

CHILDFUND SRI LANKA - COUNTRY OFFICE

FINANCIAL STATEMENTS

30 JUNE 2019

APAG/ADK/JJ

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNTRY DIRECTOR OF CHILDFUND SRI LANKA-COUNTRY OFFICE**

Report on the audit of the financial statements

Qualified opinion

We have audited the Financial Statements of Childfund Sri Lanka - Country Office (the Organization), which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect of the matter discussed in basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non -Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

Basis for qualified opinion

In compliance with ChildFund Global policy on capitalization of Property Plant & Equipment, the Organization does not capitalize any asset less than USD 5,000 irrespective of whether such assets has a useful life of more than 1 year or not. As per the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non -Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka any assets having a useful life of over 1 year should be capitalized. Due to non-availability of sufficient information we were unable to evaluate the impact of such policy.

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 Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) 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 Sri Lanka Accounting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

(Contd...2/)

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.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



10 September 2020
Colombo

Child Fund Sri Lanka - Country Office
STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

ASSETS	Note	2019 Rs.	2018 Rs.
Non Current Assets			
Property Plant and Equipment	4	12,781,249	7,132,806
		<u>12,781,249</u>	<u>7,132,806</u>
Current Assets			
Grants and Other Receivables	5	11,282,047	16,839,729
Cash and Cash Equivalents	6	60,287,766	64,354,056
		<u>71,569,813</u>	<u>81,193,785</u>
		<u>84,351,062</u>	<u>88,326,591</u>
RESERVES AND LIABILITIES			
Accumulated Reserves			
Unrestricted Funds	7	(9,494,224)	(12,226,616)
		<u>(9,494,224)</u>	<u>(12,226,616)</u>
Non Current Liabilities			
Retirement Benefit Liabilities	8	14,518,994	10,743,998
Compensation	9	37,466,626	31,907,511
Accrued Paid Time Off	10	3,901,863	-
		<u>55,887,483</u>	<u>42,651,509</u>
Current Liabilities			
Grants and Other Payables	11	30,551,529	52,666,052
NGO Tax Payable	15.2	7,406,274	5,235,646
		<u>37,957,803</u>	<u>57,901,698</u>
		<u>84,351,062</u>	<u>88,326,591</u>

These financial statements are in compliance with the requirement of Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.




 Country Office Accountant

Victoria Ebona Digitally signed by Victoria Ebona
Date: 2020.09.21 14:05:50 +06'00'

 Finance Director

The Management is responsible for these financial statements. Signed for and on behalf of the Organization by;



 Country Manager

The accounting policies and notes on pages 07 through 20 form an integral part of the financial statements.



STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2019

	Note	2019 Rs	2018 Rs
OPERATING INCOME			
Incoming Resources	12	364,274,967	363,344,053
OPERATING EXPENDITURE			
Operating Expenses	13.1	(262,927,797)	(245,555,049)
Administration Expenses	13.2	(95,853,657)	(92,754,380)
Net Surplus/(Deficit) on Operating Activities		<u>5,493,514</u>	<u>25,034,624</u>
Revenue Earned from Other Activities	14	26,793	1,079,865
Net Surplus/(Deficit) Before Tax		<u>5,520,307</u>	<u>26,114,489</u>
NGO Tax Expenses	15.1	(2,787,915)	(2,669,161)
Net Surplus/(Deficit) After Tax		<u>2,732,392</u>	<u>23,445,328</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>2,732,392</u>	<u>23,445,328</u>

The accounting policies and notes on pages 07 through 20 form an integral part of the financial statements.



Child Fund Sri Lanka - Country Office
STATEMENT OF CHANGES IN RESERVES
Year ended 30 June 2019

	Unrestricted Funds Rs.	Result for the Year Rs.	Total Rs.
Balance as at 01 July 2017	(35,671,944)	-	(35,671,944)
Total Comprehensive Profit for the Year	-	23,445,328	23,445,328
Balance before transfer to Reserves	(35,671,944)	23,445,328	(12,226,616)
Allocation of Results to Reserves	23,445,328	(23,445,328)	-
Grants Received During the year	198,951,010	-	198,951,010
Funds Transferred to Statement of Comprehensive Income	(198,951,010)	-	(198,951,010)
Balance as at 30 June 2018	(12,226,616)	-	(12,226,616)
Total Comprehensive income for the Year	-	2,732,392	2,732,392
Balance before transfer to Reserves	(12,226,616)	2,732,392	(9,494,224)
Allocation of Results to Reserves	2,732,392	(2,732,392)	-
Grants Received During the year	207,252,452	-	207,252,452
Funds Transferred to Statement of Comprehensive Income	(207,252,452)	-	(207,252,452)
Balance as at 30 June 2019	<u>(9,494,224)</u>	<u>-</u>	<u>(9,494,224)</u>

The accounting policies and notes on pages 07 through 20 form an integral part of the financial statements.



STATEMENT OF CASH FLOWS

Year ended 30 June 2019

	Note	2019 Rs	2018 Rs
Cash Flows From/(Used in) Operating Activities			
Net Surplus Before Tax		5,520,307	26,114,489
Adjustments for			
Depreciation	4.1	4,120,557	4,300,397
Profit on Disposal of Plant and Equipment	14	-	(900,000)
Provision of Retirement Benefit Liabilities	8	3,904,447	3,367,416
Provision of Compensation	9	5,559,115	4,017,637
Provision of Accrued Time Off		3,901,863	-
Operating Profit before Working Capital Changes		<u>23,006,289</u>	<u>36,899,939</u>
(Increase)/ Decrease in Receivables		5,557,682	8,699,712
Increase /(Decrease) in Payables		(22,114,523)	613,753
Cash Generated From/(used in) Operating Activities		<u>6,449,448</u>	<u>46,213,404</u>
Retirement Benefit Paid	8	(129,451)	(4,336,145)
Tax Paid		(617,287)	(1,005,506)
Compensation Paid		-	(4,759,784)
Net Cash Flows from/(used in) Operating Activities		<u>5,702,710</u>	<u>36,111,969</u>
Cash Flows From/(Used in) Investing Activities			
Acquisition of Property, Plant & Equipment		(9,769,000)	(8,391,537)
Proceeds from Disposal of Plant and Equipment		-	900,000
Net Cash Flows (used in)/from Investing Activities		<u>(9,769,000)</u>	<u>(7,491,537)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		<u>(4,066,290)</u>	<u>28,620,432</u>
Cash and Cash Equivalents at the Beginning of the Year	6	<u>64,354,056</u>	<u>35,733,624</u>
Cash and Cash Equivalents at the end of the Year	6	<u>60,287,766</u>	<u>64,354,056</u>

The accounting policies and notes on pages 07 through 20 form an integral part of the financial statements.



1. CORPORATE INFORMATION

1.1 General

ChildFund Sri Lanka – Country Office is a Non-Governmental, child protection and development organization domiciled in Sri Lanka. The organization locally represents the ChildFund – International Inc, No. 2821, Emery Wood Parkway, Richmond, Virginia, USA. ChildFund Sri Lanka – Country Office is an organization registered under the Voluntary Social Service Organization Act No. 31 of 1980 as amended by Act No. 08 of 1998. The registered office and the principal place of operation are situated in No. 44/3, 1-1, Narahenpita Road, Nawala.

1.2 Principle Activities of the Organization

During the year, the principal activities of the ChildFund Sri Lanka – Country Office were to promote and encourage the followings in relation to children,

- ✓ Child protection
- ✓ Health and sanitation
- ✓ Nutrition
- ✓ Education
- ✓ Early childhood care and development
- ✓ Vocational training for youth
- ✓ Assistance to children with special needs
- ✓ Livelihood and emergency relief

1.3 Date of Authorization for Issue

The financial statements of ChildFund Sri Lanka - Country Office for the year ended 30 June 2019 was authorized by the members of committee on 10 September 2019.



2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position as at 30 June 2019 and the Statement of Comprehensive Income, the Statement of Changes in Reserves and Statement of Cash Flows for the year ended 30 June 2019, and a Summary of Significant Accounting Policies and other Explanatory of ChildFund Sri Lanka - Country Office have been prepared in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

2.2 Basis of Measurement and Presentation Currency

The Financial Statements presented in Sri Lanka Rupees have been prepared on a historical cost basis except otherwise indicated.

2.3 Comparative Information

The accounting policies adopted by the Company are unless otherwise stated is consistent with those used in the previous year. The previous year's figures and policies have been re-arranged wherever necessary to conform to the current year's presentation.

2.4 Going Concern

The Financial Statements have been prepared on the basis that the Organization would be able to continue its operations in the foreseeable future.

2.5 Use of Estimates and Judgements

The presentation of Financial Statements in conformity with Sri Lanka Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of Accounting Policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgemental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are reviewed affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign Currency Translation

The financial statements are presented in Sri Lanka Rupees, which is the organization's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the Statement of Financial Position. All difference is taken as surplus or deficit. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates the date when the fair value was determined.



3.2 Receivables

Receivables are recorded at cost less impairment (If any).

3.3 Cash & Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits, short term investments readily convertible to identified amounts of cash and which are not subject to any significant risk of change in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts. Investments with short maturity (i.e. of 3 months or less from the date of acquisition are also treated as cash equivalent).

3.4 Plant and Equipment

Plant and Equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is provided on straight line basis at the following rates per annum, in order to write off the cost of such assets over their estimated useful lives.

Furniture & fittings	20%
Office Equipments	20%
Computers	33%
Motor Vehicles	20%

The Company provides depreciation from the date the assets are available for use up to the date of disposal, on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the Company of the different types of assets, except for which are disclosed separately. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognized. Depreciation does not cease when the assets become idle or is retired from active use unless the asset is fully depreciated.

Asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis.

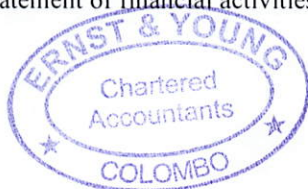
3.5 Grant Assets

Grants and subsidies related to assets are deferred in the Statement of Financial Position and recognized as income over the life of the depreciable asset by way of a reduced depreciation charge in the Statement of Comprehensive Income over the useful life of the asset.

3.6 Liability and Provisions

3.6.1 Provisions

Provision are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resource embodying economic benefit will be required to settle the obligation and the reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial activities net of any reimbursement.



3.6.2 Retirement Benefit Obligations

a) Compensation

A Compensation provision is carried forward in the Statement of Financial Position equivalent to an amount calculated as based on the salary of the last month of the financial year for all employees in respect of each completed year of service, commencing from the first year of service as follows.

No. of Years of service Completed	No. of Months per year
1-5 Yrs	2.5
6-14 Yrs	2
15-19 Yrs	1.5
20-24 Yrs	1
25-34 Yrs	0.5

No amount in excess of Rs.1,250,000 shall be paid to any employee as compensation computed according to the above formula.

b) Gratuity

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the Act No.12 of 1983, In order to meet this liability, a provision is carried forward in the Statement of Financial Position, equivalent to an amount calculated based on a half month's salary of the last month of the financial year of all employees for each completed year of service, commencing after the first year of service. The resulting difference between brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt with in the Statement of Comprehensive Income.

c) Defined Contribution Plan- Employees Provident Fund & Employee Trust Fund

Employees are eligible for Employee's Provident Fund and Employee' Trust Fund Contribution in line with respective statutes and regulations. The Organisation contributes 15% and 3% of gross emoluments of employee to Employee's Provident Fund and Employee' Trust Fund respectively.

3.7 Taxation

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on fund received as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations.

The organizations are liable for Income tax 3% of all grant funds received during the year and are taxable at 28%.



3.8 Funds

a) Unrestricted Funds

Unrestricted funds are that are available for use by the organization at the discretion of the management, in furtherance of the general objectives of the organizations and which are not designated for any specific purpose by the donors.

Surplus funds are transferred for restricted funds to unrestricted funds in terms of the relevant donor agreements or with subsequent approval of the donor.

3.9 Grants

Grants are recognized in the financial statements at their fair value. When the grant relates to an expense, it is recognized as an income over the period necessary to match it with the expenses, which it is intended to compensate for on a systematic basis.

Grants related to assets are generally deferred in the statement of financial position and credited to the statements of comprehensive income over the useful of the asset.

In the case of grants received to fund an entire project or activity, which include the purchase of an asset, and the cost of such asset is charged with the project costs to the statements of Comprehensive Income, the grant value is recognized as an income in the same period as the cost of the asset is charged to the Statement of Comprehensive Income.

On conclusion of the project, in the event that 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.

3.10 Income Recognition

Income realized from restricted funds is recognized in the Statement of Comprehensive Income only when there is a certainty that all of the conditions for receipt of funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Comprehensive Income. Unutilized funds are carried forward as such in the Statement of financial position as grant payable.

Gifts and donations received in kind are recognized at valuation at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the organization at the point of such sale. Items not sold or distributed are inventories but not recognized in the financial statements.

All other income is recognized when the organization is legally entitled to the use of such funds and the amount can be quantified. This would include income receivable through fund raising activities and donations.



3.11 Revenue Earned from Other Activities

Revenue earned on services rendered is recognized in the accounting period in which the services are rendered.

Other income is recognized on an accrual basis. All other income is recognized when the Company is legally entitled to the use of such funds and the amount can be quantified.

Net gains and losses of a revenue nature on the disposal of plant & equipment and other non-current asset including investments have been accounted in the Statement of Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related expenses.

Gifts and donations received in kind are recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the Company at the point of such sale. Items not sold or distributed are inventories but not recognized in the Financial Statements.

3.12 Expenditure Recognition

Expenses in carrying out the projects and other activities of the organization are recognized in the Statement of Comprehensive Income during the period in which they are incurred. Other expenses incurred in administrating and running the organization and in restoring and maintaining the Property, Plant & Equipment to perform at expected levels are accounted for on accrual basis to the Statement of Comprehensive Income.

The Company has adopted the “Function of expense” method to present fairly the elements of the Company’s activities in its Statement of Comprehensive Income.



4. PROPERTY, PLANT AND EQUIPMENT

4.1 Gross Carrying Amount	Balance	Additions	Disposals	Balance
	as at 01.07.2018			as at 30.06.2019
	Rs.	Rs.	Rs.	Rs.
At Cost				
Building Improvements on Leasehold Assets	8,391,537	-	-	8,391,537
Furniture and Fittings	961,108	-	-	961,108
Office Equipment	340,400	-	-	340,400
Computer Equipment	2,138,784	-	-	2,138,784
Motor Vehicles	65,411,763	9,769,000	-	75,180,763
	<u>77,243,592</u>	<u>9,769,000</u>	<u>-</u>	<u>87,012,592</u>

4.2 Depreciation	Balance	Charge for the Year	Disposals	Balance
	as at 01.07.2018			as at 30.06.2019
	Rs.	Rs.	Rs.	Rs.
At Cost				
Building Improvements on Leasehold Assets	1,258,731	1,678,307	-	2,937,038
Furniture and Fittings	961,108	-	-	961,108
Office Equipment	340,400	-	-	340,400
Computer Equipment	2,138,784	-	-	2,138,784
Motor Vehicles	65,411,763	2,442,250	-	67,854,013
	<u>70,110,786</u>	<u>4,120,557</u>	<u>-</u>	<u>74,231,343</u>

4.3 Net Book Values	2019	2018
	Rs.	Rs.
Building Improvements on Leasehold Assets	5,454,499	7,132,806
Motor Vehicles	7,326,750	-
	<u>12,781,249</u>	<u>7,132,806</u>

4.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.9,769,000 (2018 - Rs.8,391,537). Cash payments amounting to Rs.9,769,000 (2018 - Rs. 8,391,537) were made during the year.

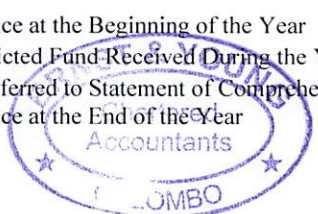
5. GRANTS AND OTHER RECEIVABLES	2019	2018
	Rs	Rs
Grants Receivables	-	3,176,055
Other Receivables (5.1)	11,282,047	13,663,674
	<u>11,282,047</u>	<u>16,839,729</u>

5.1 Other Receivables	2018	2018
	Rs	Rs
Grant Advance	3,046,612	5,589,857
Other Advances	124,251	883,714
Prepayments	4,312,297	3,576,676
Special Deposits	3,204,727	3,399,727
Travel Advances	594,160	213,700
	<u>11,282,047</u>	<u>13,663,674</u>



Child Fund Sri Lanka - Country Office
 NOTES TO FINANCIAL STATEMENTS
 Year ended 30 June 2019

6. CASH AND CASH EQUIVALENT	2019 Rs.	2018 Rs.
Cash at Bank	60,287,766	64,354,056
	<u>60,287,766</u>	<u>64,354,056</u>
7. UNRESTRICTED FUNDS	2019 Rs.	2018 Rs.
Balance as at Beginning of the Year	(12,226,616)	(35,671,944)
Total Comprehensive Income/(Loss) for the Year	2,732,392	23,445,328
Funds Received During the Year	207,252,452	198,951,010
Funds Transferred to Statement of Comprehensive Income	(207,252,452)	(198,951,010)
Balance as at End of the Year	<u>(9,494,224)</u>	<u>(12,226,616)</u>
8. RETIREMENT BENEFIT LIABILITIES	2019 Rs.	2018 Rs.
Balance at the Beginning of the Year	10,743,998	11,712,727
Charge for the Year	3,904,447	3,367,416
Payments Made During the Year	(129,451)	(4,336,145)
Balance at the End of the Year	<u>14,518,994</u>	<u>10,743,998</u>
9. COMPENSATION	2019 Rs.	2018 Rs.
Balance at the Beginning of the Year	31,907,511	32,649,658
Charge for the Year	5,559,115	4,017,637
Less: Payment Made During the Year	-	(4,759,784)
Balance at the End of the Year	<u>37,466,626</u>	<u>31,907,511</u>
10. ACCRUED PAID TIME OFF	2019 Rs.	2018 Rs.
Balance at the Beginning of the Year	-	-
Charge for the Year	3,901,863	-
Balance at the End of the Year	<u>3,901,863</u>	<u>-</u>
11. GRANTS AND OTHER PAYABLES	2019 Rs.	2018 Rs.
Grants Payable (11.1)	27,080,906	26,920,867
Other Payable (11.2)	3,470,623	25,745,185
	<u>30,551,529</u>	<u>52,666,052</u>
11.1 Grants Payable	2019 Rs.	2018 Rs.
Balance at the Beginning of the Year	26,920,867	35,478,145
Restricted Fund Received During the Year	144,882,221	155,835,765
Transferred to Statement of Comprehensive Income	(144,722,182)	(164,393,043)
Balance at the End of the Year	<u>27,080,906</u>	<u>26,920,867</u>



Child Fund Sri Lanka - Country Office
NOTES TO FINANCIAL STATEMENTS
Year ended 30 June 2019

11. GRANTS AND OTHER PAYABLES (Contd...)

11.2 Other Payable	2019	2018
	Rs.	Rs.
Consultancy Payments	1,172,450	1,665,989
Other Accruals	-	479,622
Audit Provision for FY18 Audit Local Partners	392,652	732,070
Audit Provision for FY18 Audit National Office	678,600	628,981
Dialog Broadband- Internet Charges	-	251,000
Printing Charges	-	561,259
ILA - Exchange Gain	-	12,293
Survey Charges	-	384,765
Networking programme	-	350,000
Accommodation	-	193,556
Facilitator Fee	174,330	130,000
Camera Purchase	-	184,915
Computer	-	186,200
Retention Puthukudiyiruppu ECD Project	-	443,839
DRR Fund	-	18,837,488
ATLAS Unspent Funds	-	657,588
CBCPM Reimbursement	-	38,520
Video Documentary on advocacy	38,500	-
Research Expenses	679,057	-
FSID Project on Children	56,000	-
DRR Baseline Survey	267,465	-
Stamp Duty	11,569	7,100
	<u>3,470,623</u>	<u>25,745,185</u>

12. INCOMING RESOURCES

	2019	2018
	Rs.	Rs.
Grants - Restricted (12.1)	157,022,515	164,393,043
Grants - Unrestricted (12.2)	207,252,452	198,951,010
Total Grants Received	<u>364,274,967</u>	<u>363,344,053</u>

12.1 Grants - Restricted

	2019	2018
	Rs.	Rs.
ChildFund Korea	67,681,182	34,657,355
ChildFund Germany	51,596,497	34,543,868
ChildFund Australia	-	54,241,443
ChildFund New Zealand	25,444,503	23,994,544
Non Sponsorship Project	12,300,333	16,955,833
	<u>157,022,515</u>	<u>164,393,043</u>

12.2 Grants - Unrestricted

	2019	2018
	Rs.	Rs.
Working Fund	72,014,586	88,723,366
Partner Effective Fund	64,264,613	58,249,148
Intercompany Non Cash Income	31,882,818	37,029,525
Project Subsidy	32,721,485	14,662,705
Project DFC	6,368,950	286,266
	<u>207,252,452</u>	<u>198,951,010</u>



13.0 OPERATING EXPENSES

13.1 Project Activity Summary

Project	Transferred from Restricted Funds Organization	Amount Rs.	Total Amount Expended				Total Rs.	Surplus/ deficit on Project Rs.
			Personnel and Other Benefits Rs.	Other direct Consumable Equipments Rs.	Other Rs.	Disbursements to Community Projects Rs.		
ECD & Nutrition Batticaloa - 12-0362D	ChildFund New Zealand	17,707,723	3,510,442	-	614,749	13,582,532	17,707,723	-
Children with Disability- Inclusion in the North of Sri Lanka 12-0373D	ChildFund Germany	29,484,473	12,650,921	375,007	3,528,259	12,930,286	29,484,473	-
Sri Lanka/Mulativu District/Early Childhood Education -12-0381D	ChildFund Korea	26,218,318	6,464,353	467,775	1,254,615	18,031,575	26,218,318	-
Sri Lanka/Batticaloa/ Water and Sanitation In Schools and Communities 12-0397D	ChildFund New Zealand	7,736,780	2,168,792	728,700	467,241	4,372,047	7,736,780	-
Youth led EcoDRR Phase II 12-0410D	ChildFund Korea	18,837,487	3,298,927	-	1,762,217	13,776,343	18,837,487	-
Ensuring Children's Nutrition and Age Appropriate Development 12- 0419D	ChildFund Korea	10,370,163	1,403,839	1,039,001	932,644	6,994,679	10,370,163	-
Child protection Mulativu 12-0422D	ChildFund Korea	12,255,213	4,061,436	1,338,639	1,166,539	5,688,599	12,255,213	-
Social inclusion of PWDs through GBR 12-0435D	ChildFund Germany	22,112,023	4,069,376	1,521,492	1,600,176	14,920,979	22,112,023	-
Total Grants Restricted		144,722,182	37,628,086	5,470,614	11,326,440	90,297,042	144,722,182	-



Child Fund Sri Lanka - Country Office
 NOTES TO FINANCIAL STATEMENTS
 Year ended 30 June 2019

13.0 OPERATING EXPENSES (Contd...)

13.1 Project Activity Summary

Project	Transferred from Restricted Funds		Total Amount Expended					Total	Surplus/deficit on Project
	Organization	Amount	Personnel and Other Benefits	Other direct Consumable equipments	Other	Disbursements to Community Projects	Other Indirect		
NSP Funds		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grants Unrestricted									
Militi Cf Real Gifts-Golah 18M001		2,180,198				2,180,198		2,180,198	-
Co Real Gifts 18M023		-				-		-	-
Real Gifts- Golah 19M025		4,244,173				4,244,173		4,244,173	-
Cf Austr- Real Gift-Golah A16-05		35,156				35,156		35,156	-
Aust Real Gift- Golah A17-03		-				-		-	-
Australia Golah A18-01		-				-		-	-
Cf Austr Real Gifts-Golahs A18-04		118,363				118,363		118,363	-
Ls Chr Bridge G17-03		37,835				37,835		37,835	-
Sprchildren With Disabilities G17-09		3,177,800				3,177,800		3,177,800	-
Childfund Germany Gift Catalog G18-04		21,862				21,862		21,862	-
Cf Germany Real Gift G18-09		50,138				50,138		50,138	-
Cf Germany Real Gifts-Golahs G18-10		89,372				89,372		89,372	-
Match Fund									-
Cf Nz Golah Z16-06		1,484,688				1,484,688		1,484,688	-
New Zealand Golah Z18-02		860,748				860,748		860,748	-
		12,300,333				12,300,333		12,300,333	-



Child Fund Sri Lanka - Country Office
 NOTES TO FINANCIAL STATEMENTS
 Year ended 30 June 2019

13 OPERATING EXPENSES (Contd...)

13.1 Project Activity Summary

Project	Fund Received		Total Amount Expended						Total	Surplus/deficit on Project
	Organization	Amount	Personnel and Other Benefits	Other direct	Other	Disbursements to Community Projects	Other Indirect	Rs.		
Partner Effective Fund		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Partner Effective Fund_162220P	International Office	6,527,578	1,821,957	337,647		1,797,034	2,412,127	6,368,765	158,813	
Partner Effective Fund_16230P_Technical	International Office	15,409,777	3,500,769	1,103,336		4,889,823	5,540,935	15,034,863	374,914	
Partner Effective Fund_16280P	International Office	42,327,258	15,899,486	1,089,734		21,118,342	3,189,891	41,297,453	1,029,805	
Other Fund										
Working Fund	International Office	72,014,586	-	-	-	-	-	-	72,014,586	
Inter Company Non Cash Transaction	International Office	31,882,818	-	-	-	-	11,335,109	11,335,109	20,547,709	
Project Subsidy	International Office	32,721,485	-	-	-	26,407,894	-	26,407,894	6,313,591	
Project DFC	International Office	6,368,950	-	-	-	6,135,776	-	6,135,776	233,174	
Total other funds		142,987,839	-	-	-	32,543,670	11,335,109	43,878,779	99,109,060	
		207,252,452	21,222,212	2,530,717	-	60,348,869	22,478,062	106,579,860	100,672,592	
		58,850,298	8,001,331	11,326,440	162,946,244	22,478,062	263,602,375			



Child Fund Sri Lanka - Country Office
NOTES TO FINANCIAL STATEMENTS
Year ended 30 June 2019

13. OPERATING EXPENDITURE

	2019 Rs	2018 Rs
13.1 Operating Expenses		
Disbursements to Community Projects	162,946,244	139,239,123
Personnel and Other Benefits	58,850,298	54,474,339
Other Direct Cost	11,326,440	29,333,820
Other Indirect Cost	21,803,484	17,610,218
Consumable Equipment	8,001,331	4,897,549
	<u>262,927,797</u>	<u>245,555,049</u>

13.2 Administration Expenses

	2019 Rs.	2018 Rs.
Salaries, Allowances and Overtime	39,622,846	36,081,434
Depreciation	4,120,557	4,300,398
Occupancy	4,805,791	6,121,536
Special Allowances	5,727,962	5,302,936
EPF and ETF	8,630,414	8,844,335
Conference and Meetings	10,526,336	6,977,696
Miscellaneous	1,243,783	2,195,995
Travelling	2,764,235	1,298,858
Staff Medical & Accidental Insurance	3,172,969	3,418,356
Pension Plan	3,413,039	3,247,621
Auto Truck, Gas and Oil	854,363	2,848,176
Equipment Purchases	404,387	1,399,078
Telephone, Cable, Internet	1,673,875	1,779,417
Contracted Services	1,489,928	4,571,469
Rental - Software	629,117	950,185
Gratuity Expenses	2,825,380	679,107
Supplies - Office	1,896,708	1,468,404
Audit Fee	1,369,642	669,067
Legal Expenses	441,238	450,850
Staff Training	-	17,000
Postage and Freight	5,545	5,420
Bank Charges	78,803	60,572
Dues and Membership	184,239	66,470
WHT Reversal	(27,500)	-
	<u>95,853,657</u>	<u>92,754,380</u>

14. REVENUE EARNED FROM OTHER ACTIVITIES

	2019 Rs.	2018 Rs.
Diposal Gain on property, plant and Equipment	-	900,000
Miscellaneous Income	14,500	179,865
Exchange Gain	12,293	-
	<u>26,793</u>	<u>1,079,865</u>



15. INCOME TAX EXPENSES

As per the Inland Revenue Act No. 10 of 2006 and subsequent amendments there to, all Non Governmental Organisations are liable for tax at 3% of all grants received during the year and are taxable at 28% subject to certain specified exemptions.

	2019 Rs.	2018 Rs.
15.1 NGO Tax Expenses		
NGO Tax Charged for 2018/2019	2,787,915	2,669,161
Total Grants Received in 2018/2019	331,894,601	317,757,249
Grants Liable for Income Tax	331,894,601	317,757,249
Deemed Profit at 3% of Grants Liable for Income Tax	9,956,838	9,532,717
Tax 28%	2,787,915	2,669,161
NGO Tax Charged for 2018/2019	2,787,915	2,669,161
Tax Remission	-	-
Total Tax Expenses	2,787,915	2,669,161
15.2 NGO Tax Payable	2019 Rs.	2018 Rs.
Balance at the Beginning of the Year	5,235,646	3,571,990
Tax Expenses	2,787,915	2,669,161
Tax Paid During the Year	(617,287)	(1,005,505)
NGO Tax Payable	7,406,274	5,235,646

16. COMMITMENTS AND CONTINGENCIES

The Organisation does not have significant capital commitments and contingencies as at the reporting date.

17. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

18. ASSETS PLEDGED

There were no assets have been pledged as at the reporting date.

19. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel of the Organization

The Key Management Personnel of the Organization is Country Director.

	2019 Rs.	2018 Rs.
Short Term Benefits	-	20,252,044
	-	20,252,044

