education to females, empowering them to become emotionally, socially, and financially independent. Roshni is running inside Salma Ghar, a safe space donated by a loving son in devotion to his mother.

## HADIA CLUBS

Beyond the School

Hadia Clubs work beyond the school to give children the opportunity to unlock their potential, explore their talents, and cultivate their strengths through a range of exciting clubs. This program provides healthy and fun alternatives for children to stay away from toxic influences, literally and virtually.

## DOSTI PROJECT

A Helping Hand

Dosti is a goodwill effort to support educational initiatives and government and community-based schools through partnering with local social entrepreneurs and small organizations. So far, Dosti has reached schools in Lyari, Machar Colony, Moach Goth, and Ghizer GB.

## WELFARE & OUTREACH - SINDH & BALOCHISTAN

Solar Panels

Water Plants

Ration & Ramzan Drives

Blood Banks

Rehabilitation

Winter Drives

Rozgar

Mashal

**DONATE NOW!**

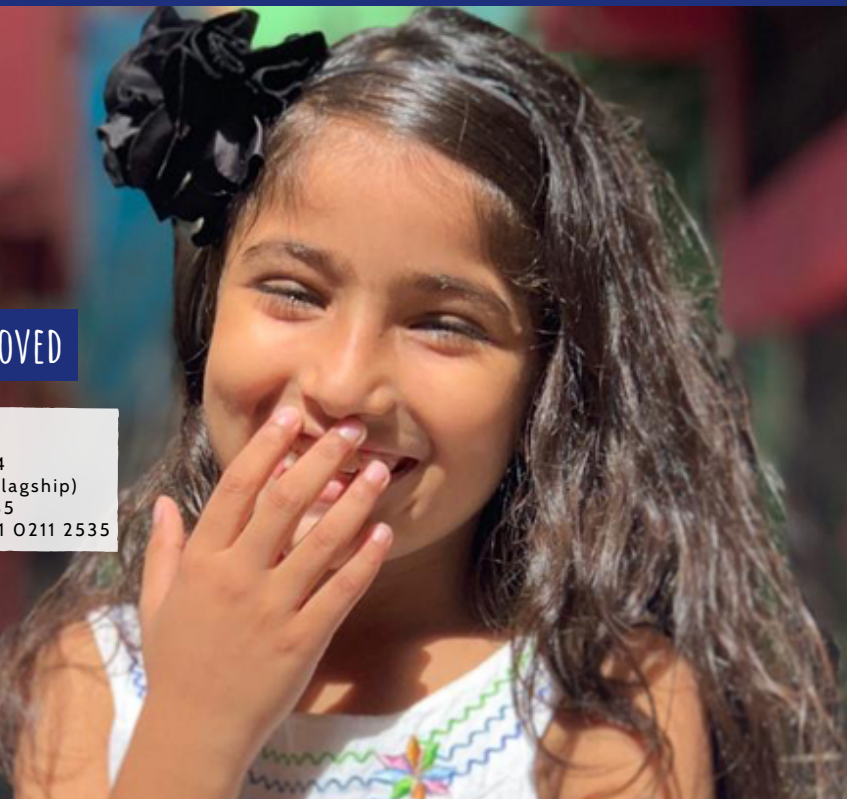
You have the power to transform lives. Any contribution, big or small, goes a long way. You can donate to any project that is close to your heart.

**WE ARE ZAKAT COMPLIANCE, PCP COMPLIANT & EAD APPROVED**

For Zakat  
Meezan Bank  
Branch Code: 0154  
Title: Kiran Foundation (Zakat)  
A/C No.: 0101419872  
IBAN: PK42 MEZN 0001 5401 0141 9872

For Non Zakat  
Meezan Bank  
Branch Code: 0154  
Title: Kiran Foundation (Flagship)  
A/C No.: 0102112535  
IBAN: PK32 MEZN 0001 5401 0211 2535

Kiran Foundation - US  
422 Harrison drive, Hockessin,  
DE 19707, PNC Bank Checking Account 5695049988  
Routing Number 031100089  
501(c) IRS EIN: 47-555-3655  
Zelle® Number 3026901673 (Kiran Foundation - US)  
Rehana Khatri +1 (302) 690-1673  
Sabina Khatri +92 321 9224046  
rehanajk@gmail.com



For more information: contact Usama Gohar at +92335 2414897, [finance@kiranschool.com](mailto:finance@kiranschool.com)

## **INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BOARD OF KIRAN FOUNDATION**

### **Opinion**

We have audited the accompanying financial statements of **KIRAN FOUNDATION ("the Society")** which comprise the Statement of financial position as at June 30, 2023, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in accumulated funds and the statement of cash flows together with the notes forming part thereof for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view of the financial position at June 30, 2023 and of its financial performance and cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. 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 Foundation in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

### **Responsibilities of Management and Governing Board for the Financial Statements**

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards as applicable in Pakistan and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Governing board are responsible for overseeing the Foundation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial 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 ISAs as applicable in Pakistan 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 reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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

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

KARACHI

DATED: 23 FEB 2024

UDIN:AR202310742kCsy8IXFx

*BDO Ebrahim & Co.*

**BDO EBRAHIM & CO.**  
**CHARTERED ACCOUNTANTS**  
Engagement Partner: Arqam Ayubi

**KIRAN FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	70,927,379	75,381,774
Long term loans		-	21,000
Long term deposits	5	1,195,327	1,101,397
Long term investments	6	71,983,583	76,313,079
		<u>144,106,289</u>	<u>152,817,250</u>
<b>CURRENT ASSETS</b>			
Short term investments	7	154,000,000	126,000,000
Loans and advances	8	1,443,262	1,329,212
Short term prepayments	9	65,997	28,345
Advance tax		6,081,184	3,894,698
Cash and bank balances	10	98,514,673	27,632,856
		<u>260,105,116</u>	<u>158,885,111</u>
<b>TOTAL ASSETS</b>		<u>404,211,405</u>	<u>311,702,361</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Deferred capital grant	11	23,208,126	30,875,105
<b>CURRENT LIABILITIES</b>			
Accrued liabilities		220,000	302,503
<b>TOTAL LIABILITIES</b>		<u>23,428,126</u>	<u>31,177,608</u>
<b>NET ASSETS</b>		<u>380,783,279</u>	<u>280,524,753</u>
<b>REPRESENTED BY:</b>			
Unrestricted fund		242,267,282	200,699,646
Restricted fund		140,780,614	77,760,228
Fair value reserve on available-for-sale investments		(2,264,617)	2,064,879
		<u>380,783,279</u>	<u>280,524,753</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
**CHAIRPERSON**

  
**GENERAL SECRETARY**

  
**FINANCE SECRETARY**

**KIRAN FOUNDATION**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>Unrestricted fund</b>			
Income	13	171,612,664	117,989,887
Administrative expenses	14	(25,548,485)	(20,775,323)
Program expenses	20	(121,662,080)	(52,719,878)
<b>Surplus - unrestricted fund</b>		<u>24,402,099</u>	<u>44,494,686</u>
<b>Restricted funds</b>			
Income transferred from Alumni fund	15	16,976,685	15,190,827
Alumni specific program expenses	16	(16,976,685)	(15,190,827)
		-	-
Income transferred from DCTO School fund	17	68,991,790	66,750,753
DCTO School specific expenses	18	(68,991,790)	(66,750,753)
		-	-
Other income	19	17,165,537	9,609,995
<b>Surplus for the year</b>		<u><u>41,567,636</u></u>	<u><u>54,104,681</u></u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

  
**CHAIRPERSON**

  
**GENERAL SECRETARY**

  
**FINANCE SECRETARY**

**KIRAN FOUNDATION  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b> <b>Rupees</b>	<b>2022</b> <b>Rupees</b>
Surplus for the year	41,567,636	54,104,681
Other comprehensive loss for the year		
Items that will be reclassified to income and expenditure account subsequently		
Unrealized loss on revaluation of available-for-sale investments	(4,329,496)	(9,031,573)
Total comprehensive income for the year	<u>37,238,140</u>	<u>45,073,108</u>

The annexed notes from 1 to 27 form an integral part of these financial statements. <sup>2/30</sup>

  
CHAIRPERSON

  
GENERAL SECRETARY

  
FINANCE SECRETARY

**KIRAN FOUNDATION  
STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Restricted Fund					Fair value reserve on available for sale investments	Total
	General Funds	Restricted Endowment fund	Alumni fund	Alamabad fund	Alumni Endowment fund		
Balance as at July 01, 2021	146,594,965	45,000,000	9,865,634	-	9,796,995	22,385,935	244,739,981
Surplus transferred from income and expenditure account	54,104,681	-	-	-	-	-	54,104,681
Unrealized loss on remeasurement of available for sale investments	-	-	-	-	-	(9,031,573)	(9,031,573)
Funds received during the year	-	-	18,986,265	-	-	46,000,000	64,986,265
Transferred to income and expenditure account	-	-	(15,190,827)	-	-	(59,083,774)	(74,274,601)
<b>Balance as at June 30, 2022</b>	<b>200,699,646</b>	<b>45,000,000</b>	<b>13,661,072</b>	<b>-</b>	<b>9,796,995</b>	<b>9,302,161</b>	<b>280,524,753</b>
Balance as at July 01, 2022	200,699,646	45,000,000	13,661,072	-	9,796,995	9,302,161	280,524,753
Surplus transferred from income and expenditure account	41,567,636	-	-	-	-	-	41,567,636
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	-	(4,329,496)	(4,329,496)
Transfer from General fund	-	25,000,000	-	-	13,834,125	-	38,834,125
Funds received during the year	-	-	31,257,758	13,230,000	-	58,000,000	102,487,758
Funds utilized during the year	-	-	(16,976,685)	-	-	(61,324,811)	(78,301,496)
<b>Balance as at June 30, 2023</b>	<b>242,267,282</b>	<b>70,000,000</b>	<b>27,942,145</b>	<b>13,230,000</b>	<b>23,631,120</b>	<b>5,977,350</b>	<b>380,783,279</b>

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CHAIRPERSON

  
GENERAL SECRETARY

  
FINANCE SECRETARY

**KIRAN FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	2023 Rupees	2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	41,567,636	54,104,681
Adjustments for non cash and other items:		
Depreciation	10,592,962	9,107,566
Incremental depreciation on deferred capital grant	7,666,979	7,666,979
(Gain) / loss on disposal	(147,000)	53,700
Profit on investments	(8,253,073)	(4,010,844)
	51,427,504	66,922,082
(Increase) / decrease in current assets		
Loans and advances	(114,050)	(765,473)
Short term prepayments	(37,654)	(3,158)
	(151,704)	(768,631)
Decrease in current liabilities		
Accrued expenses	(82,503)	(2,929,040)
Cash generated from operations	51,193,297	63,224,411
Taxes paid	(2,186,486)	(1,339,679)
Net cash flows from operating activities	49,006,811	61,884,732
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(14,808,546)	(23,661,730)
Sale proceeds from disposal of property and equipment	1,150,000	91,499
Capital work in progress	-	9,500,000
Long term security deposits	(93,930)	(310,032)
Long term loans	21,000	-
Short term investments	(28,000,000)	(25,000,000)
Profit received on investments	8,253,073	4,010,844
Net cash used in investing activities	(33,478,403)	(35,369,419)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Alumni fund received	28,115,198	3,795,438
Increase in Endowment fund	25,000,000	-
Alamabad fund received	13,230,000	-
DCTO School fund utilized	(3,324,811)	(13,083,774)
Deferred capital grant	(7,666,979)	(7,666,979)
Net cash generated / (used in) financing activities	55,353,408	(16,955,315)
Net increase in cash and cash equivalents	70,881,816	9,559,998
Cash and cash equivalents at the beginning of the year	27,632,856	18,072,858
Cash and cash equivalents at the end of the year	98,514,672	27,632,856

The annexed notes from 1 to 27 form an integral part of these financial statements. <sup>2/6</sup>

  
**CHAIRPERSON**

  
**GENERAL SECRETARY**

  
**FINANCE SECRETARY**

**KIRAN FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1 NATURE AND STATUS OF BUSINESS**

Kiran Foundation ("the Society") was registered on June 19, 2014 under the Societies Registration Act, XXI of 1860. The registered office of the Foundation is situated at Street 10, Shah Abdul Latif Bhittai Road, Block A, Nayabad, Lyari Town, Karachi. The principal activities of the Foundation are to undertake and carry on social and economic well being of the people.

**1.1 Following are the detail of projects of Foundation**

**Kiran flagship – Lyari:**

The flagship initiative, taken in 2006, prepares toddlers and their mothers for mainstream schools. This sowed the seed of our Trauma-Informed Mother and Child Kiran School System, initially as the Ibteadi model. The Nafeesa forum is the mother's program that runs parallel.

**Kiran school system (KSS) 1- DCTO Lyari:**

KSS -1 is an expansion of the Mother-Child Trauma Informed Ibtadai Model all the way to 10th Grade, running at our adopted DCTO Government Campus in Lyari since 2014, accommodating 800 students at a given time.

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## **Dosti project**

Dosti is a goodwill effort to support educational initiatives and government and community-based schools through partnering with local social entrepreneurs and small organizations. So far, Dosti has reached schools in Lyari, Machar Colony, Moach Goth, and Ghizer GB.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of International Financial Reporting Standards for Small and Medium Sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board (IASB) and Accounting Standard for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

### **2.2 Basis of measurement**

The financial statements have been prepared on historical cost basis and follows accrual basis of accounting.

### **2.3 Functional and presentation currency**

These financial statements are prepared in Pakistan rupee ('Rupees' or 'Rs.'), which is the functional currency of the Foundation.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Property, plant and equipment**

These are stated at cost less accumulated depreciation less accumulated impairment (if any).

Depreciation / amortization is charged to income applying the straight line method. The rates used are stated in note 4 to the financial statements. In respect of additions during the year depreciation is charged for full year, however, no depreciation is charged in the year of disposal. Profit or loss on disposal of assets is included in income currently.

Normal repairs and maintenance are charged to income and expenditure account as and when incurred. Gains and losses on disposal of property, plant and equipment are included in the income and expenditure account.

#### **3.2 Cash and bank balances**

Cash in hand and at bank are carried at nominal amount.

#### **3.3 Financial assets**

##### **3.3.1 Classification**

##### **a) Loans and receivables**

Investment classified as loan and receivables are carried at amortised cost using the effective yield method, less impairment loss, if any.

##### **b) Held to maturity**

Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity that the Foundation has a positive intent and ability to hold to maturity.

##### **c) Available for sale**

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments or financial assets at fair value through profit or loss.

##### **3.3.2 Initial recognition and measurement**

Investments in securities are initially recognized at cost, being the fair value of the consideration given, including the transaction cost associated with the investment, except in case of investments at fair value through profit or loss, in which case these transaction cost are charged to the profit or loss account. All regular way of purchases and sale of investments are recognized / derecognized on the trade date.

### **3.3.3 Subsequent measurement**

Subsequent to initial recognition, financial assets designated by the management as loans and receivables, held to maturity and available for sale are valued as follows:

**a) Loans and receivables**

Loans and receivables are carried at amortised cost.

**b) Held to maturity**

Subsequent to initial measurement, held to maturity investments are carried at amortised cost.

**c) Available for sale**

Subsequent to initial measurement, available for sale investments are revalued and are remeasured to fair value.

Surplus or deficit arising on changes in fair value of available for sale of financial assets are taken to equity until these are derecognised or impaired at which time, the cumulative surplus or deficit previously recognised in equity is transferred to the income and expenditure account.

### **3.3.4 Impairment**

The carrying value of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income and expenditure account.

### **3.3.5 Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership attached to such financial assets. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

### **3.4 Taxation**

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

The Foundation intends to claim tax credit equal to one hundred per cent of the tax payable under section 100C of Income Tax Ordinance, 2001, including minimum tax and final taxes payable. Therefore, no provision for taxation has been recorded in these financial statements.

### **3.5 Government grants**

Grants received from the Government for capital expenditure are credited to "Deferred Capital Grant". Amount equal to the depreciation during the year is transferred to income and expenditure account.

### **3.6 Trade and other payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

### **3.7 Revenue recognition**

#### **(a) Donation and grants**

Donations are recognized as income as and when received. Donations received in kind are recognized at the fair value prevailing at the time of receipt of such donation. Grants and donations received for revenue expenditure are taken to income and expenditure account.

#### **(b) Return on bank deposits**

Return on bank deposits is accounted for on accrual basis.

### **3.8 Funds**

#### **(a) Restricted funds**

Funds received as granted for specific purposes are classified as restricted fund. For this purpose:

-when grants received are in excess of their outlay, these are recognized income to the extent of related / budgeted expenses incurred. The excess balance is carried forward as restricted fund balance.

-when grants received are less than related expenditure incurred, the balance to the extent of commitment is recognized as receivable, if there is a strong probability of recovery of the contractual receivable from the respective donors.

#### **(b) Unrestricted funds**

Funds received for ongoing operations without any restriction on utilization are classified as unrestricted funds. These funds are recognized as income when received. The expenses incurred against such funds are recognized in the income and expenditure account as and when incurred.

### **3.9 Significant accounting judgments and estimates**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Foundation's accounting policies, management has made significant estimates and judgments that are disclosed in respective notes to the financial statements.