KANSARMEN S L FOUNDATION
NO: 546/8, DALUWAKOTUWA, KOCHCHIKADE

FINANCIAL STATEMENTS

31 DECEMBER 2017

B.H.R.PERERA & CO

(Auditors & Tax Consultants)

NO: 2A/3, Ave Maria Road, Negombo Tel: 031-3718709, 071 - 2212291 E: Mail- bhr.perera@ymail.com

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KANSARMEN S L FOUNDATION

Financial statement

31st December 2017

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

REPORT OF THE AUDITORS

KANSARMEN S L FOUNDATION – 31ST DECEMBER 2017

1. We have audited the Statement of Financial Position of as at 31st December 2017 ***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 2017, 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 books 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 2017 and its surplus for the year then ended.

03/05/2018

B.H.R. PERERA & CO. TAX CONSULTANTS
AUDITORS
Reg. No. W/2830
No. 2A/3,
Ave Maria Road,
Negombo.
031- 3718709

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Kansarmen S L Foundation

Statement of Comprehensive Income

(All amounts are in Sri Lanka Rupees)

	Notes	Year ended 31 December 2017	2016
Operating income	1	34,466,111	21,658,123
Direct project cost	2	(9,582,203)	(9,780,326)
Gross surplus / (Deficit)		**24,883,908**	**11,877,797**
Other income	3	574,777	3,327,989
Administrative expenses	4	(4,044,069)	(6,424,520)
Distribution cost	5	(1,230,287)	(1,311,927)
Operating surplus / (Deficit)		**20,184,329**	**7,469,339**
Finance cost	6	(17,547)	(42,658)
Other Expenses		---	(6,926)
Net surplus / (Deficit) before taxation		**20,166,782**	**7,419,755**
Income tax		(289,515)	(181,928)
Net surplus / (Deficit) after taxation		**19,877,267**	**7,237,827**

Allocation of total Comprehensive income for year

Allocation to Unrestrictred fund	**19,877,267**	**7,237,827**

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Kansarmen S L Foundation

Statement of Financial Position

(All amounts are shown in Sri Lanka Rupees)

	Notes	Year ended 31 December 2017	2016
Non - Current Assets			
Property, Plant & Equipment	*7*	8,169,684	9,510,091
Fixed deposit		26,000,000	7,166,438
Current Assets			
Inventories			
Advances & Prepayments	*8*	554,919	49,567
Projects WIP	*9*	1,956,811	1,422,481
Cash & Cash equivalents	*10*	1,796,390	1,304,493
Total Assets		***38,477,804***	***19,453,070***
Equity and Liabilities			
Unrestricted funds	*11*	38,049,038	18,171,771
Current Liabilities			
Trade & Other payable	*12*	428,766	281,299
Short term loan		---	1,000,000
Total Equity and Liabilities		***38,477,804***	***19,453,070***

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

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Accountant

These Financial statements has been prepared in accordance with the source documents maintained by the Directors of ***Kansarmen S L Foundation*** on ..03/05/2018.....

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Directors

B. H. R. PERERA & CO. AUDITORS Reg. No. W/2830 TAX CONSULTANTS

Kansarmen S L Foundation

Cash Flow Statement - 31st December 2017

(All amounts are in Sri Lanka Rupees)

Cash Flows From Operating activities	
Net surplus / (Deficit) after taxation	***20,166,782***
Adjustments for - Depreciation	1,503,916
Operating Profit / (Loss) before Working Capital Changes	***21,670,698***
(Increase)/ Decrease in Advances & Prepayments	(505,352)
(Increase)/ Decrease in Inventories	---
(Increase)/ Decrease in Projects WIP	(534,330)
Increase / (Decrease) in Trade & Other payables	147,467
Cash Generated from Operations	***20,778,483***
Income tax paid	(289,515)
Net Cash From Operating activities	***20,488,968***
Cash Flows From Investing activities	
(Increase)/ Decrease in Fixed deposit	(18,833,562)
Non - current assets purchase :	
Communication equipment's	(51,999)
Equipments	(50,311)
Computer Accessories	(44,100)
Kitchen utensil	(17,099)
Net Cash Used in Investing activities	***1,491,897***
Cash Flows From Financing activities	
Short term loan	(1,000,000)
Net Cash Used in Financing activities	***491,897***
Net Increase/ (Decrease) in Cash & Cash equivalents	***491,897***
Cash & Cash Equivalents at the beginning of the year	***1,304,493***
Cash & Cash Equivalents at the end of the year	***1,796,390***
Analysis of Cash & Cash equivalents :	
Balances with saving A/C	89,601
Balances with current A/C	1,286,877
Cash & cash equivalents	419,912
	1,796,390

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Kansarmen S L Foundation

Notes to the financial statements - 31 December	***2017***	***2016***
(All amounts are in Sri Lanka Rupees)		
Operating income		
1		
Received funds : Stichting Kansarmen Sri Lanka	22,018,351	19,816,830
: Wild Geese	9,415,811	---
: Fonterra	3,031,949	1,841,293
	34,466,111	***21,658,123***
Direct projects cost		
2		
Kumbukkadawala kanista vidy	104,791	---
Kadawala kanitu vidyalaya	347,463	---
Nikagolla junior school	330,873	---
Rambukpitiya Maha Vidyalaya	370,760	---
Vilpotha Bandaranayake K.V	293,841	---
Medananda Primary School	300,113	---
Nawakkaduwa R.C College	266,766	---
Palakkaduwa St.Peters	214,650	---
Etalei mix school	151,637	---
Iginimitiya Maha Vidyalaya	609,740	---
Mahasenpura Jr.School	663,156	---
Sole Maha vidyalaya	474,382	---
Giribawa Maha vidyalaya	227,239	---
Bogahawatta Sinhala vidyalaya	260,451	---
Palahena Rahula Junior school	244,383	---
Community Old munk	898,949	---
Galatha Maha Vidyalaya	1,013,423	---
Tharanagollagama Kanishta Vidyalaya	344,066	---
Sri krishnan Junior School	238,826	---
Ihalamaradankadawala K/V	553,121	---
Waligampola Junior school	230,621	---
Moragahena Maha vidyalaya	894,269	---
Mandawil Mahinda Primary School	122,059	---
Galthalawa Junior School	426,624	---
	9,582,203	***---***
Other income		
3		
Interest earn	574,777	327,989
Disposal profit - Assets	---	3,000,000
	574,777	***3,327,989***

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Notes to the financial statements - 31 December	***2017***	***2016***
Administrative expenses		
4		
Salaries & Wages	1,428,780	1,463,200
E.P.F	124,371	142,715
E.T.F	27,369	35,679
Driver salary	16,000	118,400
Sundry expenses	4,298	5,782
Water walking bag	110,250	176,875
Printing & Stationery	7,680	16,465
Staff bonus	13,500	22,000
Project inspection fee	67,121	23,502
Project Idenfication fee	1,275	---
Sign board	135,000	55,000
Staff welfare	37,693	64,268
Travelling	36,920	104,754
Hotel charges / Accommodation	24,728	113,088
Electricity	89,200	75,270
Electrical accessories	---	9,528
Telephone charges	151,450	105,680
Insurance	97,541	150,000
Maintenance & Repair	25,600	40,334
Research expenses	6,555	111,043
Licence & Permit	14,895	23,940
Secretarial charges	24,414	21,500
Professional fee	---	50,000
Audit fee	45,000	15,000
Book keeping charges	48,000	---
Postage	2,513	4,731
Depreciation	1,503,916	3,475,766
	4,044,069	***6,424,520***
Distribution Cost		
5		
Advertisement	---	100,000
Vehicle maintenance	553,153	408,101
Vehicle running expenses	605,531	669,725
Vehicle license & Insurance	71,603	134,101
	1,230,287	***1,311,927***

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Notes to the financial statements - 31 December	*2017*	*2016*
Finance Cost		
6		
Charity & Donation	12,132	41,803
Interest Expenses	4,165	---
Bank charges	1,250	855
	17,547	***42,658***

Plant & Machinery

7	***Cost***	***Additional / (Disposal)***	***Accumulated depreciation***	***Depreciation***	***Total***
Motor vehicle	12,370,000	---	(4,747,000)	1,237,000	***7,623,000***
Equipment's	488,973	50,310	(437,787)	134,820	***101,496***
Communication equipment's	109,499	51,999	(140,750)	40,375	***20,748***
Computer accessories	105,500	44,100	(84,675)	37,400	***64,925***
Electrical panel board	12,544	---	(12,544)	3,136	---
Kitchen utensil	6,364	17,099	(10,639)	5,866	***12,824***
Furniture & Fittings	164,913	---	(77,675)	16,491	***87,238***
New ware house	576,561	---	(317,108)	28,828	***259,453***
Balance as at 31.12.2016	***13,834,354***	***163,508***	***(5,828,178)***	***1,503,916***	***8,169,684***

Advances & Prepayments		
8		
Advances	10,600	16,100
WHT	33,819	33,467
Refundble Deposit	4,500	---
Staff Loan	506,000	---
	554,919	***49,567***

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	2017	2016
Project Work In Progress		
9		
Nissankamallapura Junior Sc	259,654	---
Madagama Maha Vidyalaya	499,741	---
Nilamba Maha Vidyalaya	393,207	---
Saranath Maha Vidyalaya	37,277	---
Theripaha Siduhath Maha Vidyalaya	373,551	---
Mahasenapura Junior School	---	575,504
Community Od Mounk	---	453,596
Projects WIP 2013	393,381	393,381
	1,956,811	***1,422,481***
Cash and cash equivalents		
10		
Union bank Current A/C No : 0100191000002978	1,286,877	1,134,866
Union bank Saving A/C	89,601	86,437
Cash in hand	419,912	83,190
	1,796,390	***1,304,493***
Unrestricted funds		
11		
Balance B/F	***18,171,771***	***16,373,565***
Surplus / (Deficit) for the period	---	(5,439,621)
	18,171,771	***10,933,944***
Surplus / (Deficit) for the period	19,877,267	7,237,827
Balance C/F	***38,049,038***	***18,171,771***
Trade and other payable		
12		
E.P.F & E.T.F	15,939	22,839
Income tax	289,515	181,928
Audit fees	15,000	---
Book keeping charges	20,000	---
Electricity charges	56	56
Staff salaries	88,256	76,476
	428,766	***281,299***

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KANSARMEN S L FOUNDATION

NOTES TO THE FINANCIAL STATEMENT – 31ST DECEMBER 2017

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.

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Assets	***Depreciation Rate***
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.

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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.

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Kansarmen S L Foundation

Year of assessment - 2016 / 2017

Computation of income tax payable

(Based on the audited accounts for the year ended 31 December 2017)

	Rs
Statement of income	
Donations from organization	***34,466,111***
	34,466,111
Taxable donation	***34,466,111***
Income tax payable	
On Rs 34,466,111 @ 3% = 1,033,983	
1,033,983 @ 28%	***289,515***
Balance Tax payable	***289,515***

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