

LANKA MOTHER AND CHILD SUPPORT
FOUDATION
COLOMBO 05

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH, 2014



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANKA MOTHER AND CHILD SUPPORT FOUNDATION

Report on the Financial Statements

We have audited the financial statements of Lanka Mother and Child Support Foundation, which comprise the Statement of Financial Position as at 31st March, 2014 the Statement of Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 05 to 09.

Member's Responsibility for the Financial Statements

Members are responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Sri Lanka (SL - SoRP - NPO). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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.

Opinion

In our opinion, so far as appears from our examination, the organization maintained proper accounting records for the year ended 31st March, 2014 and the financial statements give a true and fair view of the organization's financial position as at 31st March, 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations. (SL - SoRP - NPO)

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.


CHARTERED ACCOUNTANTS

Colombo

21st October, 2014.

SM/rr

LANKA MOTHER AND CHILD SUPPORT FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH, 2014

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	Note	2013/2014 Rs.	2012/2013 Rs.
Operating Income			
Grants-Unrestricted Funding		452,275	268,660
Operating Expenses			
Direct Project/Activity Cost	3	(67,000)	(60,000)
Net Surplus/ (Deficit) of Operating Activities		385,275	208,660
Other Income	4	-	35,000
Other Expenses	5	(202,288)	(11,967)
Net Surplus/ (Deficit) of Non-Operating Activities		(202,288)	23,033
Net Surplus/ (Deficit) Before Taxation		182,987	231,693
Income Tax Expenses	6	(3,950)	(24,932)
Surplus/ (Deficit) for the year		179,037	206,761
Other Comprehensive Income		-	-
Total Comprehensive Income		179,037	206,761

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 05 to 09 form an integral part of these Financial Statements.

Colombo
21st October, 2014



LANKA MOTHER AND CHILD SUPPORT FOUNDATION
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST MARCH, 2014

	Note	2013/2014 Rs.	2012/2013 Rs.
ASSETS			
Current Assets			
Inventories - Mobile Phones		20,000	20,000
Cash and Cash Equivalents	7	1,230,623	871,801
Total Assets		1,250,623	891,801
LIABILITIES AND RESERVES			
Unrestricted Reserves		1,070,838	891,801
Amount Due to Bogawantalawa Tea Estates Plc		179,785	-
Total Equity and Liabilities		1,250,623	891,801

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 05 to 09 form an integral part of these Financial Statements.


These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.



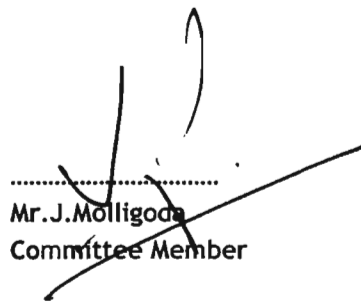
.....
 Mr. Nuwan Bogahalanda
 Accountant

The Committee Members are responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Committee.



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 Mr. D.J. Ambani
 Committee Member



.....
 Mr. J. Molligoda
 Committee Member

Colombo
 21st October, 2014
 SM/rr



LANKA MOTHER AND CHILD SUPPORT FOUNDATION
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31ST MARCH, 2014

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	Unrestricted Reserves Rs.	Total Rs.
Balance as at 01st April, 2012	685,040	685,040
Net Surplus / (Deficit) for the year	206,761	206,761
Other Comprehensive Income for the year	-	-
Balance as at 31st March, 2013	<u>891,801</u>	<u>891,801</u>
Balance as at 01st April, 2013	891,801	891,801
Net Surplus / (Deficit) for the year	179,037	179,037
Other Comprehensive Income for the year	-	-
Balance as at 31st March, 2014	<u><u>1,070,838</u></u>	<u><u>1,070,838</u></u>

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 05 to 09 form an integral part of these Financial Statements.

Colombo
21st October, 2014



LANKA MOTHER AND CHILD SUPPORT FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2014

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	2013/2014 Rs.	2012/2013 Rs.
Cash Flows from Operating Activities		
Excess of Income Before Taxation	182,987.00	231,693
Operating Income/(Loss) Before Working Capital Changes	182,987	231,693
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Related Party Transactions	179,785	-
Cash Generated from Operations	362,772	231,693
Income tax paid	(3,950)	(24,932)
Net Cash Flow from Operating Activities	358,822	206,761
Net Increase in Cash and Cash Equivalents	358,822	206,761
Cash and Cash Equivalents at Beginning of the Year (Note A)	871,801	665,040
Cash and Cash Equivalents at End of the Year (Note B)	1,230,623	871,801
At the Beginning		
Balance at Bank	871,801	665,040
	871,801	665,040
At the End		
Balance at Bank	1,230,623	871,801
	1,230,623	871,801

Note A

Note B

Figures in brackets indicate deductions.

The Accounting Policies and Notes on pages 05 to 09 form an integral part of these Financial Statements.

Colombo
21st October, 2014.



1. GENERAL INFORMATION

Lanka Mother and Child Support Foundation is a Non Governmental Organization as per the definition provided in the Sri Lanka Statement of Recommended Practice for Non Governmental Organizations.

It is registered in the Ministry of Social Welfare of Sri Lanka. The principle place of activity of the organization is located at No. 153, Nawala Road, Narahenpita, Colombo 05.

In the financial statements "organization" refers to Lanka Mother and Child Support Foundation.

Except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference, the financial statements have been prepared on going concern basis.

The notes of financial statements on pages 05 to 09 are an integral part of the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Cash Flows together with the Accounting Policies and Notes to the financial statements as at 31st March, 2014 and for the year then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of Sri Lanka (SL SoRP).

2.2 Basis of Measurement

The financial statements have been prepared using the historical cost convention.

2.3 Functional and Presentation Currency

The financial statements are presented in Sri Lankan Rupees (Rs.), which is the organization's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest thousands, except when otherwise indicated.

2.4 Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years.

2.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates can result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.



2.6 Cash and Cash Equivalents

Lanka Mother and Child Support Foundation considers cash on hand, amounts due from banks and short-term deposits with an original maturity of three months or less to be "Cash and Cash Equivalents". Bank borrowings that are repayable on demand and form an integral part of the Lanka Mother and Child Support Foundation's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

2.7 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the price at which inventories can be reasonably expected to be sold in the market place, less any estimated cost necessary to make the sale.

Cost incurred to bringing inventories to its present location and condition.

Items donated for distribution or resale are not included in the financial statements until such time they are distributed or resold.

2.8 Grants and Subsidies

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

Grants and subsidies related to assets are generally deferred in the Statement of Financial Position and credited to the Statement of Comprehensive Income over the useful life of the asset.

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

2.9 Income Recognition

a. Contributions / Incoming Sources

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 Lanka Mother and Child Support Foundation at the point of such sale. Items not sold or distributed are inventorised but not recognized in the financial statements.

All other income is recognized when Lanka Mother and Child Support Foundation 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.



b. Revenue

Interest earned is recognized on an accrual basis.

Revenues earned on services rendered are recognized in the accounting period in which the services were rendered.

Other income is recognized on an accrual basis.

2.10 Expenditure Recognition

Expenses in carrying out the projects and other activities of Lanka Mother and Child Support Foundation are recognized in the Statement of Comprehensive Income during the period in which they are incurred.

Lanka Mother and Child Support Foundation has adopted the "Function of expense" method to present fairly the elements of Lanka Mother and Child Support Foundation's activities in its Statement of Comprehensive Income.

2.11 Taxation

Current Taxes

Income tax is provided in accordance with the provisions of the Inland Revenue Act No. 10 of 2006, on the profits earned by Lanka Mother and Child Support Foundation and is based on the elements of income and expenditure reflected in the Statement of Comprehensive Income and on the elements of grants received.



	2013/2014 Rs.	2012/2013 Rs.
3. DIRECT PROJECT / ACTIVITY COSTS		
Other Donations	67,000	60,000
	<u>67,000</u>	<u>60,000</u>
4. OTHER INCOME		
Reversal of Cheque Cancellation	-	35,000
	<u>-</u>	<u>35,000</u>
5. OTHER EXPENSES		
Administration Expenses	179,785	-
Registration Fee	9,933	8,357
Bank Charges	250	250
Annual Registration Renewal Fee	12,320	3,360
	<u>202,288</u>	<u>11,967</u>
6. INCOME TAX EXPENSES		
6.1 In terms of the Inland Revenue Act No. 10 of 2006 and amendments thereto, the Foundation is liable for Income Tax at 28% on 3% of the Donations received.		
6.2 3% of the Total Receipts	<u>13,568</u>	<u>8,060</u>
Total Liability (Taxable @28%)	3,799	2,257
Other Income	-	-
Tax Liability	<u>3,799</u>	<u>2,257</u>
6.3 Income Tax Expense of the period		
Payment for Assessment Year 2012/2013	2,257	7,412
Payment for Assessment Year 2013/2014	1,693	17,520
	<u>3,950</u>	<u>24,932</u>

Current tax liability is not recognized in the books of accounts during the year due to the fact that "expenditure is only recorded when they are pay by the Foundation" (According to policy 2.1.1).



	<u>2013/2014</u>	<u>2012/2013</u>
	Rs.	Rs.
7. CASH AND CASH EQUIVALENTS		
Cash at Bank	1,230,623	871,801
	<u>1,230,623</u>	<u>871,801</u>

8. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material post statement of financial position events which require adjustments to or disclosure in these financial statements.

9. RELATED PARTY TRANSACTIONS

The foundation occupies the premises of MG Consultants (Pvt) Ltd which Mr.D.J.Ambani is one of directors, free of charge, to facilitate their operations.

There were no material related party transactions other than those disclosed above which would require adjustments to or disclosure in the financial statements.

10. CONTINGENT LIABILITIES

There were no material contingent liabilities as at the reporting date.

11. COMMITMENTS

11.1 Financial Commitments

There were no material financial commitments outstanding as at the reporting date.

11.2 Capital Commitments

There were no material capital commitments outstanding as at the reporting date.

