



COMMERCIAL ACCOUNTANCY SERVICE

Accountants, Book Keepers, Auditors and Tax Consultants

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Wadduwa.
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No. 22, Diggala Road,
Henamulla,
Panadura.

AUDITORS REPORT

TO THE MEMBERS OF ASIA LANKA SOCIAL DEVELOPMENT CO-OPERATION

We have examined the Balance Sheet of ASIA LANKA Social Development co-operation as at 31st December, 2023 and the income statement for the year ended 31st December, 2023 together with notes to the Accounts.

RESPECTIVE RESPONSIBILITIES OF PROJECT CO-ORDINATORS AND AUDITORS.

The Project Coordinator is 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

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 determining where the said financial statements are prepared and presented in accordance with the Sri Lanka Accounting Standards, We have obtain all the information and explanation which to the best 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.

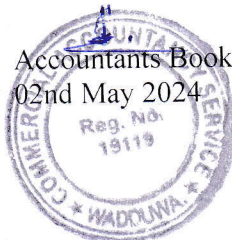
OPINION

In our opinion, so far as appears from our examination, the Organization maintained proper books of accounts for the year ended 31st December,2023, and to the best of our information and according to explanations given to us, the said Balance Sheet, and related statement of income and Expenditure and the accounting policies and notes thereto, which are inn agreement with the said books and have been prepared and presented in accordance with the Sri Lanka Accounting Standard, provide the information required by the companies Act, No. 07 of 2007 and give true and fair view of the Organization's state of affairs as at 31st December,2023 and its Income over Expenditure for the year then ended.

PROJECT COORDINATORS'S INTEREST IN CONTRACTS WITH THE ASSOCIATION

According to the information available made to us, the accountant of the organization was not directly or indirectly interested in contract with the organization during the year ended 31st December,2023 other than those disclose in the accounts.

Accountants Book keepers, Auditors and Tax consultants
02nd May 2024



ASIA LANKA SOCIAL DEVELOPMENT CO-OPERATION
NO.798,2ND FLOOR, SEEDS BUILDING, GALLE ROAD, MOLLIGODA, WADDUWA- SRI LANKA.
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. GENERAL ACCOUNTING POLICIES

1.1. General

Asia Lanka Social development co-operation is a voluntary Social Service / Non Governmental Organization registered under Ministry of Social Welfare and domiciled in Sri Lanka.
The Registered office is located at No.798,2nd floor, Seeds Building, Galle Road, Molligoda, Wadduwa, Sri Lanka.

1.2 Principal Activities and Nature of Operation

- Establishing peace and reconciliation through formed local inter religious committees
- Establishing peace and reconciliation
- Promoting non-violent communication
- Strengthening trained female councilors and formed citizen's forums to ensure the accountability and transparency
- Reducing violent extremism in Kalutara District through enhancing knowledge and capacity of selected youth groups in local governance based in Kalutara District
- Reduce HIV/ TB risk among the key population

- Building Local Capacities for Truth, Justice and Reconciliation in Sri Lanka

1.1.1 Basis of Preparation

The Balance Sheet, related statements of financial activities, changes in equity, cash flow and the accounting policies & notes (Financial statements) of the association are prepared in accordance with the accounting standard laid down by the Institute of Chartered Accountant of Sri Lanka (ICASL).

1.1.2 The financial statements of the Association are prepared under the historical cost convention.

1.1.3 The Financial statements of the Association are prepared in Sri Lanka Rupees.

1.3 Taxation

1.3.1 The provision for income tax is based on the element of income and expenditure as reported in the financial Statements.

1.3.2 The Liabilities of Taxation has been computed according to the provisions of the Inland Revenue act No. 10 of 2006.

1.4 Event occurring after the Balance Sheet date

All material events occurring after the balance sheet date have been considered and where appropriate Adjustments to or disclosures have been made in the respective notes to the financial statements.

2. ASSETS AND BASES OF THEIR VALUATION

2.1 Property Plant & Equipments

2.1.1 The property plant & Equipments are stated at cost less accumulated depreciation.

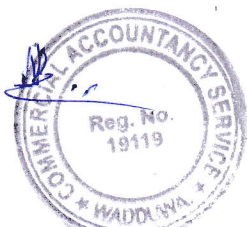
2.1.2 The cost property, Plant & equipments is the cost of acquisition or construction together with any Incidental expenses thereon

2.1.3 Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means Of which to carry on the business or to increase the earning capacity of the business has been treated as capital Expended.

2.2 Depreciation

The provision for depreciation is calculated by using the straight line basis on the cost of all property Plant & equipment in order to write off such amounts estimated useful lives at the following rates:

<u>Assets</u>	<u>Percentage</u>
Furniture & Fittings	10%
Office Equipment	15 %
Computers	10%
Motor Vehicle	20%



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SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER, 2023

Continued:

- Full year depreciation is provided on property Plant & Equipment in the year of acquisition where no depreciation is charged in the year of Disposal.
- Assets held under finance lease are depreciated over the shorter of the lease term or its economics useful life.
- 2.2.1 **Leased Assets**
Ownership are transferred to the lessee, such assets are recorded in the balance sheet as property plant & equipment at their cash price. The total interest payable is accounted as interest in suspense, and the corresponding credit is recorded as a payable to the lesser. The installments paid are used to reduce this liability.
- 2.3 An amount equal to the interest charges is transferred from the interest in suspense account to the income statement.
- 2.4 Inventories
- 2.4.1 Inventories are valued at the lower cost and net realizable value, after making due allowance for For obsolete and slow moving items.
- 2.4.2 Net realizable value is the price at which inventories can be sold in the normal course of business After allowing for cost of realization and / or cost of convention from their existing state to a salable Condition.
- 2.5 Trade & other receivables Trade & other receivables are stated at the amounts they are estimated to re Realize.
- 2.6 Cash & Cash equivalents
- 2.6.1 Cash equivalents are defined as cash in hand, demand deposits at banks and short term highly liquid investments, readily convertible to known amount of cash and subject to insignificant risk change in value.
- 2.6.2 For the purpose of cash flow statement, Cash & Cash equivalents consists of cash in hand and deposit in bank net of outstanding bank overdraft.
3. **LIABILITIES & PROVISIONS**
Liabilities classified as current liabilities in the balance sheet are those obligations payable on demand or within one year from the balance sheet date. Liabilities classified as non-current liabilities are those obligations, which expire beyond a period of the year from the balance sheet date.
- 3.1 **Trade & other Payable**
Trade & Other payables are stated at their cost.
- 3.2 **Provisions**
Provisions are recognized when the association has a legal or constructive obligation as a result of past event and it is probable that an out flow of economic benefits will be required to settle the obligation.
- 3.3 **Capital Commitments & Contingencies**
All material capital expenditure commitments and contingent liabilities of the association as at the date of balance Sheet is disclosed in the respective notes to the Financial Statement.
- 3.4 **Retirement benefit cost**
- 3.4.1 **Defined Benefit plan – Retirement Gratuity**
Full Provision has been made on account of retiring from the first year of service of the employee in conformity with the Sri Lanka Accounting Standard No. 16 “retirement benefit Cost” at half month salary for each month salary for each year of service.
However, according to the payment of Gratuity Act No.12 of 1983, the liability for Gratuity to an employee arises Only on completion of 05 years of continued service with the Association.
The liability is not externally funded or actuarially values. The item is grouped under the non – current liabilities in the balance sheet.
- 3.4.2 **Defined Benefit Plans – Employees Provident Fund & Employee’s Trust Fund Contributions** are covered by the relevant contribution funds in line with respective statutes and regulations.
Contributions to provident & Trust Funds covering the employees are recognized as an expense in the Income statement.



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SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER, 2023

Continued:

4. Income Statement

- 4.1 All funds received Asia Lanka Social development co-operation during a particular financial accounting period are treated as income in that financial accounting period. Any unutilized funds are carried forward in the balance sheet under Accumulated Fund.
- 4.2 Revenue is recognized to extent that it is probable that the future economic benefit will flow to the company and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.
Gains and losses of a revenue nature on the disposal of property, plant & equipment are accounted for in the income statement.
- 4.3 Expenditure Recognition
All expenditure incurred in the running of the organization and in maintaining the capital assets in a state of efficiency, has been charged to revenue in arriving at the Income over Expenditure.

For the purpose of presentation of the income statement, the directors are of the view that the "Function of Expenses" method present fairly the elements of the Enterprise's performance hence, such method is adopted.



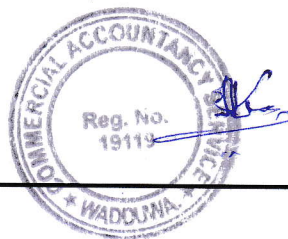
ASIA LANKA SOCIAL DEVELOPMENT CO- OPERATION
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2023

	Note	2023 LKR	2022 LKR
<u>Project Income</u>			
Incoming Resources	1	29,678,738.48	29,929,519.99
		29,678,738.48	29,929,519.99
<u>Project Expenses</u>			
Staff Related Cost		10,930,521.00	10,138,157.02
Direct Activity Cost		18,150,028.92	18,138,045.85
		29,080,549.92	28,276,202.87
Net surplus / (Deficit) of Project Activities		598,188.56	1,653,317.12
Income of Non Project Activities			
Other Income		-	-
Expenses of Non Project Activities			
Administration Expenses		(222,320.00)	(440,520.00)
Office and Other Expenses		(530,480.00)	(598,570.00)
Staff Related Cost		(230,562.00)	(824,246.00)
Net surplus / (Deficit) of Operating Activities		(385,173.44)	(210,018.88)
Finance Expenses			
Finance Income			
Net surplus / (Deficit) for the year		(385,173.44)	(210,018.88)
Other Comprehensive Income			
Total Comprehensive Income		(385,173.44)	(210,018.88)
Allocation of Total Comprehensive Income for the Year			
Allocation to / (Utilization of) Accumulated Fund		(385,173.44)	(210,018.88)

(Figures in brackets indicate deductions)



Project Manager/Accountant



ASIA LANKA SOCIAL DEVELOPMENT CO-OPERATION
STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	2023 LKR	2022 LKR
ASSETS			
<u>Non-Current Assets</u>			
Property Plant & Equipment	2	1,574,909.35	1,813,103.41
<u>Current Assets</u>			
Deposit & Pre - Payment	3	66,000.00	67,000.00
Cash at Bank	4	6,157,146.41	3,434,405.78
Cash In Hand			
Total Current Assets		6,223,146.41	3,501,405.78
Total Assets		7,798,055.76	5,314,509.19
LIABILITIES & RESERVES			
Accumulated Reserves		1,136,259.47	1,812,154.29
Surplus/Deficit		(385,173.44)	(210,018.88)
Restricted Funding	1	6,157,146.41	3,434,405.78
Non-Current Liabilities			
<u>Current Liabilities</u>			
Accrued Expenses	5	889,823.32	277,968.00
Total Liabilities		889,823.32	277,968.00
Total Liabilities & Reserves		7,798,055.76	5,314,509.19

These Financial Statements are in compliance with the requirements of sri lanka Statement of Recommended Practice for not – for – profit Organizations (including non – government Organization issued by the Institute of Chartered Accountants of Sri Lanka



Project Manager/ Accountant



ASIA LANKA SOCIAL DEVELOPMENT CO-OPERATION
CASH FLOW STATEMENT
For the year ended 31 December 2023

	2023 LKR	2022 LKR
<i>Cash Flow from / (Used in) Operating Activities</i>		
Net Surplus/Deficit	(385,173.44)	(210,018.88)
Adjusted for depreciation	381,208.57	336,999.57
Operating Profit before Working Capital	(3,964.88)	126,980.68
(Increase) / Decrease in Receivables	(1,000.00)	-
Increase / (Decrease) in Accrued Expenses	611,855.32	12,682.74
Net Cash Flow from / (Used in) Operating Activities	607,890.44	139,663.42
<i>Cash Flow from / (used in) investing activities</i>		
Acquisition of Property, Plant and Equipment	(187,223.50)	(371,390.00)
Net Cash Flow from / (used in) investing activities	(187,223.50)	(371,390.00)
<i>Cash Flow from / (used in) Financing activities</i>		
Increase/(Decrease) in Accumulated Funds	2,302,073.69	(1,359,041.64)
Net Cash Flow from / (used in) finance activities	2,302,073.69	(1,359,041.64)
Net Increase / (Decrease) in Cash and Cash Equivalents	2,722,740.63	(1,590,768.22)
Cash and Cash Equivalents at the beginning of the year	3,434,405.79	5,025,174.00
Cash and Cash Equivalents at the end of the year	6,157,146.42	3,434,405.79
Cash in Hand	-	-
Cash at Bank	6,157,146.41	3,434,405.78
	6,157,146.41	3,434,405.78



Notes

2023

Notes No 01 Incoming Resources

LKR

Grant - Restricted Funding	1.1	
Less - Returned to the donor		33,476,945.66
Total Funds Received during the year		1,079,779.67
Unutilized Fund Brought Forward form Prior Year		32,397,165.99
Unutilized Fund Carried Forward to Next Year		3,438,718.90
Funds Expensed During the Year		6,157,146.41
		29,678,738.48

Note No. 1.1 Grant - Restricted Funding

NPC		2,311,180.00
ISD		1,614,100.00
TISL		623,400.00
CED		45,000.00
SLCDF		475,000.00
PAFFREL		111,000.00
Janathakshana		2,000,000.00
NSACP		7,562,698.00
IDEA - MSI		836,754.10
HELVETAS		2,391,096.80
IRI		7,992,629.76
CEJ		1,425,940.00
TAF		5,738,147.00
Lanka Jathika Sarvodaya (CSO Patners - TAF)		250,000.00
FIAN		100,000.00
Total		33,476,945.66

Notes No.02

Property Plant & Equipment

Assets

Cost Items	2023-01-01 Balance	Add	Disposal	2023-12-31 balances
Furniture & Fittings	461,300.00			461,300.00
Motor Vehicle	99,557.00			99,557.00
Equipments	894,921.10	7,650.00		902,571.10
Computer Accessories	1,809,290.00	179,573.50		1,988,863.50
	3,265,068.10	187,223.50		3,452,291.60

Depriciation

	2023-01-01 Balance	Depriciate Rate	Annual Depreciation	2023-12-31 balances
Furniture & Fittings	216,590.00	10%	46,130.00	262,720.00
Moter vehicle	153,122.80	20%	19,911.40	173,034.20
Office Equipments	564,251.89	15%	134,238.17	698,490.06
Computer Accessories	562,209.00	10%	180,929.00	743,138.00
	1,496,173.69		381,208.57	1,877,382.26

Net Assets	Total Fixed Assets	3,452,291.60
Less:-	Acc: Depreciation	(1,877,382.26)
	Net Assets	1,574,909.35

Notes No.03

Deposit / Pre - Payment

Rent - Deposit
Pre - Paid Rental

	Rs.	2023	Rs.	2022
		66,000.00		67,000.00
		66,000.00		67,000.00

Notes No 04

Cash at Bank

HNB 069010013929
HNB 069010019891
HNB 069010020187
HNB 069010021849
HNB 069010022846
HNB 069010022839
HNB 069020439416

	Rs.	2023	Rs.	2022
		302,975.91		826,520.92
		163,117.29		934,188.97
		142,826.03		449,315.34
		2,263,271.80		1,068,067.67
		248,939.39		160,626.00
		1,150,223.66		(4,313.12)
		1,885,792.33		
		6,157,146.41		3,434,405.78

Notes No. 05

Accued Exp

PE Allowance
Salaries
EPF
ETF
Office Rent
Telephone

	252,000.00	
	281,210.00	
	257,977.40	221,066.00
	41,591.13	33,159.90
	51,865.00	18,000.00
	5,179.79	5,742.10
	889,823.32	277,968.00

