

**CHILDFUND SRI LANKA – COUNTRY OFFICE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2024**

**COLOMBO OFFICE**

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**INDEPENDENT AUDITOR'S REPORT****TO THE COUNTRY DIRECTOR OF CHILDFUND SRI LANKA-COUNTRY OFFICE****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Childfund Sri Lanka - Country Office (the Organization), which comprise the statement of financial position as at June 30 2024, and the statement of income and expenditure, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Childfund Sri Lanka - Country Office (the Organization) as at June 30, 2024, and of its surplus or deficit and its cash flows for the year then ended in accordance with the Sri Lanka Statement of Recommended Practice for Non-Governmental Organizations issued by the Institute of Chartered Accountants of Sri Lanka.

**Basis for Opinion**

We conducted our audit in accordance with Sri Lanka Auditing Standard for the Audits of Non – Specified Business Enterprises, 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 management, 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 Statement of Recommended Practice for Non-Governmental Organizations issued by the Institute of Chartered Accountants of Sri Lanka. 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.

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

The Management is responsible for maintaining proper accounting records, preparing and presenting these financial statements in accordance with the Sri Lanka Statement of Recommended Practice for Non-Governmental Organizations.

## 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.

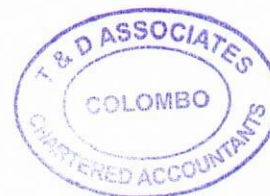
As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.



Chartered Accountants  
28 November 2024  
Colombo.



# CHILDFUND SRI LANKA - COUNTRY OFFICE

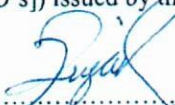
## STATEMENT OF FINANCIAL POSITION

As at 30 June

	Notes	2024 Rs.	2023 Rs.
<b>ASSETS</b>			
<b>Non Current Asset</b>			
Property, plant and equipment	4	-	-
<b>Current Assets</b>			
Inventory - goods in kinds		771,848	7,531,688
Grant and receivables	5	38,713,595	22,412,923
Cash and cash equivalents	6	129,176,856	67,729,967
		168,662,299	97,674,577
<b>Total Assets</b>		168,662,299	97,674,577
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Unrestricted fund	7	(14,011,576)	(29,346,191)
		(14,011,576)	(29,346,191)
<b>Non-Current Liabilities</b>			
Retirement benefit obligation - gratuity	8	15,631,096	14,336,231
Compensation	9	40,427,051	52,182,341
Accrued paid time off	10	5,245,861	3,964,387
		61,304,008	70,482,959
<b>Current Liabilities</b>			
Grants and other payables	11	116,584,324	41,630,544
Tax payable	12	4,785,543	14,907,266
		121,369,867	56,537,810
<b>Total Equity and Liabilities</b>		168,662,299	97,674,577

The Accounting Policies and Notes on pages 7 to 22 form an integral part of these Financial Statements.


These Financial Statements are prepared 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 Institute of Chartered Accountants of Sri Lanka.

  
.....  
Country Office Accountant

  
.....  
Finance Director

The Management is responsible for the preparation and presentation of these Financial Statements.  
Approved and signed for and on behalf of the organization.



  
Aditi Ghosh  
Country Director  
ChildFund Sri Lanka  
Country Office,  
No 44/3-1/1, Narahenpita,  
Nawala.  
Country Director  
28 November 2024

# CHILDFUND SRI LANKA - COUNTRY OFFICE

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June

		2023/2024	2022/2023
	Notes	Rs.	Rs.
<b>Operating income</b>	13	586,018,075	599,706,410
Operating expenses	14	(468,380,820)	(513,280,134)
<b>Net surplus/(deficit) From operating activities</b>		<u>117,637,255</u>	<u>86,426,276</u>
Other income	15	10,294,974	207,000
Administrative expenses	16	(107,323,451)	(89,066,972)
<b>Net surplus/(deficit) before Tax</b>		<u>20,608,778</u>	<u>(2,433,696)</u>
Income tax expense	17	6,529,664	(4,857,622)
<b>Net surplus/(deficit) after tax</b>		<u><u>27,138,442</u></u>	<u><u>(7,291,318)</u></u>

The Accounting Policies and Notes on pages 7 to 22 form an integral part of these Financial Statements.



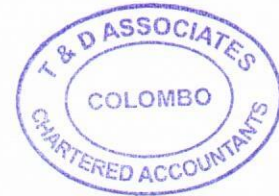
# CHILDFUND SRI LANKA - COUNTRY OFFICE

## STATEMENT OF CHANGES IN EQUITY

Year ended 30 June

	<b>Unrestricted Funds Rs.</b>	<b>Results for the year Rs.</b>	<b>Total Rs.</b>
Balance as at 1st July 2022	(12,845,569)	(9,209,304)	(22,054,873)
Deficit for the year	-	(7,291,318)	(7,291,318)
Balance as at 30th June 2023	<u>(12,845,569)</u>	<u>(16,500,622)</u>	<u>(29,346,191)</u>
Under or over provision - Tax expenses	-	(11,803,827)	(11,803,827)
Surplus/(deficit) for the year	-	27,138,442	27,138,442
Balance as at 30th June 2024	<u><u>(12,845,569)</u></u>	<u><u>(1,166,007)</u></u>	<u><u>(14,011,576)</u></u>

The Accounting Policies and Notes on pages 7 to 22 form an integral part of these Financial Statements.



# CHILDFUND SRI LANKA - COUNTRY OFFICE

## STATEMENT OF CASH FLOW

Year ended 30 June

	2023/2024	2022/2023
	Rs.	Rs.
<b>Cash flows from operating activities</b>		
Net deficits before tax	20,608,778	(2,433,696)
<b>Adjustments for:</b>		
Depreciation	-	419,577
Under or over provision - Tax expenses	(11,803,827)	-
Provision of retirement benefit obligation	1,294,865	2,630,070
Provision of compensation	(11,755,290)	7,116,122
Provision of accrued paid time off	1,311,269	1,311,269
	<u>(20,952,983)</u>	<u>11,477,038</u>
Operating surplus/(deficit) before working capital changes	<u>(344,205)</u>	<u>9,043,342</u>
(Increase)/decrease in inventories - goods in kind	6,759,840	(7,531,688)
(Increase)/decrease in grant and receivables	(16,300,672)	(6,837,728)
Decrease/(increase) in grant and other payables	74,953,780	(48,579,725)
	<u>65,412,947</u>	<u>(62,949,140)</u>
Cash used in operations	65,068,742	(53,905,798)
Gratuity paid	-	(3,944,489)
Tax paid	(3,592,058)	(1,291,648)
Accrued paid time off	(29,795)	(1,141,284)
<i>Net cash used in operating activities</i>	<u>61,446,889</u>	<u>(60,283,220)</u>
<b>Net decrease in cash and cash equivalents during the year</b>	61,446,889	(60,283,220)
<b>Cash and cash equivalent at the beginning of the year</b>	67,729,967	128,013,188
<b>Cash and cash equivalent at the end of the year</b>	<u>129,176,856</u>	<u>67,729,967</u>
<b>Analysis of cash and cash equivalent at the end of year</b>		
Cash at bank	<u>129,176,856</u>	<u>67,729,967</u>

The Accounting Policies and Notes on pages 7 to 22 form an integral part of these Financial Statements.



# **CHILDFUND SRI LANKA – COUNTRY OFFICE**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2024

### **1. GENERAL INFORMATION**

#### **1.1 Domicile and Legal Form**

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 Principal Activities**

The principal activities of the ChildFund Sri Lanka- Country Office were to promote and encourage child protection, health and sanitation, nutrition, education, early childhood and development, vocational training for youth and assistance to children with special needs.

#### **1.3 Number of Employees**

Total number of employees of the Organization on June 30, 2024, was 41. (June 30, 2023 -40).

#### **1.4 Approval of Financial Statements**

These financial statements were approved by the members of committee and authorized for issue on November 28, 2024.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of Compliance**

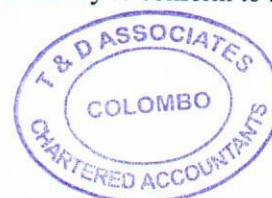
The Statement of Financial Position as at 30 June 2024 and the Statement of Comprehensive Income, the Statement of Changes in Reserves and Statement of Cash Flows for the year ended 30 June 2024, and a Summary of Significant Accounting Policies and other Explanatory notes of ChildFund Sri Lanka - Country 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 Institute of Chartered Accountants of Sri Lanka.

#### **2.2 Basis of Measurement**

Financial statements of the organization are prepared under the historical cost convention. Adjustments have not been made for inflationary factors affecting the financial statements.

#### **2.3 Comparative Figures**

The previous year figures and phrases have been reclassified whenever necessary to conform to the current year presentation,





# **CHILDFUND SRI LANKA – COUNTRY OFFICE**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2024

### **2. BASIS OF PREPARATION (Continued)**

#### **2.4 Functional and Presentation Currency**

Items included in the financial statements of the organization are measured using the currency of the primary economic environment in which the entity operates (the functional currency) and rounded to the nearest rupee value.

These financial statements are presented in Sri Lankan Rupees (Rs.) which is the organization's functional and presentation currency.

#### **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 judgmental decisions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

#### **2.6 Materiality and Aggregation**

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

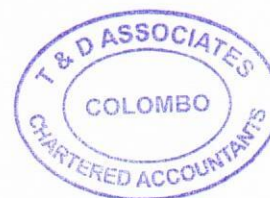
These financial statements are prepared by the organization in accordance with the SL SoRP-NPO's [including NGO's] issued by the Institute of Chartered Accountants of Sri Lanka. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **3.1 Foreign Currency Transactions/Translation**

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate rulings at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as the date of statement of financial position are translated to Sri Lankan Rupees at the foreign exchange middle rate ruling at that date. Foreign exchange differences arising on translation are recognized in the profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Sri Lankan Rupees at the foreign exchange rate ruling at the date of the transaction.

#### **3.2 Receivables**

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



# CHILDFUND SRI LANKA – COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.3 Cash and 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 term maturity (i.e. of 3 months or less from the date of acquisition) are also treated as cash equivalent.

#### 3.4 Property, Plant and Equipment

##### (a) Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of self-constructed assets includes the cost of materials and direct labour.

Where an item of plant and equipment comprises major components having different useful lives, they are accounted for as separate items of plant and equipment.

##### (b) Subsequent Expenditure

The organization adds to the carrying amount of an item of Property, plant and equipment the cost of replacing parts of such an item, when that cost is incurred if the replacement part is - expected to provide incremental future benefits to the organization. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

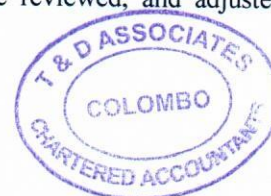
##### (c) Depreciation

Depreciation is charged to the profit or loss so as to allocate the cost of assets less their residual value over the estimated useful lives of items of property, plant and equipment, using the straight-line method. The estimated annual rates are as follows:

Assets	Annual Rates
Leasehold Building Improvements	20%
Motor Vehicles	20%
Furniture and Fittings	20%
Office Equipment	20%
Computer Equipment	33%

The organization 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 organization of the different types of assets, except for which are disclosed the earlier of the date that the asset is classified as separately. Depreciation of an asset ceases 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.



# CHILDFUND SRI LANKA – COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 Provision

##### 3.6.1 Provisions

Provision are recognized when the Organization 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 Organization 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 Obligation

###### 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 Years	2.5
6-14 Years	2
15-19 Years	1.5
20-24 Years	1
25-34 Years	0.5

No amount in excess of Rs. 2,500,000/- shall be paid to any employee as compensation computed according to the above formula. The ChildFund Sri Lanka has paid more than the Rs. 2,500,000/-, if the service period is more than 10 years using the above formula.

###### b) Gratuity

Gratuity is a Defined Benefit Plan. The Organization is liable to pay gratuity in terms 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.



# CHILDFUND SRI LANKA – COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3.6 Liability and Provision (Continued)

##### 3.6.2 Retirement Benefit Obligation (Continued)

###### c) Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employee's Provident Fund and Employee' Trust Fund contributions in line with respective statutes and regulations. The Organization contributes 15% and 3% of gross emoluments of employee Employees' Provident Fund and Employees' 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 NGOs are currently liable for income tax on the 3% of all the grant fund received during the year and are taxable at 30%.

#### 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 agreements or with subsequent approval of the donor.

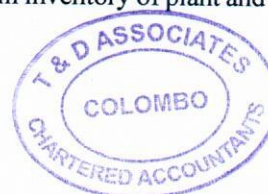
#### 3.9 Grants

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 life 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 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 plant and equipment identified as such in the financial statements.



# **CHILDFUND SRI LANKA – COUNTRY OFFICE**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2024

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **3.10 Income Recognition**

Income realized from restricted funds is recognized 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 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 property plant and 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.

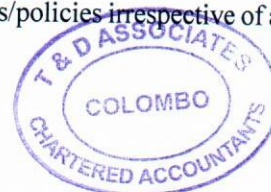
#### **3.12 Expenditure Recognition**

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 and equipment to perform at expected levels are accounted for on accrual basis to the Statement of Comprehensive Income.

The organization has adopted the "Function of expense" method to present fairly the elements of the Organization's activities in its Statement of Comprehensive Income.

#### **3.13 Related Party Transactions**

Disclosures have been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating decisions/policies irrespective of a price being charged.



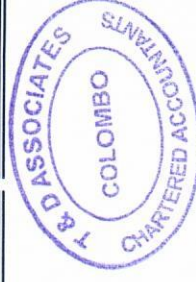
# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024

### 4 Property, Plant and Equipment

Description	Leasehold Building Improvements		Motor Vehicles		Furniture Fittings		Office Equipment		Computer Equipment		Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>Cost</b>											
Balance as at 1st July 2023	8,391,537	43,920,170	961,108	340,400	2,138,784					55,751,999	
Disposal for the year	-	(4,851,170)	-	-	-					(4,851,170)	
Balance as at 30th June 2024	8,391,537	39,069,000	961,108	340,400	2,138,784					50,900,829	
<b>Accumulated Depreciation</b>											
Balance as at 1st July 2023	8,391,537	43,920,170	961,108	340,400	2,138,784					55,751,999	
Charge for the year	-	(4,851,170)	-	-	-					(4,851,170)	
Balance as at 30th June 2024	8,391,537	39,069,000	961,108	340,400	2,138,784					50,900,829	
<b>Net Book Value as at 30th June 2024</b>											
<b>Net Book Value as at 30th June 2023</b>											



# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024

- 4 Property, Plant and Equipment (Continued)  
4.1 Property, Plant and Equipment identified in statement of comprehensive income

Description	Leasehold Building Improvements	Motor Vehicles	Furniture Fittings	Office Equipment	Computer Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost						
Balance as at 1st July 2023	-	-	4,660,293	10,219,457	28,173,812	43,053,562
Addition for the year	-	2,592,629	1,028,780	1,919,799	4,050,950	9,592,158
Disposal for the year	-	-	-	-	-	-
Balance as at 30th June 2024	-	2,592,629	5,689,073	12,139,256	32,224,762	52,645,720

In accordance with ChildFund Global policies on the capitalization of property, plant, and equipment, the organization does not capitalize any assets valued below USD 5,000. However, as required by the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations, assets purchased during the period but not capitalized have been disclosed in Note 4.1.



# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June

	2024 Rs.	2023 Rs.
<b>5 Grant and Receivables</b>		
Grant	-	572,524
Grant advance	29,300,893	12,793,959
Special deposit	4,004,727	3,979,727
Travel advance	471,693	210,552
Prepayment	1,270,000	3,368,918
Advance	3,666,282	1,486,944
Others	-	300
	<u>38,713,595</u>	<u>22,412,923</u>
<b>6 Cash and Cash Equivalents</b>		
Bank of Ceylon	8,866,173	13,575,154
Standard Chartered Bank	120,310,490	54,034,838
Cash in hand	193	119,975
	<u>129,176,856</u>	<u>67,729,967</u>
<b>7 Unrestricted Fund</b>		
Balance as at beginning of the year	(29,346,191)	(22,054,873)
Total comprehensive loss for the year	15,334,615	(7,291,318)
Funds received during the year	470,571,979	389,647,571
Funds transferred to statement of comprehensive income	(470,571,979)	(389,647,571)
Balance as at end of the year	<u>(14,011,576)</u>	<u>(29,346,191)</u>
<b>8 Retirement Benefit Obligation - Gratuity</b>		
Balance at the beginning of the year	14,336,231	15,650,650
Provision for the year	1,294,865	2,630,070
	<u>15,631,096</u>	<u>18,280,720</u>
Payments made during the year	-	(3,944,489)
Balance at the end of the year	<u>15,631,096</u>	<u>14,336,231</u>
<b>9 Compensation</b>		
Balance at the beginning of the year	52,182,341	45,066,218
Provision for the year	(11,755,290)	7,116,122
Balance at the end of the year	<u>40,427,051</u>	<u>52,182,341</u>
<b>10 Accrued Paid Time Off</b>		
Balance at the beginning of the year	3,964,387	3,794,402
Provision for the year	1,311,269	1,311,269
	<u>5,275,657</u>	<u>5,105,672</u>
Payments made during the year	(29,795)	(1,141,284)
Balance at the end of the year	<u>5,245,861</u>	<u>3,964,387</u>





# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

As at 30 June

		2024	2023
		Rs.	Rs.
<b>11 Grant and Other Payables</b>			
Grants	11.1	93,929,651	30,864,343
General payables		18,261,924	9,235,670
Pay As You Earn tax		3,689,499	798,141
Audit payable		575,000	608,615
Withholding Tax		128,250	117,500
Stamp Duty		-	5,075
Other		-	1,200
		<u>116,584,324</u>	<u>41,630,544</u>
<b>11.1 Grants payable</b>			
Balance at the beginning of the year		30,864,343	81,160,935
Restricted fund received during the year		178,511,404	159,762,247
Transferred to statement of comprehensive income		<u>(115,446,096)</u>	<u>(210,058,839)</u>
Balance at the end of the year		<u>93,929,651</u>	<u>30,864,343</u>
<b>12 Tax Payable</b>			
Balance at the beginning of the year		14,907,266	11,341,292
Tax expense for the year	17	5,274,163	4,857,622
Under or over provision		<u>(11,803,827)</u>	-
Tax paid during the year		<u>(3,592,058)</u>	<u>(1,291,648)</u>
Balance at the end of the year		<u>4,785,543</u>	<u>14,907,266</u>

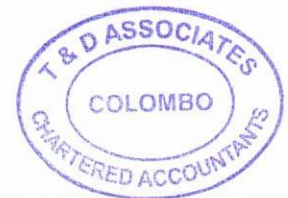
ChildFund Sri Lanka has computed its income tax liability by applying a rate of 3% to the total grant funds received during the year at 30%.



**CHILDFUND SRI LANKA - COUNTRY OFFICE****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 June

	Notes	2023/2024 Rs.	2022/2023 Rs.
<b>13 Operating Income</b>			
Grants - Restricted	13.1	115,446,096	210,058,839
Grants - Unrestricted	13.2	470,571,979	389,647,571
		<u>586,018,075</u>	<u>599,706,410</u>
<b>13.1 Grants - Restricted</b>			
ChildFund New Zealand		44,744,880	42,254,056
ChildFund Germany		43,273,375	76,772,766
ChildFund Korea		5,540,706	12,910,796
UNICEF		7,029,952	73,092,121
British Council		13,846,861	1,717,418
ChildFund New Zealand		1,009,762	3,311,682
ChildFund Japan		560	-
		<u>115,446,096</u>	<u>210,058,839</u>
<b>13.2 Grants - Unrestricted</b>			
Working fund		183,746,056	117,263,279
Partner effective fund		79,413,158	97,174,536
Grant I.C.R. Revenue		38,461,932	34,122,797
Project subsidy		133,587,020	107,683,178
Project DFC		19,254,932	14,321,214
Gifts in kind		14,799,261	15,310,295
U.R. Contributions-C.O.		1,309,619	3,772,273
		<u>470,571,979</u>	<u>389,647,571</u>
<b>14 Operating Expenses</b>			
Disbursements to community projects		226,823,382	293,774,067
Personnel and other benefits		90,505,275	89,578,946
Other direct cost		99,482,922	93,434,472
Other indirect cost		34,866,897	28,030,423
Consumable equipment		16,702,344	8,462,226
		<u>468,380,820</u>	<u>513,280,134</u>



# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June

### 14 Operating Expenses (Continued)

#### 14.1 Project Activity Summary

Project	Transferred from Restricted Funds		Total Amount Expended				Disbursements to Community Projects	Total	Surplus / deficit on Project
	Organization	Amount	Personnel and Other Benefits	Other direct		Rs.			
				Consumable Equipment	Other				
<b>Grants Restricted</b>									
12-0397D - Chrz-Watsambatticaloa-Srl	ChildFund New Zealand	-	-	-	-	-	-	-	-
12-0422D - CFK Mulativu Protect-Srl	ChildFund Korea	5,459,352	-	-	5,459,352	-	5,459,352	-	-
12-0463D - CFK Covid Srl	ChildFund Korea	81,354	-	-	81,354	-	81,354	-	-
12-0468D - Cfggr-Empowerment Pjt P2-Srl	ChildFund Germany	27,067,227	1,134,253	-	5,323,062	20,609,912	27,067,227	-	-
12-0476D - Cfggr/Bmz-Cbr Phase3-Srl	ChildFund Germany	16,206,148	3,865,889	-	531,011	11,809,247	16,206,148	-	-
12-0497D - Cf-Nz-Seed-Srl	ChildFund New Zealand	19,786,664	1,703,585	-	2,072,025	16,011,053	19,786,664	-	-
12-0504D - Cf-Nz-Improving Food Securit-Srl	ChildFund New Zealand	(578,430)	-	-	-	(578,430)	(578,430)	-	-
12-0515D - Cf-Jap-Food Security Hub 2-Srl	ChildFund Japan	560	-	-	560	-	560	-	-
12-0520D - Smart Meal Srl	ChildFund New Zealand	12,598,557	-	-	967,900	11,630,657	12,598,557	-	-
12-0532D - LKA - Climate Change Adaptation for Food Security and Livelihood in Sri Lanka	ChildFund New Zealand	11,576,817	-	-	4,161,579	1,460,636	11,576,817	-	-
12-0533D - Emergency Response to Flooding Srl	ChildFund New Zealand	1,361,273	-	-	-	1,361,273	1,361,273	-	-
3-0419D -Unicef-U Report-Change-Srl	Unicef	6,945,952	266,262	-	529,408	6,150,282	6,945,952	-	-
2-0443D - EDGE pilot project - British Council	British Council	13,846,861	626,636	-	4,109,543	9,110,682	13,846,861	-	-
3-0407D - Unicef-Protect-Children Impact Eco-Srl	Unicef	84,000	-	-	84,000	-	84,000	-	-
99-0278D - IDLO Strengthening Policy Srl	IDLO	1,009,762	-	-	1,009,762	-	1,009,762	-	-
<b>Total Grants Restricted</b>		<b>115,446,096</b>	<b>7,596,625</b>	<b>4,161,579</b>	<b>26,122,579</b>	<b>77,565,313</b>	<b>115,446,096</b>	<b>-</b>	<b>-</b>



# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June

### 14 Operating Expenses (Continued)

#### 14.2 Project Activity Summary

Project	Transferred from Restricted Funds	Total Amount Expended						Total	Surplus/deficit on Project
		Personal and Other Benefits	Other direct		Disbursements to Community Projects	Other Indirect	Rs.		
			Consumable equipments	Other					
<b>NSP Funds</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
23M010 - Cos Cf Real Gift	459,273	-	-	-	459,273	-	459,273	-	
23M039 - Co'S Real Gifts	2,995,487	-	-	-	2,995,487	-	2,995,487	-	
24GM07 SriLank-Social Incl Of Pwds	8,722,740	-	-	-	8,722,740	-	8,722,740	-	
24M002 Multit Cos Real Gift	5,490,353	-	6,000	-	5,484,353	-	5,490,353	-	
24M016 Real Gift- Golah	8,349,079	-	-	8,349,079	-	-	8,349,079	-	
24PW01 Social Emotional Learn Path	15,016,646	-	2,300	-	9,055,259	-	15,016,646	-	
J24-01 Lka-Building Resilience For Vu	662,838	-	-	-	662,838	-	662,838	-	
T24-01 Lka Building Resilience Prg-Ta	7,401,554	-	1,026,230	-	3,833,024	-	7,401,554	-	
GERPRG - Germany Addtl Prog Funding	23,644,139	35,000	3,736,878	-	1,136,795	-	23,644,139	-	
<b>Total</b>	<b>72,742,109</b>	<b>27,236,854</b>	<b>13,120,486</b>	<b>35,000</b>	<b>32,349,769</b>	<b>-</b>	<b>72,742,109</b>	<b>-</b>	



**CHILD FUND SRI LANKA - COUNTRY OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 June

**14 Operating Expenses (Continued)**

**14.3 Project Activity Summary**

Project	Fund Received		Total Amount Expended					Total	Surplus/deficit on Project
	Organization	Amount	Other direct		Disbursements to Community Projects	Other Indirect	Total		
			Personnel and Other Benefits	Consumable equipment					
<b>Partner Effective Fund</b>									
Administration-16210 & 16220	International Office	Rs. 7,879,504	Rs. 2,247,008	-	5,632,496	-	-	Rs. 7,879,504	Rs. -
Advocacy-16285	International Office	953,783	-	-	953,783	-	-	953,783	-
Child Protection-16281	International Office	5,685,222	3,008,798	-	2,676,424	-	-	5,685,222	-
Communications-16288	International Office	3,920,150	2,560,622	-	1,359,528	-	-	3,920,150	-
DI-Monaragala-162102	International Office	104,735	-	-	104,735	-	-	104,735	-
DRM-16284	International Office	5,182,499	2,896,413	-	2,286,085	-	-	5,182,499	-
Education-16289	International Office	5,860,151	3,304,191	-	2,555,960	-	-	5,860,151	-
Health and Nutrition-16290	International Office	10,021,446	3,992,862	-	6,028,584	-	-	10,021,446	-
M&E-16282	International Office	11,007,327	4,948,448	-	6,058,879	-	-	11,007,327	-
Program-16280	International Office	2,103,549	557,498	-	1,546,051	-	-	2,103,549	-
Sponsorship Relations-16230	International Office	25,517,565	11,519,917	346,500	13,651,148	-	-	25,517,565	-
Youth(LS-3)-16291	International Office	1,177,228	-	-	1,177,228	-	-	1,177,228	-
<b>Total</b>		<b>79,413,158</b>	<b>35,035,756</b>	<b>346,500</b>	<b>44,030,902</b>	<b>-</b>	<b>-</b>	<b>79,413,158</b>	<b>-</b>
<b>Other Fund</b>									
Working Fund	International Office	183,746,056	-	3,902,793	-	-	-	3,902,793	179,843,264
Inter Company Non Cash Transaction	International Office	38,461,932	-	-	-	-	33,988,119	33,988,119	4,473,813
FROPS	LC	1,309,619	-	-	-	157,387	100	157,487	1,152,132
Project Subsidy	International Office	133,587,020	20,636,040	8,256,472	16,208,955	75,753,542	878,678	121,733,687	11,853,334
Gifts In Kind-Product	LFR	14,799,261	-	-	-	21,559,101	-	21,559,101	(6,759,840)
Project DFC	International Office	19,254,932	-	-	-	19,438,271	-	19,438,271	(183,338)
<b>Total other funds</b>		<b>391,158,820</b>	<b>20,636,040</b>	<b>12,159,265</b>	<b>16,208,955</b>	<b>116,908,300</b>	<b>34,866,897</b>	<b>200,779,456</b>	<b>190,379,364</b>
<b>Total</b>		<b>470,571,979</b>	<b>55,671,796</b>	<b>12,505,765</b>	<b>60,239,857</b>	<b>116,908,300</b>	<b>34,866,897</b>	<b>280,192,615</b>	<b>190,379,364</b>

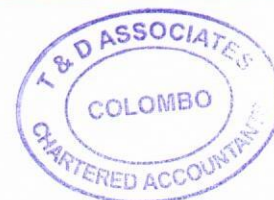


# CHILDFUND SRI LANKA - COUNTRY OFFICE

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June

	2023/2024	2022/2023
Note.	Rs.	Rs.
<b>15 Other Income</b>		
Gain from disposal of motor vehicles	9,420,000	-
Miscellaneous Income	212,136	207,000
Temp Restr Contribs-Alliance	662,838	-
	<u>10,294,974</u>	<u>207,000</u>
<b>16 Administrative Expenses</b>		
Salary expenses	53,474,608	51,976,925
Employment taxes	9,915,347	6,775,561
Employees' Provident Fund and Employees' Trust Fund	4,728,761	4,370,178
Gratuity	(10,578,861)	2,437,101
Staff medical and accidental insurance	3,204,468	1,407,908
Depreciation	-	419,577
Occupancy	8,723,584	1,044,360
Conferences and meetings	8,251,560	2,544,627
Travelling	7,247,908	4,169,982
Auto truck, gas and oil	5,234,430	989,701
Telephone, cable, internet	4,039,124	3,014,998
Contract services	6,752,806	5,416,761
Legal fees	138,342	71,670
Supplies - office	3,607,192	2,636,083
Professional fees	-	486,539
Audit fees	575,000	608,615
Bank charges	681,033	359,584
Dues and membership	892,235	-
Other expenses	435,913	336,803
	<u>107,323,451</u>	<u>89,066,972</u>
<b>17 Income Tax Expense</b>		
Total grant received during the year	586,018,075	599,706,410
Grant liable for income tax	586,018,075	599,706,410
Deemed profit at 3% of grants liable for income tax	17,580,542	17,991,192
Tax charge for the year @ 24%	-	2,158,943
Tax charge for the year @ 30%	5,274,163	2,698,679
Tax provision for the year	<u>5,274,163</u>	<u>4,857,622</u>
Under or over provision - Pervious year	<u>(11,803,827)</u>	<u>-</u>
Net tax expenses	<u>(6,529,664)</u>	<u>4,857,622</u>



# **CHILDFUND SRI LANKA - COUNTRY OFFICE**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 June

### **18 Related Party Transactions**

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - "Related Party Disclosures", the detail of which are reported below.

#### **18.1 Transactions with Key Management Personnel**

According to the LKAS 24 - "Related Party Disclosures", Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, Country Manager has been classified as Key Management Personnel of the Organization.

Total remuneration paid to country director during the amounts to Rs.27,596,979/-

### **19 Events after the end of the Reporting Period**

There were no events occurring after the end of the reporting period that required adjustments to or disclosures in the Financial Statements.

### **20 Contingent Liabilities and Capital Commitments**

There were no material contingent liabilities or capital commitments as at the date of Statement of Financial Position.

