

REPORT OF THE AUDITORS
TO THE MEMBERS OF AFLAC INTERNATIONAL

We have reviewed the Financial Statements of AFLAC International for the year ended 31st March 2003, with the underlying records and evidence, based on samples of transactions selected.

So far as appears from our examination the Financial Statements of the Association are in agreement with the books of accounts and information furnished.

Sgd.

B.R.DE SILVA & CO.
Chartered Accountants

24 July 2004

NSC/NM/sj

AFLAC INTERNATIONAL

RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2003

<u>RECEIPTS</u>	<u>Note</u>	<u>2002/2003</u>		<u>2001/2002</u>	
		Rs.	Cts.	Rs.	Cts.
Donations for Education Programme	(4)	2,518,764.93		2,487,304.02	
Donations for Health	(5)	1,403,146.00		803,903.01	
Donations for Food Programme	(6)	1,442,041.00		1,211,863.89	
Donations / Funds Raised for Other Programs	(7)	1,727,329.87		1,146,516.45	
RFC Savings Interest		<u>96,793.00</u>		<u>159,715.96</u>	
Total Receipts		<u>7,188,074.80</u>		<u>5,809,303.33</u>	
<u>PAYMENTS</u>					
Education Program	(4)	3,044,139.41		2,220,886.75	
Health	(8)	1,465,672.25		1,052,978.00	
Food	(9)	1,235,925.00		951,340.00	
Shelter	(10)	85,963.00		47,595.00	
Other Projects	(11)	129,080.00		117,752.78	
Bank Charges		<u>12,461.89</u>		<u>51,764.64</u>	
Total Payments		<u>5,973,241.55</u>		<u>4,442,317.17</u>	
EXCESS OF RECEIPTS OVER PAYMENTS DURING THE YEAR		<u>1,214,833.25</u>		<u>1,366,986.16</u>	

EXCESS OF RECEIPTS OVER PAYMENTS

	<u>Opening</u> <u>Balance</u>		<u>Excess</u>		<u>Closing</u> <u>Balance</u>	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Education Programme	973,051.46		(525,374.48)		447,676.98	
All Other Projects	3,493,738.00		1,655,876.62		5,149,614.62	
RFC Savings Interest less Bank Charges	<u>107,951.32</u>		<u>84,331.11</u>		<u>192,282.43</u>	
	<u>4,574,740.78</u>		<u>1,214,833.25</u>		<u>5,789,574.03</u>	

AFLAC INTERNATIONAL

BALANCE SHEET

				<u>2003</u>	<u>2002</u>
As at 31 March					
<u>ASSETS</u>					
<u>Non Current Assets</u>					
Office Equipment				105,784.25	-
Furniture & Fittings				35,550.00	-
				<u>141,334.25</u>	<u>-</u>
<u>Cash at Bank</u>					
<u>Account No.</u>	<u>Currency</u>	<u>Amount</u>	<u>Rate</u>	<u>Rs.</u> <u>Cts.</u>	<u>Rs.</u> <u>Cts.</u>
<u>Hatton National Bank</u>					
A/C No: 005 0011496	LKR	(119,975.43)	1.00	(119,975.43)	(276,979.09)
A/C No: 005 0145123	US \$	66,029.23	96.06	6,342,767.83	5,168,675.66
A/C No: 005 0149404	SG \$	16,318.46	54.48	889,029.70	1,102,147.45
<u>Peoples Bank</u>					
A/C No: 154 0096941	LKR	10,026.09	1.00	10,026.09	-
				<u>7,121,848.19</u>	<u>5,993,844.02</u>
				<u>7,263,182.44</u>	<u>5,993,844.02</u>
<u>REPRESENTED BY</u>					
<u>Accumulated Fund</u>					
Balance Brought Forward				4,574,740.78	3,207,754.62
Excess of Receipts over Payments for the year				1,214,833.25	1,366,986.16
Balance Carried Forward				5,789,574.03	4,574,740.78

Exchange Equalization Reserve

Balance Brought Forward	1,419,103.24	880,023.71
Exchange Gain for the year	<u>54,505.17</u>	<u>539,079.53</u>
Balance Carried Forward	<u>1,473,608.41</u>	<u>1,419,103.24</u>
TOTAL LIABILITIES	<u><u>7,263,182.44</u></u>	<u><u>5,993,844.02</u></u>

The Board of Directors is responsible for the preparation and presentation of these Financial Statements Signed for and on behalf of the Board by.

	<i><u>Signature</u></i>	<i><u>Name</u></i>
DIRECTORS	1. Sgd :.....	Dayantha E. de Mel
	2. Sgd:.....	Rajitha S. Fernando

AFLAC INTERNATIONAL

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST MARCH 2003**

Education Adhoc Project Disbursements

During the year under review, disbursements to education related adhoc projects outside the student sponsorship programme amounted to Rs.578,379.41. This has resulted in the disbursements on the education programme exceeding receipts by Rs.525,374.48.

Foreign Currency Translation

All foreign exchange receipts are converted to Sri Lanka Rupees, which is the reporting currency, at the average rate of exchange that prevailed over the financial year. Monetary assets denominated in foreign currencies are translated to Sri Lanka Rupee equivalents using year-end spot foreign exchange rates. The resulting gains and losses are accounted for in the Balance Sheet under Exchange Equalization Reserve.

Fixed Asset Depreciation Policy

Fixed assets, consisting of office equipment and furniture reflected in the year end balance sheet were purchased during the year. They are indicated at cost. No provision for depreciation of assets is made in the year of purchase, but full depreciation will be charged in the year of sale. The provision for depreciation will be calculated by using a straight-line method on the cost or valuation of fixed assets.