

CANDLEAID LANKA

FOR THE YEAR ENDED 31ST MARCH, 2019



Private & Confidential

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CANDLEAID LANKA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CandleAid Lanka, which comprise the statement of financial position as at 31st March, 2019, and the Receipt & Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, so far as it appears from our examination, Organization has maintained proper accounting records for the year ended 31st March 2019 and the financial statements give a true and fair view of the organizations affairs as at 31st March 2019, and its excess payments over receipts for the year then ended in accordance with Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: www.slaasc.com/auditingstandards/auditorsresponsibility. This description forms part of our auditor's report.

B.R. De Silva

B. R. DE SILVA & CO.

Chartered Accountants

Colombo 05.

Date... *10-10-2019*

DS/Lekha/sj



CANDLEAID LANKARECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2019

	<u>Notes</u>	<u>2018/2019</u>		<u>2017/2018</u>
		Rs.	Cts.	Rs.
<u>RECEIPTS</u>				
Donations for Education Programme	(3)	17,716,276.14		15,082,451
Donations for Health Programme	(4)	7,731,522.07		8,199,143
Donations for Food Programme	(5)	3,841,873.61		3,981,127
Donations for English & Personality Enhancement Programme	(6)	1,287,574.00		-
Donations for Swim for Safety Programme	(7)	473,430.44		-
Donations for Community Development Programme	(8)	15,039.00		1,965,809
Donations/Funds Raised for Other Programmes	(9)	8,424,492.12		(219,713)
Recoveries for Administration Expenses		3,013,179.23		2,150,501
Interest Received - Repo		1,090,052.63		948,841
Interest Received - FD		2,018,750.00		4,549,245
PAYE - Recoveries		-		(2,400)
Total Receipts		45,612,189.24		36,655,004
<u>PAYMENTS</u>				
Education Programme	(3)	15,168,258.07		12,463,721
Health Programme	(4)	7,484,670.00		7,030,480
Food Programme	(5)	3,798,138.00		3,462,191
Payments for English & Personality Enhancement Programme	(6)	550,203.00		-
Swim for Safety Programme	(7)	-		(6,182)
Community Development Programme	(8)	24,475.00		1,956,446
Other General Projects	(9)	3,713,201.95		2,679,404
Administration Expenses	(10)	7,083,135.99		7,278,813
Depreciation	(11)	201,001.37		188,568
Bank Charges		185,545.55		158,618
Taxation		339,793.00		218,520
Total Payments		38,548,421.93		35,430,579
Excess of Receipts Over Payments for the year		7,063,767.31		1,224,425



CANDLEAID LANKABALANCE SHEET
AS AT 31ST MARCH 2019

	<u>Notes</u>	<u>2018/2019</u>		<u>2017/2018</u>
		Rs.	Cts.	Rs.
<u>ASSETS</u>				
<u>Non Current Assets</u>				
Office Equipment		4,170.00		37,407
Furniture & Fittings		78,217.37		88,313
Computer & Accessories		77,745.55		160,229
Generator		177,214.58		-
Total Non Current Assets	(11)	337,347.50		285,949
<u>Current Assets</u>				
Investments	(12)	64,700,000.00		57,900,000
Cash at Bank	(13)	341,793.04		133,497
Cash in Hand		5,010.50		938
TOTAL ASSETS		65,384,151.04		58,320,384

REPRESENTED BYAccumulated Fund

Balance Brought Forward		58,320,383.73		57,095,959
Excess of Receipts over Payments for the year		7,063,767.31		1,224,425
Balance Carried Forward		65,384,151.04		58,320,384
TOTAL LIABILITIES		65,384,151.04		58,320,384

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

CandleAid Lanka
GA 201
[Signature]
Finance Manager

8.10.2019
Date

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

	<u>Name</u>	<u>Signature</u>
1.	D. E. De Mel	[Signature]
2.	V.D.H. Jayawardena	[Signature]

DATE OF APPROVAL }
BY THE BOARD } 8th October 2019



CANDLEAID LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019

1. CORPORATE INFORMATION

1.1 GENERAL

CandleAid Lanka is a company Limited by Guarantee incorporated under section 8 of the Companies Act No. 07 of 2007. The registered office of the Company is situated at No.45, Cornelious Place, Korawella, Moratuwa and the principal place of business is situated at No. 21/4, Dharmarathne Avenue, Rawatawatta, Moratuwa. "Aflac International" has changed its name to "CandleAid Lanka" in accordance with the provision of Section 8 of the "Companies Act No. 7 of 2007.

CandleAid Lanka is a government Approved Charity under Section 31 (7) of the Inland Revenue Act No. 38 of 2000.

It is also registered as a Non Governmental Organization under Voluntary Social Service Organizations (Registration & Supervision) Act No. 31 of 1980 as amended by Act No. 08 of 1998.

1.2 Principal Activities and Nature of Operations

CandleAid Lanka is a "Non Profit" charitable institution which is reaching out and financially assisting the less fortunate communities in Sri Lanka in the areas of Education, Health, Food, Shelter and Community Development.

1.3 The notes to the Financial Statements on pages (3) to (10) form an integral part of the Financial Statements.

1.4 No of Employees

The staff consists of eight (08) permanent employees and three (3) contract employees.

Contd... (4) *



CANDLEAID LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Basis of Preparation

The Balance Sheet, Statement of Receipts and Payments, together with accounting policies and notes ("Financial Statements") of the Company as at 31st March 2019 and for the year then ended comply with all material aspects of the applicable Generally Accepted Accounting Principles.

These financial statements presented in Sri Lanka Rupees have been prepared on a historical cost basis.

The Directors have made an assessment on the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

2.1.2 Foreign Currency Transactions

All foreign exchange transactions are converted in to Sri Lanka Rupees, which is the reporting currency at the rates of exchange prevailing at the time transactions were effected.

2.1.3 Cash and Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Contd... (5)



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019**2.1.4 Property, Plant & Equipment****(a) Cost**

Property, Plant & Equipment is recorded at cost less accumulated depreciation.

Impairment of Property, Plant & Equipment

The carrying values of Property, Plant and Equipment, are reviewed for impairment annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indications exist, and where the carrying values exceed the estimated recoverable amounts. Impairment losses are recognized in the income statements unless it reverses a previous revaluation surplus for the same asset.

(b) Depreciation

The provision for depreciation is calculated by using a straight line basis on the cost or valuation of all Property, Plant and Equipment, in order to write-off such amounts over the following estimated useful lives. The principle annual rates used are:

Generator	@ 25%	p.a
Furniture and Fittings	@ 12.5%	p.a
Motor Vehicle	@ 25%	p.a
Computer Equipment	@ 33.33%	p.a

2.2 Receipt and Payment Statements**Grants**

- (a) All receipts including donations and all payments have been accounted for on a cash basis as per past practice.

Interest

- (a) Interest Income is recognized on a cash basis.



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

	<u>2018/2019</u>	<u>2017/2018</u>
	Rs. Cts.	Rs.
(3) <u>EDUCATION PROGRAMME</u>		
<i><u>Receipts</u></i>		
Donations for Students' Sponsorship	16,808,775.51	14,502,425
Donations for Libraries	55,091.20	131,810
Donations for Book Project	150,000.00	222,460
Other Donations for Education	702,409.43	225,756
	<u>17,716,276.14</u>	<u>15,082,451</u>
<i><u>Payments</u></i>		
Sponsored Students	14,120,900.00	11,770,000
Libraries	184,202.00	195,305
Book Project	150,000.00	240,757
Other Education Disbursements	713,156.07	257,659
	<u>15,168,258.07</u>	<u>12,463,721</u>
(4) <u>HEALTH PROGRAMME</u>		
<i><u>Receipts</u></i>		
Donations for Cancer Sponsorship	7,467,079.48	8,037,414
Other Donations for Health	264,442.59	161,729
	<u>7,731,522.07</u>	<u>8,199,143</u>
<i><u>Payments</u></i>		
Sponsored Cancer Patients	7,210,000.00	6,862,000
Other Health Disbursements	274,670.00	168,480
	<u>7,484,670.00</u>	<u>7,030,480</u>
(5) <u>FOOD PROGRAMME</u>		
<i><u>Receipts</u></i>		
Donations for Family Sponsorship	3,616,333.90	3,815,200
Other Donations for Food	225,539.71	165,927
	<u>3,841,873.61</u>	<u>3,981,127</u>
<i><u>Payments</u></i>		
Sponsored Families	3,576,500.00	3,286,500
Other Food Disbursements	221,638.00	175,691
	<u>3,798,138.00</u>	<u>3,462,191</u>



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2019

	<u>2018/2019</u>	<u>2017/2018</u>
	Rs. Cts.	Rs.
(6) <u>ENGLISH & PERSONALITY ENHANCEMENT PROGRAMME</u>		
<u>Receipts</u>		
Donation for English & Personality Enhancement Programme	1,287,574.00	-
	<u>1,287,574.00</u>	<u>-</u>
<u>Payments</u>		
Payments for English & Personality Enhancement Programme	550,203.00	-
	<u>550,203.00</u>	<u>-</u>
(7) <u>SWIM FOR SAFETY PROGRAMME</u>		
<u>Receipts</u>		
Donations for Swim for Safety	473,430.44	-
	<u>473,430.44</u>	<u>-</u>
<u>Payments</u>		
Payments for Swim for Safety	-	(6,182)
	<u>-</u>	<u>(6,182)</u>
(8) <u>COMMUNITY DEVELOPMENT PROGRAMME</u>		
<u>Receipts</u>		
Donations for Self Empowerment of Women	15,039.00	-
Donations for Disaster Relief	-	1,965,809
	<u>15,039.00</u>	<u>1,965,809</u>
<u>Payments</u>		
Payments for Self Empowerment of Women	14,800.00	33,000
Payments for Disaster Relief	9,675.00	1,923,446
	<u>24,475.00</u>	<u>1,956,446</u>
(9) <u>DONATIONS/FUNDS RAISED FOR OTHER PROGRAMMES</u>		
<u>Receipts</u>		
Blind Colony	120,000.00	120,000
Donations for Secret Santa	-	949,623
Donations for Sigiri Trust Fund	2,560,658.00	-
Donations for T-shirts sales	5,000.00	13,000
Donations for Other General Projects	5,738,834.12	(1,302,336)
	<u>8,424,492.12</u>	<u>(219,713)</u>



NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

	<u>2018/2019</u>	<u>2017/2018</u>
	Rs. Cts.	Rs.
<u>OTHER GENERAL PROJECTS</u>		
<u>Payments</u>		
Blind Colony	161,707.00	238,630
Payments for Secret Santa	-	874,007
Payments for Sigiri Trust Fund	1,237,896.00	-
Payments for T-Shirts	-	-
Other Projects	2,313,598.95	1,566,767
	<u>3,713,201.95</u>	<u>2,679,404</u>
(10) <u>ADMINISTRATION EXPENSES</u>		
Staff Costs	4,363,042.00	4,601,295
E.P.F.	532,952.00	552,163
E.T.F.	133,239.00	138,054
Casual Wages	78,200.00	-
Ex-Gratia Payments to Staff	-	383,828
Consultancy Fee	498,750.00	86,250
Communication Costs	163,986.00	217,577
Postages	96,825.00	101,615
Stationery	137,965.00	101,005
Electricity Bills	53,859.00	52,513
Water Bills	7,245.00	9,305
Office Equipment Maintenance	202,924.75	240,580
Office Maintenance	86,281.00	158,250
Vehicle Maintenance	54,910.22	41,382
Software Maintenance	47,500.00	50,000
Travelling & Transport	64,176.00	29,415
Secretarial Fees	34,243.28	20,664
Staff Welfare	210,265.00	151,571
Rates	8,784.00	8,784
Audit Fees	73,195.20	73,195
Office Renovation	14,215.00	36,687
Software Implementation Charges	2,500.00	44,250
Web-hosting & Maintenance Fee	16,353.00	34,650
Leave Payments	79,915.00	38,500
Security Expenses	-	25,923
Insurance	13,931.14	14,987
Professional Charges	30,725.00	-
Other Administration Expenses	77,154.40	66,370
	<u>7,083,135.99</u>	<u>7,278,813</u>



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2019(11) FIXED ASSETS

<u>Description</u>	<u>COST</u>		<u>Rates</u> %	<u>DEPRECIATION</u>		
	<u>Cost as at</u> <u>01.04.2018</u>	<u>Additions/</u> <u>(Disposals)</u>		<u>W.D.V.as at</u> <u>31.03.2018</u>	<u>Depreciation</u> <u>2018/2019</u>	<u>W.D.V.as at</u> <u>31.03.2019</u>
	<u>Rs. Cts.</u>	<u>Rs. Cts.</u>		<u>Rs. Cts.</u>	<u>Rs. Cts.</u>	<u>Rs. Cts.</u>
<u>Furniture</u>						
Computer Table	98,621.25	-	12.50%	600.00	1,800.00	
Writing Table	40,695.00	-	12.50%	1,250.00	2,359.59	
Typist Chairs	73,765.75	-	12.50%	7,324.47	34,127.28	
Office Chairs	19,145.00	-	12.50%	1,074.38	5,998.58	
Cupboards	117,467.50	-	12.50%	5,933.44	19,958.48	
Fittings	11,300.00	7,700.00	12.50%	1,613.02	13,973.44	
	<u>360,994.50</u>	<u>7,700.00</u>		<u>17,795.31</u>	<u>78,217.37</u>	
<u>Equipment</u>						
Telephone System	181,897.30	-	33.33%	17,439.65	-	
UPS	89,018.00	-	33.33%	-	-	
Printers	299,987.50	-	33.33%	14,500.95	4,170.00	
Computer Installation & Software	2,289,991.25	14,800.00	33.33%	97,283.61	77,745.55	
Laptop	127,500.00	-	33.33%	-	-	
Projector	65,000.00	-	33.33%	-	-	
Fax	33,365.00	-	33.33%	1,296.43	-	
Refrigerator	41,087.00	-	33.33%	-	-	
Photo Copier	85,000.00	-	33.33%	-	-	
Other Office Equipment	150,957.10	-	33.33%	-	-	
	<u>3,363,803.15</u>	<u>14,800.00</u>		<u>130,520.64</u>	<u>81,915.55</u>	
<u>Motor Vehicle</u>						
Motor Vehicle	1,425,000.00	-	25%	-	-	
Bicycle	7,000.00	-	25%	-	-	
	<u>1,432,000.00</u>	<u>-</u>		<u>-</u>	<u>-</u>	
<u>Generator</u>						
Generator	-	229,900.00	25%	52,685.42	177,214.58	
	<u>-</u>	<u>229,900.00</u>		<u>52,685.42</u>	<u>177,214.58</u>	
<u>Total Assets</u>	<u>5,156,797.65</u>	<u>252,400.00</u>		<u>201,001.37</u>	<u>337,347.50</u>	



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2019

	<u>2018/2019</u>		<u>2017/2018</u>
	Rs.	Cts.	Rs.
(12) <u>INVESTMENTS</u>			
Repo - NTB	17,700,000.00		12,900,000
Fixed Deposits - DFCC	30,000,000.00		28,000,000
Fixed Deposits - NTB	17,000,000.00		17,000,000
	<u>64,700,000.00</u>		<u>57,900,000</u>
(13) <u>CASH AT BANK</u>			
	<u>Currency</u>		
<u>Hatton National Bank</u>			
A/C No: 022010223682	LKR	179,709.30	59,603
<u>Nations Trust Bank</u>			
A/C No: 014100008377	LKR	162,083.74	73,894
		<u>341,793.04</u>	<u>133,497</u>

(14) TAXATION

CandleAid Lanka is liable to a tax on 3% of its primary source of receipts which are donations at the applicable corporate tax rate of 28%.

The tax charge of Rs 357,028.45/- for the year ended 31.3.2019 is computed as follows:

Total Donations -Rs.42,503,386.61/-*3%*28% = Rs.357,028.45

Tax on Interest Income - Rs. 3,215,052.63/-*14%= Rs.450,107.37

Total Tax Liability of (Rs.357,028.45+450,107.37) = Rs.807,135.82

This payment will be made during the financial year 2019/2020 and therefore be reflected as a Tax charge in the Receipts & Payment Accounts of that year

This is for the reason that the Receipts & Payment Accounts are prepared on a cash basis

The tax charge of Rs.339,793.00 reflected in the Receipts & Payment Accounts of F/Y 2018/2019 is the 4th installment of the year 2017/2018 and the 01st and 2nd installments for the year 2017/2018.

