KANSARMEN S L FOUNDATION

ANNUAL REPORT 2020



Kansarmen SL Foundation

Life through Water and Sanitation

CONTENTS

Contents 1
Our Mission 2
Our Board 3
Board of Directors 3
Officers of the board 3
Our Team 4
Our promise 4
Our projects 5
Cumulative projects completed, 2005-2020 5
Highlights for the Year 5
Projects completed 6
District presence of the year 2020 7
Our beneficiaries 7
Our services are demand driven 8
Priority is for resource poor schools 8
Diverse solutions 9
Our supporters 10
Donations 10
Partnerships 10
During the COVID-19 11
Humanitarian assistance during the COVID pandemic 11
Financial 12
Expenditure allocation in 2020 (LKR million) 12
Total income contribution % for the year 2020 12

OUR MISSION

Kansarmen S L Foundation's mission is to transform lives by improving access to safe water, hygiene and sanitation for the communities in Sri Lanka



OUR BOARD



BOARD OF DIRECTORS

K.P. Gnanapala
Rev. Father Manjula Niroshan Fernando
Rev. Sr. Mary Beatrice Fernando
Niluka Palandagama
Gayan Samanpura Silva
Jan van der Steen

OFFICERS OF THE BOARD

K.P. Gnanapala (Chairman)
Niluka Palandagama (Secretary)
Gayan Samanpura Silva (Treasurer)



Water is the driving force of all nature

LEONARDO DA VINCI

OUR TEAM

Our team is comprised of 2 management staff and 15 field labour team.



Managing Director
Chaminda Fernando Pulle



Administrative Officer
Priyantha Fernando Pulle



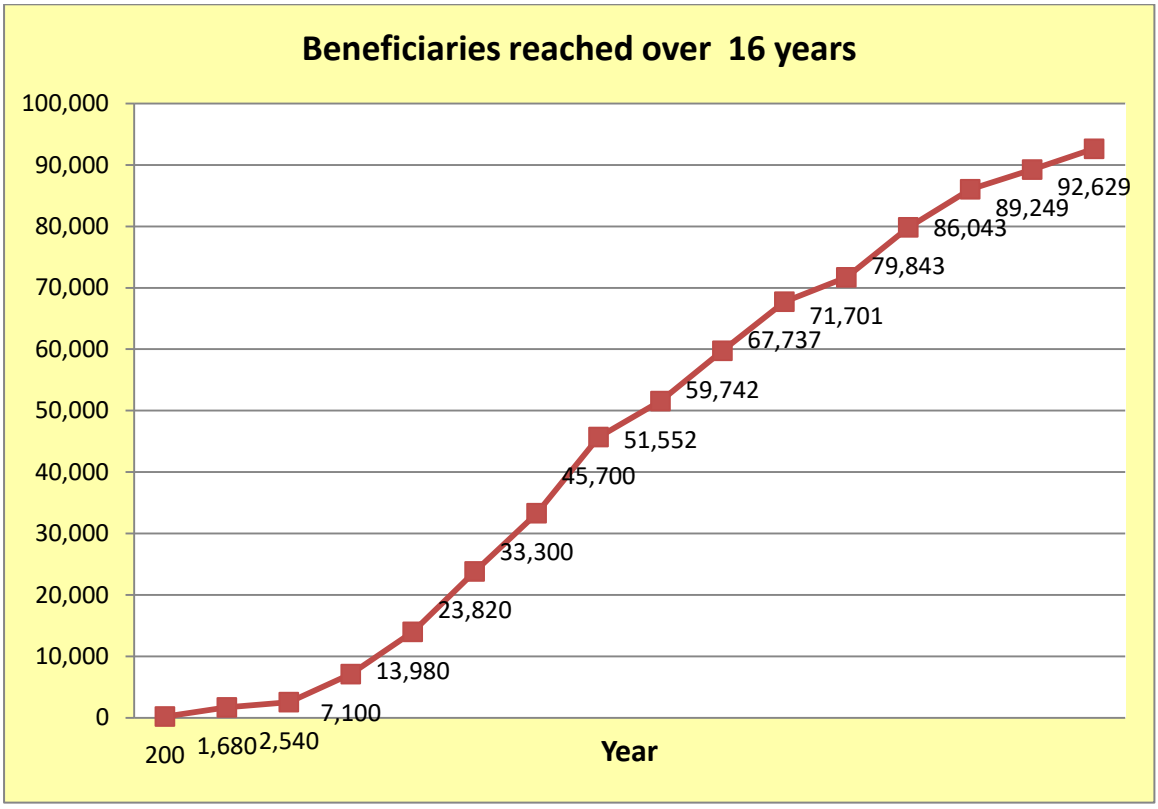
OUR PROMISE

We target our investment for projects in areas where it is needed most and use local solutions to provide water and sanitation services to schools and rural communities.



OUR PROJECTS

CUMULATIVE PROJECTS COMPLETED, 2005-2020



HIGHLIGHTS FOR THE YEAR

Despite reduced activities during the lockdowns, we have still completed 14 projects in 4 districts.

Our projects provide our beneficiaries with high quality water all day, every day, enhancing sanitation and hygienic practices too in the community.



PROJECTS COMPLETED

14 projects

were completed in 2020

Monaragala: **2 projects**







Badulla: **8 projects**





Nuwara Eliya: **1 project**





Kandy: **3 projects**





DISTRICT PRESENCE OF THE YEAR 2020

In 2020, Kansarmen S L Foundation invested **LKR 14.3 million** in 4 districts	**District**	**DS Division**	
	Badulla	Ridimaliyadda	Kandegama Pre-school
		Mahiyanganaya	Diriyagama Vidyalaya
		Mahiyanganaya	Amilagama Vidyalaya
		Haldummulla	Haldummulla Tamil Primary School
			Kalupahana Maha Vidyalaya
			Ananda M. Maha Vidyalaya
			Haldummulla Kanishta Vidyalaya
			Sebastian Pre-School & Church
	Kandy	Udapalatha	Udagama Maha Vidyalaya
			Atabage Rajananda Vidyalaya
			Dunukeulla Vidyalaya
	Nuwara Eliya	Nuwara Eliya	Mount Vernon Community & Pre-school
	Monaragala	Bibile	Wagama Vidyalaya
			Serawa School

OUR BENEFICIARIES

In 2020, there were 3,060 school children & 320 rural community members who benefited through our projects.





OUR SERVICES ARE DEMAND DRIVEN

We only respond and deliver our services in some of the most hard to reach, underserved and isolated areas.





PRIORITY IS FOR RESOURCE POOR SCHOOLS

Because we know that provision of easy access to safe water and sanitation services in school settings are important for students' good health and well-being and to create a decent learning environment.




DIVERSE SOLUTIONS

We delivered tailor-made solutions to the water problems in the country. Our activities included construction of source wells, open wells, deep tube wells, and water towers, supply and installation of water tanks and water pumps, laying pipeline system for the water distribution, construction of hand washing units and toilets. The activities also included renovation of some of the existing wells and tube wells, water tanks and toilets.

Tailored solutions that were given for problems are very specific to the locality and were decided together with community members, school authorities, School Development Society, and our project team.













OUR SUPPORTERS

DONATIONS

Since 2005, our Foundation and Stichting Kansarmen Sri Lanka in the Netherlands have been working together to tackle the water issues in the rural areas in Sri Lanka.

In 2020, we have been supported by a number of foundations, corporations, and non-governmental organizations. Wilde Ganzen Foundation became one of the multi-year financial supporters and continued their commitment in 2020 too. The individuals and families who sponsored entire water projects inspired and led us to achieve our success. We are incredibly grateful to all the donors who hold hands with us to provide clean, accessible water to school children and disadvantaged communities in Sri Lanka.





PARTNERSHIPS

We build strong partnerships with local organizations. We believe that when we work together, we can reach more people with greater efficiency and cover a larger area in the country while reducing duplication of activities.

We developed a new partnership with Caritas and continued the partnership with World Vision Lanka during the year 2020 too.





DURING THE COVID-19

HUMANITARIAN ASSISTANCE DURING THE COVID PANDEMIC

Our daily paid field labour team involving in the construction works is our greatest asset. They became unemployed without an income when we withdrew project activities during the Corona virus outbreak, as per the lockdown procedures and strict curfew enforced by the Government.

Even though, essential food items were delivered to the door steps of the households by permitted food suppliers, under the circumstances of indefinite curfew, our field team became helpless and were unable to feed their family members and themselves.

We paid a weekly subsidy of LKR 5000 (approximately € 24) to our field labour team to buy their basic and essential food items to survive during the difficult time of Coronavirus outbreak. The project was fully funded for twenty weeks period by Wilde Ganzen and Stichting Kansarmen Sri Lanka.

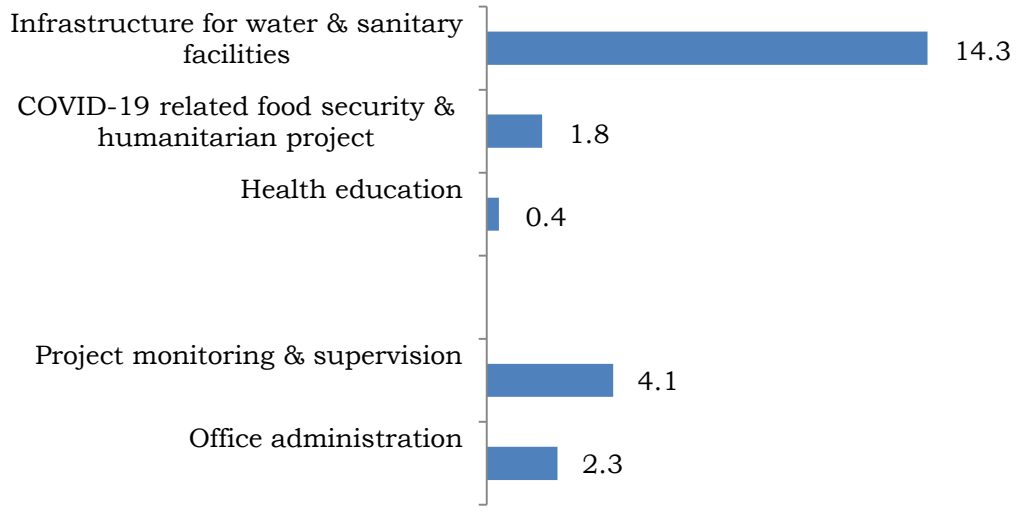




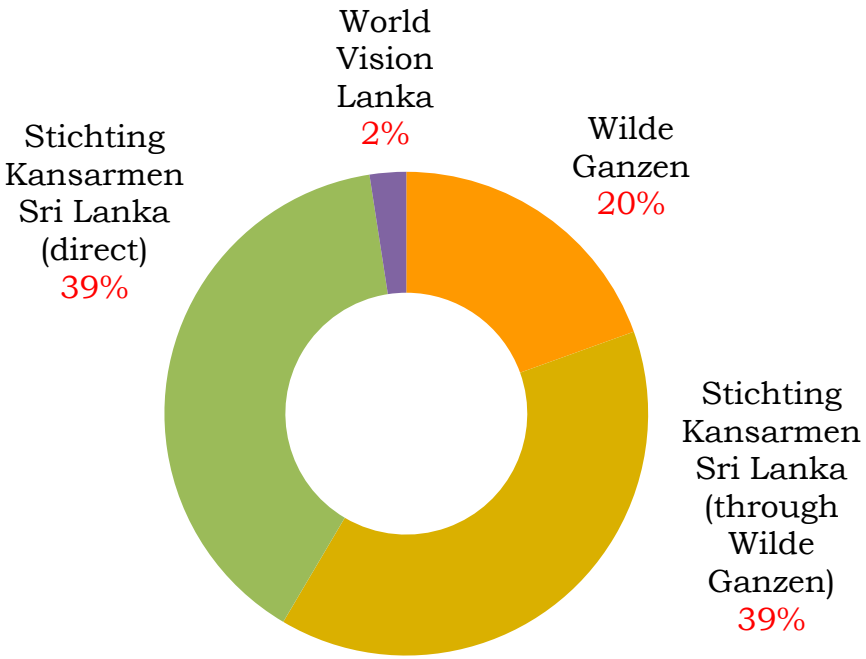



FINANCIAL

EXPENDITURE ALLOCATION IN 2020 (LKR MILLION)



TOTAL INCOME CONTRIBUTION % FOR THE YEAR 2020



KANSARMEN
S L FOUNDATION
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2020

NO: 31 – 546/8, DALUWAKOTUWA, KOCHCHIKADE _ TEL 0312274468/0777703736

KANSARMEN S L FOUNDATION

Financial statement

31 December 2020

Contents

	Page
Report of the Auditors	*01*
Statement of Comprehensive Income	*02*
Statement of Financial Position	*03*
Cash flow statement	*04*
Notes of the financial statement	*05 - 11*
Computation of income tax payable	*12*

REPORT OF THE AUDITORS

KANSARMEN S L FOUNDATION – 31ST DECEMBER 2020

1. We have audited the Statement of Financial Position of as at 31st December 2020 ***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 2020, 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 2020 and its surplus for the year then ended.

B.H.R. PERERA & CO. AUDITORS Reg. No. W/2330 No. 2A/3, Ave Maria Road, Negombo. 031-3718709 TAX CONSULTANTS

22/07/2021

.....

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
Branch: NO: 10, Shoe Road, Kothahena, Colombo – 13 Tel: 0113135663 E: Mail – bala.apex@ymail.com

Kansarmen S L Foundation

Statement of Comprehensive Income

(All amounts are in Sri Lanka Rupees)

	Notes	Year ended 31 December 2020	2019
Operating income	8	19,086,855	4,015,255
Direct project cost	9	(16,452,529)	(14,044,245)
Project Monitoring & Supervision cost	10	(4,075,200)	(4,146,287)
Gross surplus / (Deficit)		**(1,440,874)**	**(14,175,277)**
Other income	11	2,124,978	3,673,509
Administrative expenses	12	(2,532,429)	(2,304,128)
Distribution cost	13	(40,285)	(21,905)
Operating surplus / (Deficit)		**(1,888,610)**	**(12,827,801)**
Finance cost	14	(8,737)	(6,250)
Net surplus / (Deficit) before taxation		**(1,897,347)**	**(12,834,051)**
Income tax		(160,330)	Nil
Net surplus / (Deficit) after taxation		**(2,057,677)**	**(12,834,051)**
Allocation of total Comprehensive income for year			
Allocation to Unrestricted fund		**(2,057,677)**	**(12,834,051)**

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

Kansarmen S L Foundation

Statement of Financial Position

(All amounts are shown in Sri Lanka Rupees)

	Notes	Year ended 31 December 2020	2019
Non - Current Assets			
Property, Plant & Equipment	15	5,391,111	5,678,632
Fixed deposit		17,188,997	13,991,622
Current Assets			
Material stock		341,311	68,219
KSLF Development Fund		1,500,000	1,500,000
Advances & Prepayments	16	1,480,986	873,740
Projects WIP		3,957,719	7,347,597
Cash & Cash equivalents	17	502,324	2,150,605
Total Assets		**30,362,448**	**31,610,415**
Equity and Liabilities			
Unrestricted funds	18	29,423,230	31,480,907
Current Liabilities			
Trade & Other payable	19	350,369	129,508
Bank overdraft - A/C No 0100191000002978		588,849	Nil
Total Equity and Liabilities		**30,362,448**	**31,610,415**

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

D.P.M.Pty
.....
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

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

Kansarmen S L Foundation

Cash Flow Statement - 31st December 2020

(All amounts are in Sri Lanka Rupees)

	As at 31 December	
	2020	**2019**
Cash Flows From Operating activities		
Net surplus / (Deficit) before taxation	**(1,897,347)**	***(12,834,051)***
Adjustments for - Depreciation	1,524,094	1,728,907
Operating Profit / (Loss) before Working Capital Changes	***(373,253)***	***(11,105,144)***
(Increase) in Advances & Prepayments	(607,245)	(509,421)
(Increase) in Material stock	(273,092)	(68,219)
Decrease / (Increase) in Projects WIP	3,389,879	(4,180,029)
Increase / (Decrease) in Trade & Other payables	220,861	(74,220)
Cash Generated from Operations	***2,357,150***	***(15,937,033)***
Income tax paid	(160,330)	Nil
Net Cash From Operating activities	***2,196,820***	***(15,937,033)***
Cash Flows From Investing activities		
(Increase) / Decrease in Fixed deposit	(3,197,375)	18,573,922
KSLF Development Fund	Nil	(1,500,000)
Non - current assets purchase :		
Equipment's	(1,236,575)	(264,000)
Net Cash Used in Investing activities	***(2,237,130)***	***872,889***
Net Cash Used in Financing activities	***(2,237,130)***	***872,889***
Net Increase/ (Decrease) in Cash & Cash equivalents	***(2,237,130)***	***872,889***
Cash & Cash Equivalents at the beginning of the year	***2,150,605***	***1,277,716***
Cash & Cash Equivalents at the end of the year	***(86,525)***	***2,150,605***
Analysis of Cash & Cash equivalents :		
Balances with saving A/C	89,601	89,601
Balances with current A/C	(588,849)	1,629,280
Cash & cash equivalents	412,723	431,724
	(86,525)	***2,150,605***

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

KANSARMEN S L FOUNDATION

NOTES TO THE FINANCIAL STATEMENT – 31ST DECEMBER 2020

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.

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

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.

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

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.

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

	As at 31 December	
	2020	**2019**
Operating income		
8		
Received funds : Stitching Kansarmen Sri Lanka	7,456,836	3,968,455
: Wild geese	11,164,934	Nil
: Community contribution	465,085	46,800
	19,086,855	***4,015,255***
Direct projects cost		
9		
Water place investigation	40,522	180,000
Deep well construction	823,407	750,000
Labour charges	4,276,533	6,474,251
Material cost	6,699,747	9,386,979
Material Transport	297,860	563,591
Facility supply	886,152	869,453
Opening Project WIP	7,347,597	3,167,568
Closing Project WIP	(3,919,289)	(7,347,597)
	16,452,529	***14,044,245***
Project Monitoring & Supervision Cost		
10		
Project visiting expenses	872,393	760,101
Project vehicle insurance	177,405	183,672
Project vehicle maintenance	142,120	486,342
Project vehicle running expenses	358,455	386,552
Project vehicles depreciation	1,200,000	1,237,000
Project Staff Welfare	165,651	Nil
Project Salaries & Wages	898,161	967,712
Project staff EPF	218,292	99,792
Project staff ETF	42,723	25,116
	4,075,200	***4,146,287***
Other income		
11		
Material discount	Nil	808,973
Interest income	2,124,978	2,864,536
	2,124,978	***3,673,509***

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

	As at 31 December	
	2020	*2019*
Administrative expenses		
12		
Salaries & Wages	980,669	612,000
EPF	114,709	43,200
ETF	76,473	11,068
Printing & Stationery	23,584	31,336
Training and Development	254,741	77,667
Travelling	42,746	9,601
Electricity	191,800	210,031
Telephone charges	164,500	186,650
Insurance	46,008	20,258
Maintenance & Repair	Nil	53,142
Computer repair	96,230	78,950
Transport	12,583	34,011
Professional fees	159,552	356,035
Audit fee	20,000	20,000
Postage	3,890	18,022
Entertainment	20,850	50,250
Depreciation	324,094	491,907
	2,532,429	***2,304,128***
Distribution Cost		
13		
Vehicle maintenance	40,285	21,905
	40,285	***21,905***
Finance Cost		
14		
Bank charges	8,737	6,250
	8,737	***6,250***

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

	As at 31 December	
	2020	2019
15		
Plant and Machinery - [Refer Note 1]	***5,391,111***	***5,678,632***

Note 1	*Cost*	*Additional / (Disposal)*	*Accumulated depreciation*	*Depreciation*	*Total*
Motor vehicle	12,370,000	Nil	(7,221,000)	1,237,000	***5,149,000***
Equipment's	1,175,243	52,380	(1,079,420)	348,624	***148,203***
Communication equipment's	161,498	157,170	(232,687)	51,562	***85,981***
Garage	89,600	Nil	(89,600)	Nil	Nil
Computer accessories	149,600	36,000	(159,475)	37,400	***26,125***
Electrical panel board	12,544	18,450	(18,816)	3,136	***12,178***
Kitchen utensil	23,463	Nil	(22,371)	5,866	***1,092***
Air Conditioner	68,710	Nil	(68,710)	Nil	Nil
Furniture & Fittings	164,913	Nil	(110,657)	16,491	***54,256***
New ware house	576,561	Nil	(374,764)	28,828	***201,797***
Balance as at 31.12.2019	***14,792,132***	***264,000***	***(9,377,500)***	***1,728,907***	***5,678,632***

Note 1	*Cost*	*Additional / (Disposal)*	*Accumulated depreciation*	*Depreciation*	*Total*
Motor vehicle	12,370,000	Nil	(8,458,000)	1,237,000	***3,912,000***
Equipment's	1,227,623	Nil	(1,092,515)	13,095	***135,109***
Communication equipment's	318,668	Nil	(547,168)	79,667	***(228,500)***
Garage	89,600	Nil	(89,600)	Nil	Nil
Computer accessories	185,600	Nil	(100,551)	46,400	***85,049***
Electrical panel board	30,994	138,600	(42,399)	42,399	***127,195***
Kitchen utensil	23,463	Nil	(11,732)	5,866	***11,731***
Air Conditioner	68,710	Nil	(68,710)	Nil	Nil
Furniture & Fittings	164,913	11,000	(32,982)	16,491	***142,931***
New ware house	576,561	1,086,975	(457,940)	83,177	***1,205,596***
Balance as at 31.12.2020	***15,056,132***	***1,236,575***	***(10,901,596)***	***1,524,094***	***5,391,111***

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

	As at 31 December	
	2020	**2019**
Advances & Prepayments		
16		
Advances	1,333,167	560,421
WHT	33,819	33,819
Refundable Deposit	4,500	4,500
Staff Loan	109,500	275,000
	1,480,986	***873,740***
Cash and cash equivalents		
17		
Union bank Current A/C No : 010019100002978	Nil	1,629,280
Union bank Saving A/C	89,601	89,601
Cash in hand	412,723	431,724
	502,324	***2,150,605***
Unrestricted funds		
18		
Balance B/F	***31,480,907***	***44,314,958***
Surplus / (Deficit) for the period	(2,057,677)	(12,834,051)
Balance C/F	***29,423,230***	***31,480,907***
Trade and other payable		
19		
Audit fee payable	20,000	64,060
E.T.F	Nil	9,609
Income tax payable	160,330	Nil
Accrued expenses	170,039	55,839
	350,369	***129,508***

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

Kansarmen S L Foundation

Year of assessment - 2020

Computation of income tax payable

(Based on the audited accounts for the year ended 31 December 2020)

	Rs
Statement of income	
Donations from organization	***19,086,855***
	19,086,855
Taxable donation	***19,086,855***
Income tax payable	
On Rs 19,086,855 @ 3% = 572,606	
572,606 @ 28%	***160,330***
Balance Tax payable	***160,330***

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