

**KANSARMEN
S L FOUNDATION**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**

KANSARMEN S L FOUNDATION

Financial statement

31 December 2021

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REPORT OF THE AUDITORS

KANSARMEN S L FOUNDATION – 31ST DECEMBER 2021

1. We have audited the Statement of Financial Position of as at 31st December 2021 *Kansarmen S L Foundation* and the related Statements of Comprehensive Income for the year then ended together with the accounting policies and notes as set out on pages 05 to 11.

Respective Responsibilities of Directors and Auditors

2. The directors are responsible for preparing and presenting these financial statements in accordance with the Sri Lanka Accounting Standards. Our responsibility is to express an opinion on these financial statements, based on our audit.

Basis of Opinion

3. We conducted our audit in accordance with the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the Directors evaluating the overall presentation of the financial statements, and determining whether the said financial statements are prepared and presented in accordance with the Sri Lanka Accounting Standards. 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. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

4. In our opinion, so far appears from our examination, the foundation maintained proper records for the year ended 31st December 2021, and to the best of our information and according to the explanations given to us, the said Statement of Financial Position and related Statements of Comprehensive Income and notes thereto, which are in agreement with the said records and have been prepared and presented in accordance with the Sri Lanka Accounting Standards, provides the information give a true and fair view of the Foundation's state of affairs as at 31st December 2021 and its surplus for the year then ended.

22/07/2022



B.H.R.Perera & Co
(Auditors & Tax Consultants)

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Kansarmen S L Foundation

Statement of Comprehensive Income

(All amounts are in Sri Lanka Rupees)

Year ended 31 December

	Notes	2021	2020
Operating income	8	28,108,403	19,086,855
Direct project cost	9	(16,900,471)	(16,452,529)
Project Monitoring & Supervision cost	10	<u>(4,612,071)</u>	<u>(4,075,200)</u>
Gross surplus / (Deficit)		6,595,861	(1,440,874)
Other income	11	1,814,968	2,124,978
Administrative expenses	12	(2,804,536)	(2,532,429)
Distribution cost	13	<u>(33,338)</u>	<u>(40,285)</u>
Operating surplus / (Deficit)		5,572,955	(1,888,610)
Finance cost	14	<u>(10,364)</u>	<u>(8,737)</u>
Net surplus / (Deficit) before taxation		5,562,591	(1,897,347)
Income tax		<u>(236,111)</u>	<u>(160,330)</u>
Net surplus / (Deficit) after taxation		<u>5,326,480</u>	<u>(2,057,677)</u>
 <u>Allocation of total Comprehensive income for year</u>			
Allocation to Unrestricted fund		<u>5,326,480</u>	<u>(2,057,677)</u>

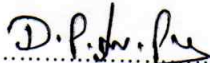


Kansarmen S L Foundation
Statement of Financial Position

(All amounts are shown in Sri Lanka Rupees)

	Notes	Year ended 31 December	
		2021	2020
Non - Current Assets			
Property, Plant & Equipment	15	8,191,013	5,391,111
Fixed deposit		10,000,001	17,188,997
Current Assets			
Material stock		2,661,664	341,311
KSLF Development Fund		5,173,509	1,500,000
Advances & Prepayments	16	1,835,983	1,480,986
Projects WIP		8,403,368	3,957,719
Cash & Cash equivalents	17	89,601	502,324
Total Assets		36,355,138	30,362,448
Equity and Liabilities			
Unrestricted funds	18	34,971,779	29,423,230
Current Liabilities			
Trade & Other payable	19	336,240	350,369
Bank overdraft - A/C No 0100191000002978		1,047,119	588,849
Total Equity and Liabilities		36,355,138	30,362,448

I certify that the financial statements comply with the requirements of the Companies Act No. 07 of 2007



Finance & Administrative
officer

These Financial statements has been prepared in accordance with the source documents maintained by the Directors of **Kansarmen S L Foundation** on



Managing Director



Treasurer



Chairman



Kansarmen S L Foundation

Cash Flow Statement - 31st December 2021

(All amounts are in Sri Lanka Rupees)

As at 31 December

	2021	2020
<u>Cash Flows From Operating activities</u>		
Net surplus / (Deficit) before taxation	5,562,591	(1,897,347)
Adjustments for - Depreciation	1,356,554	1,524,094
- Prior year adjustments	(257,091)	Nil
Operating Profit / (Loss) before Working Capital Changes	6,662,054	(373,253)
(Increase) in Advances & Prepayments	(354,997)	(607,245)
(Increase) in Material stock	(2,320,353)	(273,092)
Decrease / (Increase) in Projects WIP	(4,445,649)	3,389,879
Increase / (Decrease) in Trade & Other payables	(14,129)	220,861
Cash Generated from Operations	(473,074)	2,357,150
Income tax paid	(311,892)	(160,330)
Net Cash From Operating activities	(784,966)	2,196,820
<u>Cash Flows From Investing activities</u>		
(Increase)/ Decrease in Fixed deposit	7,188,997	(3,197,375)
KSLF Development Fund	(3,673,509)	Nil
Non - current assets purchase :		
Equipment's	(3,601,515)	(1,236,575)
Net Cash Used in Investing activities	(870,993)	(2,237,130)
Net Cash Used in Financing activities	(870,993)	(2,237,130)
Net Increase/ (Decrease) in Cash & Cash equivalents	(870,993)	(2,237,130)
Cash & Cash Equivalents at the beginning of the year	(86,525)	2,150,605
Cash & Cash Equivalents at the end of the year	(957,518)	(86,525)
<u>Analysis of Cash & Cash equivalents :</u>		
Balances with saving A/C	89,601	89,601
Balances with current A/C	(1,047,119)	(588,849)
Cash & cash equivalents	Nil	412,723
	(957,518)	(86,525)



KANSARMEN S L FOUNDATION

NOTES TO THE FINANCIAL STATEMENT – 31ST DECEMBER 2021

1. GENERAL INFORMATION

Name of Company	- Kansarmen S L Foundation
Address of Registered Office	- No: 546/8, Daluwakottuwa, Kochchikade.
Nature of Business activities	- Non-governmental organization.

2. BASIS OF PREPARATION

➤ Statement of Compliance

The Financial Statements together with the Accounting policies and notes to the financial statements as at 31st December 2016 and for the year then ended comply with the Sri Lanka statement of recommended practice for Not-for-profit organizations (including non-Governmental Organizations) issued by the Institute of Chartered Accountants of Sri Lanka.

➤ Basis of Measurement

The Financial statements have been prepared on the historical cost basis, except otherwise stated in the notes.

➤ Events After the Reporting Period

All material events occurring after the Statement of Financial Position date have been considered and, where necessary, adjustments have been made in the Financial Statements.

➤ Functional & Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees which is the Company's functional currency.

3. Property Plant & Equipment

➤ Recognition & Measurement

Property, Plant & Equipment are tangible items that are held for servicing, or for administrative purposes and are expected to be used during more than one period.

➤ Measurement

Items of Property, Plant and Equipment are stated at cost or valuation less accumulated depreciation and impairment loss.

➤ Depreciation

Depreciation has been calculated on the straight line method by reference to the expected useful lives of the assets concerned using the following rates.



<u>Assets</u>	<u>Depreciation Rate</u>
Office equipment	25%
Motor vehicle	10%
Fax Machine	25%
Building	05%
Computer accessories	25%
Air Condition	25%
Electrical accessories	25%
Kitchen utensil	25%
Furniture & Fittings	10%
New warehouse	05%

➤ **Donated Assets**

Where property, plant and equipment is purchased as a part of a project through restricted funds, until the conclusion of the project or, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the cost of the asset is included in a memorandum inventory of property plant and equipment identified as such in the financial statements. Depreciation is not provided on such assets.

➤ **Financial Instruments**

Financial assets

All financial assets are recognized initially at fair value plus directly attributable transaction costs. The company's financial assets include cash, deposits with bank & Trade & Other receivables.

Loans & Receivables

Loans & receivables are non-derivative financial asset with fixed or determinable payments that are not quoted in an active market.

Such assets are recognized initially and subsequently at fair value plus any directly attributable transaction costs.

The foundation derecognize a financial asset when the right to receive cash flows from the asset have expired or when it transfers the financial asset in a transaction in which substantially all the risks & rewards of ownership of the financial asset are transferred.

4. Liabilities & Provisions

➤ **Financial Liabilities**

Interest free loans are recorded at fair value on initial recognition, which is the present value of the expected future cash flows, discounted using a market-related rate. The difference between the cost and the fair value of these loans on initial recognition is a deferred income. These loans and deferred income are subsequently recognition at amortized cost and spread over the useful life of the related assets.

➤ **Trade & Other Payables**

Liabilities classified as Trade & Other Payables in the Statement of Financial Position are those which fall due for payment on demand one year from the Statement of Financial Position date.



5. **Accounting for the receipt and Utilization of Funds / Reserves**

➤ **Unrestricted Reserves / Funds (Accumulated Fund)**

Unrestricted funds are those that are available for use by Kansarmen Sri Lanka Foundation of Kochchikade at the discretion of the board, in furtherance of the general objectives of the Foundation and which are not designated for any specific purpose.

Surplus funds are transferred from restricted funds to unrestricted funds in terms of the relevant Donor agreements or which the subsequent approval of the Donor.

Contributions received from the general public are recognized in the Statement of Comprehensive Income on a cash basis.

➤ **Restricted Reserves / Funds (Project Fund)**

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Comprehensive Income to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective Fund accounts and included under accumulated fund in the Statement of Financial position until such time as they are required.

The activities for which these restricted funds may and are being used are identified in the notes to the financial statements.

➤ **Expenditure**

Expenses in carrying out the projects and other activities of Kansarmen Sri Lanka Foundation of Kochchikade are recognized in the Statement of Comprehensive Income during the period in which they are incurred. Other expenses incurred in administering and running the Foundation and in restoring and maintain the property plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Comprehensive Income.

6. **Income recognition**

➤ **Incoming sources / Contributions**

Income realized from restricted funds is recognized in the Statements of Comprehensive Income only when there is certainty that all of the conditions for receipt of the funds have been incurred and charged to the Statements of Financial position.

7. **Cash & Cash Equivalents**

Kansarmen Sri Lanka Foundation of Kochchikade considers cash on hand, amounts due from banks and short term deposits with an original maturity of 03 months or less to be cash & cash equivalents.



Kansarmen S L Foundation**Notes to the financial statements - 31 December 2021***(All amounts are in Sri Lanka Rupees)*

	As at 31 December	
	2021	2020
Operating income		
8		
Received funds : Stitching Kansarmen Sri Lanka	957,081	7,456,836
: Wild geese	24,054,172	11,164,934
Inkind of Grant from world Vision	3,010,667	Nil
: Community contribution	86,483	465,085
	<u>28,108,403</u>	<u>19,086,855</u>
Direct projects cost		
9		
Water place investigation	41,066	40,522
Deep well construction	667,500	823,407
Labour charges	8,953,968	4,276,533
Material cost	10,305,913	6,699,747
Material Transport	123,338	297,860
Facility supply	1,148,040	886,152
Opening Project WIP	3,919,289	7,347,597
Project Promotional expenses	30,700	Nil
Closing Project WIP	(8,403,368)	(3,919,289)
Corona Support food Security	114,025	Nil
	<u>16,900,471</u>	<u>16,452,529</u>
Project Monitoring & Supervision Cost		
10		
Project visiting expenses	594,511	872,393
Project vehicle insurance	218,413	177,405
Project vehicle maintenance	1,174,662	142,120
Project vehicle running expenses	757,970	358,455
Project vehicles depreciation	758,500	1,200,000
Project Staff Welfare	Nil	165,651
Project Salaries & Wages	979,812	898,161
Project staff EPF	99,792	218,292
Project staff ETF	28,412	42,723
	<u>4,612,071</u>	<u>4,075,200</u>



Kansarmen S L Foundation

Notes to the financial statements - 31 December 2021

	As at 31 December	
	2021	2020
Other income		
11		
Material discount	Nil	Nil
Interest income	1,814,968	2,124,978
	<u>1,814,968</u>	<u>2,124,978</u>
Administrative expenses		
12		
Salaries & Wages	722,500	980,669
EPF	46,080	114,709
ETF	11,520	76,473
Printing & Stationery	29,185	23,584
Training and Development	Nil	254,741
Electricity	162,540	191,800
Telephone charges	200,165	164,500
Insurance	100,258	46,008
Maintenance & Repair	51,307	Nil
Computer repair	59,050	96,230
Transport	58,162	55,329
Professional fees	202,054	159,552
Audit fee	35,000	20,000
Postage	4,500	3,890
Entertainment	119,161	20,850
Annual Incentive	380,000	Nil
Meeting Expenses	25,000	Nil
Depreciation	598,054	324,094
	<u>2,804,536</u>	<u>2,532,429</u>
Distribution Cost		
13		
Vehicle maintenance	33,338	40,285
	<u>33,338</u>	<u>40,285</u>
Finance Cost		
14		
Bank charges	10,364	8,737
	<u>10,364</u>	<u>8,737</u>



Kansarmen S L Foundation

Notes to the financial statements - 31 December 2021

As at 31 December

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Plant and Machinery - [Refer Note 1]

2021

2020

8,191,013

5,391,111

Note 1	Cost	Additional / (Disposal)	Accumulated depreciation	Depreciation	Total
Motor vehicle	12,370,000	2,800,000	(9,216,500)	758,500	5,953,500
Equipment's	1,450,743	Nil	(1,165,052)	72,537	285,691
Communication equipment's	318,668	Nil	(318,668)	Nil	Nil
Garage	89,600	Nil	(89,600)	Nil	Nil
Computer accessories	185,600	Nil	(102,080)	9,280	83,520
Electrical panel board	265,165	Nil	(55,657)	13,258	209,508
Kitchen utensil	23,463	Nil	(12,905)	1,173	10,558
Air Conditioner	68,710	Nil	(68,710)	Nil	Nil
Furniture & Fittings	175,913	Nil	(41,778)	8,796	134,135
New ware house	1,663,536	801,515	(950,950)	493,010	1,514,101
Balance as at 31.12.2021	16,611,398	3,601,515	(12,021,900)	1,356,554	8,191,013

Advances & Prepayments

16

Advances	1,350,441	1,333,167
WHT	33,819	33,819
Refundable Deposit	4,500	4,500
Staff Loan	447,223	109,500
	1,835,983	1,480,986

Cash and cash equivalents

17

Union bank Current A/C No : 010019100002978	Nil	Nil
Union bank Saving A/C	89,601	89,601
Cash in hand	Nil	412,723
	89,601	502,324

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Kansarmen S L Foundation

Notes to the financial statements - 31 December 2021

	As at 31 December	
	2021	2020
Unrestricted funds		
18		
Balance B/F	29,423,230	31,480,907
Surplus / (Deficit) for the period	5,326,480	(2,057,677)
Prior period adjustment	222,069	Nil
Balance C/F	<u>34,971,779</u>	<u>29,423,230</u>
Trade and other payable		
19		
Audit fee payable	35,000	20,000
EPF payable	56,600	Nil
E.T.F Payable	8,490	Nil
Income tax payable	236,111	160,330
Accrued expenses	39	170,039
	<u>336,240</u>	<u>350,369</u>



Kansarmen S L Foundation

Year of assessment - 2021

Computation of income tax payable

(Based on the audited accounts for the year ended 31 December 2021)

	<u>Rs</u>
<u>Statement of income</u>	
Donations from organization	28,108,403
	<hr/>
	28,108,403
	<hr/>
Taxable donation	28,108,403
	<hr/> <hr/>
<u>Income tax payable</u>	
On Rs 28,108,403 @ 3% = 843,252	
843,252 @ 28%	236,111
	<hr/>
Balance Tax payable	236,111
	<hr/> <hr/>

