Give Foundation

Notes forming part of the financial statements for the year ended 31st March 2014

1. Company Overview:

Give Foundation (registered as a not-for-profit company u/s 25 of the Companies Act, 1956) works in the area of education, medical relief and relief of the poor. It provides a donation platform through its website that allows donors to support a cause of their choice from 201 NGOs that have been scrutinized for transparency & credibility. Donors make a donation to the Foundation, earmarking them to a specific project, which is disbursed on a monthly basis. They also make an additional donation to the Foundation to help it cover the costs of carrying out all the due diligence and the post donation follow up.

2. Significant Accounting Policies:

(a) Accounting Convention

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of financial statements. All information on key policies and the basis of the estimates and the major sources of uncertainties have been disclosed along with the respective note. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc. Difference between actual results and estimates are recognized in the period in which the results are known / materialize.

(b) Grants

Donations given by donors, to cover the costs of carrying out all the due diligence and the post donation follow up, are recognized as income in the year of receipt and is disclosed as “Donations received for covering Administrative costs” in the Statement of Income and Expenditure.

Grants relating to fixed assets are credited to Capital Grants in Balance Sheet. Such grants are recognized in the Statement of Income and Expenditure on a systematic and rational basis over the useful life of the fixed assets. The allocations to the income statement are made over the periods and in
proportion in which depreciation on the related Fixed Assets are charged to Statement of Income and Expenditure.

(c) Tangible Fixed assets

Fixed assets are recorded at cost of acquisition including incidental costs related to acquisition and installation.

(d) Intangible Assets

Intangible assets viz. computer software are recorded at cost of acquisition. They are amortized on a straight-line basis over a period of 2 years.

(e) Depreciation

Depreciation has been provided on tangible fixed assets over the useful life of the assets on the written down value method, at rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

(f) Investments

Current investments are carried at lower of cost and fair value. Non-current investments are carried at cost.

(g) Foreign Exchange Transactions

i) Transactions in foreign currencies are recorded at the rate of exchange in force at the time of occurrence of the transactions.

ii) Exchange differences arising on settlement of revenue transactions are recognized in the Statement of Income and Expenditure.

iii) Monetary items denominated in a foreign currency are restated using the exchange rates prevailing at the date of balance sheet and the resulting net exchange difference is recognized in the Statement of Income and Expenditure.

(h) Retirement Benefits

i. Provident fund is a defined contribution scheme and the contributions as required by the statute made to Government Provident Fund are charged to the Statement of Income and Expenditure.

ii. Gratuity liability is a defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year. Actuarial gains and losses are immediately taken to the Statement of Income and Expenditure.
iii. The Company accrues the liability for compensated absences based on the actuarial valuation as at the balance sheet date conducted by an independent actuary. Actuarial gains and losses are immediately taken to the Statement of Income and Expenditure.

(i) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(j) Operating Leases:

Assets acquired on leases, where a significant portion of the risks and rewards incidental to ownership is retained by the lessors, are classified as operating lease.