



**CANDLEAID LANKA**

**YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

The first of the following paragraphs is a summary of the results of the operations of the company for the year ended 31st March 2011 and the second paragraph is a summary of the results of the operations of the company for the year ended 31st March 2010.

The company has a total of 100 shares of Rs. 100 each, of which 100 shares are held by the company. The company has a total of 100 shares of Rs. 100 each, of which 100 shares are held by the company. The company has a total of 100 shares of Rs. 100 each, of which 100 shares are held by the company.

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
CANDLEAID LANKA**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of CandleAid Lanka, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2011 and the Statement of Income and Expenditure for the year then ended and a summary of significant Accounting Policies and other explanatory notes.

**2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles. 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.

**3. 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. These 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 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 the 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.

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4. Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31<sup>st</sup> March, 2011 and the financial statements give a true and fair view of the Company's state of affairs as at 31<sup>st</sup> March, 2011 and its related statements of Income and Expenditure for the year then ended, in accordance with Generally Accepted Accounting Principles.

5. Report on Other Legal and Regulatory Requirements

These Financial Statements also comply with the requirements of Sections 151 (2) of the Companies Act No.07 of 2007.

*B.R. de Silva*  
B. R. DE SILVA & CO.  
Chartered Accountants

Colombo - 5.

Date *26-09-2011*.....

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**CANDLEAID LANKA****STATEMENT OF RECEIPTS AND PAYMENTS****FOR THE YEAR ENDED 31ST MARCH, 2011**

<u>RECEIPTS</u>	<u>Notes</u>	<u>2010/2011</u>		<u>2009/2010</u>			
		Rs.	Cts.	Rs.	Cts.		
Donations for Education Programme	(3)	9,856,853.32		9,642,543.91			
Donations for Health Programme	(4)	5,782,438.75		4,878,942.45			
Donations for Food Programme	(5)	3,378,960.09		3,331,472.46			
Donations for COTC Programme	(6)	1,152,141.61		2,407,908.18			
Donations for Swim for Safety Programme	(7)	403,229.53		445,156.20			
Donations for English Communication Programme	(8)	-		745,141.00			
Donations/Funds Raised for Other Programmes	(9)	3,802,002.64		1,912,945.78			
Special Donation for Administration Expenses		77,370.59		1,174,206.27			
Interest Earned	(12)	3,392,473.91		5,331,947.07			
<b>Total Receipts</b>		<b>27,845,470.44</b>		<b>29,870,263.32</b>			
<b><u>PAYMENTS</u></b>							
Education Programme	(3)	9,730,958.05		9,684,572.89			
Health Programme	(4)	5,180,881.00		5,158,890.00			
Food Programme	(5)	3,310,400.00		3,472,100.00			
COTC Payments	(6)	2,038,157.72		1,309,563.33			
Swim for Safety Programme	(7)	599,991.76		1,044,956.76			
English Communication Programme	(8)	-		471,038.00			
Adhoc Projects	(10)	2,053,513.86		2,008,522.00			
Administration Expenses	(11)	2,874,680.40		3,387,944.70			
Taxation		220,845.00		169,296.00			
Depreciation		498,484.91		602,715.51			
Bank Charges		80,059.42		89,040.80			
<b>Total Payments</b>		<b>26,587,972.12</b>		<b>27,398,639.99</b>			
<b>Excess of Receipts over Payments</b>		<b>1,257,498.33</b>		<b>2,471,623.33</b>			
<b><u>EXCESS OF RECEIPTS OVER PAYMENTS</u></b>							
		<u>Opening Balance</u>		<u>Excess</u>		<u>Closing Balance</u>	
		Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Education Programme		3,299,217.87		125,895.27		3,425,113.14	
All Other Programmes/Projects		19,494,522.79		(2,180,811.45)		17,313,711.34	
Bank Savings Interest less Bank Charges		21,409,630.12		3,312,414.49		24,722,044.61	
		<b>44,203,370.78</b>		<b>1,257,498.31</b>		<b>45,460,869.09</b>	



CANDLEAID LANKABALANCE SHEET AS AT 31ST MARCH, 2011

	Note	2010/2011		2009/2010	
		Rs.	Cts.	Rs.	Cts.
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property ,Plant & Equipment	(13)	236,130.35		631,662.46	
<b>CURRENT ASSETS</b>					
Cash at Bank					
<b>Bank</b>	<b>Account Nos.</b>				
Hatton National Bank	005 010006488	761,184.00		194,930.49	
Hongkong & Shanghai Bank	008048456-001	10,224.84		10,224.84	
Hongkong & Shanghai Bank	001426352-001	184,329.91		761,361.20	
		<u>955,738.75</u>		<u>966,516.53</u>	
Short Term Cash Investments - Repo in HSBC		15,774.18		15,774.18	
Short Term Cash Investments - Repo in HNB		8,800,000.00		7,700,000.00	
Short Term Cash Investments - Repo in NTB		36,000,000.00		35,436,191.78	
		<u>45,771,512.93</u>		<u>44,118,482.49</u>	
<b>Total Assets</b>		<u>46,007,643.28</u>		<u>44,750,144.95</u>	
<b>REPRESENTED BY</b>					
<b>Accumulated Fund</b>					
Balance Brought Forward		44,203,370.78		41,731,747.45	
Excess of Receipts over Payments for the year		1,257,498.31		2,471,623.33	
Balance Carried Forward		<u>45,460,869.09</u>		<u>44,203,370.78</u>	
<b>Exchange Equalization Reserve</b>					
Balance Brought Forward		546,774.19		576,085.61	
Exchange Gain for the year/(Loss)		-		(29,311.44)	
Balance Carried Forward		<u>546,774.19</u>		<u>546,774.17</u>	
<b>TOTAL LIABILITIES</b>		<u>46,007,643.28</u>		<u>44,750,144.95</u>	

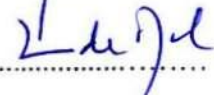

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

  
 FINANCE CONTROLLER  
 P. U. Subasinghe

25.09.2011  
 DATE

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by:

	Name	Signature
1.	D. E. De Mel	
2.	V. D. H. Jayawardena	

DIRECTORS

DATE OF APPROVAL }  
 BY THE BOARD } 26-09-2011



CANDLEAID LANKA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> MARCH, 2011

1. CORPORATE INFORMATION

1.1 General

CandleAid Lanka ("Company") is a Limited Guarantee Company incorporated and domiciled in Sri Lanka. The registered office of the Company is situated at No. 45, Cornelious Place, Korlawella, Moratuwa and the principal place of business is situated at No 21/4, Dharmarathne Avenue, Rawathawatta, Moratuwa.

"Aflac International" has changed its name to "CandleAid Lanka" in accordance with the provision of the Section 8 of the Companies Act No. 7 of 2007.

1.2 Principal Activities and Nature of Operations

CandleAid Lanka is a "non profit" charitable institution reaching out and financially assisting the less Fortunate in Sri Lanka in the areas of education, health, food, shelter and community development.

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

1.4 Number of Employees

The staff consists of six ( 6 ) employees and six ( 6 ) retired consultants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Basis of Preparation

The Balance Sheet, Statement of Receipts and Payments, together with accounting policies and notes ("Financial Statements") of the Company as at 31<sup>st</sup> March, 2011 and for the year then ended comply in all material respects with the applicable Generally Accepted Accounting Principles.

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

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

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CANDLEAID LANKA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> MARCH, 2011

2.1.2 Foreign Currency Translation

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

2.1.3 Cash and Equivalents

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

2.1.4 Property, Plant & Equipment

(a) Cost

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

Impairment of Property, Plant & Equipment

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

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CANDLEAID LANKA

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(b) Depreciation

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

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

Full provision is made in the year of sale and none in the year of purchase up to 31.03.2007. Assets are depreciated from the day of purchase, during the usefull lifetime of each asset from 01.04.2007 onwards.

2.2 Receipts and Payments Statements

Grants

- (a) Donations received have been accounted for on a cash basis.

Interest

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



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	<u>2010/2011</u>	<u>2009/2010</u>
	Rs. Cts.	Rs. Cts.
<b>(3) <u>EDUCATION PROGRAMME</u></b>		
<i><u>Receipts</u></i>		
Sponsorship Donations	9,383,126.95	9,020,019.96
Donations for Libraries	312,890.00	487,980.00
Donations for Book Project	38,170.36	-
Other Donations	122,666.01	134,543.95
	<u>9,856,853.32</u>	<u>9,642,543.91</u>
<i><u>Payments</u></i>		
Sponsored Students	9,054,400.00	8,657,700.00
Libraries	373,113.05	600,746.95
Book Project	178,106.00	300,000.00
Other Education Projects	125,339.00	126,125.94
	<u>9,730,958.05</u>	<u>9,684,572.89</u>
<b>(4) <u>HEALTH PROGRAMME</u></b>		
<i><u>Receipts</u></i>		
Cancer Programme Donations	5,455,364.53	4,706,232.73
Cancer Ward Donations	293,253.75	152,839.72
Other Health Donations	33,820.47	19,870.00
	<u>5,782,438.75</u>	<u>4,878,942.45</u>
<i><u>Payments</u></i>		
Sponsored Patients	4,906,800.00	4,919,400.00
Cancer Ward Repairs	220,081.00	210,690.00
Other Health Projects	54,000.00	28,800.00
	<u>5,180,881.00</u>	<u>5,158,890.00</u>
<b>(5) <u>FOOD PROGRAMME</u></b>		
<i><u>Receipts</u></i>		
Sponsorship Donations	3,307,252.09	3,307,472.46
Other Donations for Food	71,708.00	24,000.00
	<u>3,378,960.09</u>	<u>3,331,472.46</u>
<i><u>Payments</u></i>		
Sponsored Families	3,238,700.00	3,447,400.00
Other Food Projects	71,700.00	24,700.00
	<u>3,310,400.00</u>	<u>3,472,100.00</u>



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	<u>2010/2011</u>		<u>2009/2010</u>	
	Rs.	Cts.	Rs.	Cts.
(6) <u>COTC PROJECT</u>				
<u>Receipts</u>				
COTC Education Donations	40,000.00		208,071.90	
COTC Library Donations	316,937.50		1,812,953.78	
Uniting Children Donations	55,451.00		36,000.00	
COTC General Donations	739,753.11		350,882.50	
	<u>1,152,141.61</u>		<u>2,407,908.18</u>	
<u>Payments</u>				
IDP Infrastructure	-		350,000.00	
COTC Education Payments	93,000.00		157,000.00	
COTC Library Payments	1,072,091.72		655,263.33	
Uniting Childrens' Project	49,275.00			
COTC General Payments	823,791.00		147,300.00	
	<u>2,038,157.72</u>		<u>1,309,563.33</u>	
(7) <u>SWIM FOR SAFETY PROJECT</u>				
<u>Receipts</u>				
Swim for Safety Donations	403,229.53		445,156.20	
	<u>403,229.53</u>		<u>445,156.20</u>	
<u>Payments</u>				
Salaries	498,000.00		914,380.00	
Printing and Stationery	12,444.00		8,713.00	
Refreshments	11,727.00		9,840.00	
Telephone	550.00		23,300.00	
Certificate Awarding Ceremony Expenses	11,580.00		22,170.00	
Bonus for Coaches	16,000.00		28,000.00	
Coordinators Allowance	39,000.00		27,000.00	
Other Expenses	10,690.76		11,553.76	
	<u>599,991.76</u>		<u>1,044,956.76</u>	



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	<u>2010/2011</u>		<u>2009/2010</u>	
	Rs.	Cts.	Rs.	Cts.
(8) <u>ENGLISH COMMUNICATION PROGRAMME</u>				
<u>Receipts</u>				
Donations for English Communication Programme		-	683,941.00	
ECP Refundable Deposit		-	61,200.00	
		-	745,141.00	
<u>Payments</u>				
Salaries (including Project Director, Head of Education, Teachers & Assistant)		-	392,600.00	
Security Charges & Venue Hire		-	39,000.00	
Printing and Stationery		-	14,568.00	
Bank Charges		-	-	
Transport & Refreshment		-	16,090.00	
Other Administration expenses		-	-	
Opening Ceremony Expenses		-	8,780.00	
		-	471,038.00	
(9) <u>DONATIONS/FUNDS RAISED FOR OTHER PROGRAMMES</u>				
St. Josephs School for the Hearing Impaired	749,328.83		666,836.71	
Donations for Other General Projects	3,052,673.81		1,202,109.07	
Life Line Project	-		44,000.00	
	3,802,002.64		1,912,945.78	
(10) <u>OTHER GENERAL PROJECTS</u>				
<u>Payments</u>				
Blind Colony	24,465.50		25,503.00	
Other Projects	1,213,801.64		672,229.00	
Assistance to maintain Free Medical Clinics	60,000.00		-	
St. Josephs School for the Hearing Impaired	699,000.00		878,000.00	
Indigaswewa Project Cost	56,246.72		47,300.00	
Life Line Project Admin Expenses	-		91,990.00	
Life Line Project Payments	-		293,500.00	
	2,053,513.86		2,008,522.00	



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	<u>2010/2011</u>		<u>2009/2010</u>	
	Rs.	Cts.	Rs.	Cts.
(11) <u>ADMINISTRATION EXPENSES</u>				
Staff Costs	1,894,570.00		1,822,230.00	
Communication Costs	187,301.37		182,607.14	
Postage	32,848.50		38,781.50	
Stationery	88,913.80		104,737.83	
Electricity	65,154.00		105,714.00	
Water	1,148.00		2,586.80	
Office Equipment Maintenance	101,573.10		215,258.97	
Other Administration Expenses	154,116.50		29,371.70	
Travelling & Transport	100,741.00		111,395.50	
Office Maintenance	65,649.00		96,245.20	
Vehicle Maintenance	70,046.31		61,258.06	
Secretarial Fees	24,733.35		2,875.00	
Staff Welfare	25,001.50		30,628.50	
Rates	16,416.00		23,940.00	
Audit Fees	41,967.97		28,977.80	
Office Renovations	-		446,389.42	
Cost of Name Change	4,500.00		84,947.28	
	<u>2,874,680.40</u>		<u>3,387,944.70</u>	
(12) <u>INTEREST EARNED</u>				
Repo Interest	3,392,473.91		5,331,443.77	
RFC Interest	-		503.30	
	<u>3,392,473.91</u>		<u>5,331,947.07</u>	



## CANDLEAID LANKA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

(13) FIXED ASSETS

<u>Description</u>	<u>COST</u>				<u>DEPRECIATION</u>		
	<u>Cost</u>	<u>Additions/ (Disposals)</u>	<u>Balance As At 31.03.2011</u>	<u>Rates %</u>	<u>W.D.V.as at 31.03.2010</u>	<u>Depreciation 2010/2011</u>	<u>W.D.V.as at 31.03.2011</u>
	Rs. Cts.	Rs. Cts.	Rs. Cts.		Rs. Cts.	Rs. Cts.	Rs. Cts.
<u>Furniture</u>							
Computer Tables	93,821.25	-	93,821.25	12.50%	51,200.50	11,727.66	39,472.84
Writing Tables	30,695.00	-	30,695.00	12.50%	13,692.70	3,836.87	9,855.84
Typist Chairs	15,170.00	-	15,170.00	12.50%	5,208.75	1,896.25	3,312.50
Office Chairs	10,550.00	-	10,550.00	12.50%	6,594.55	1,318.75	5,275.80
Cupboards	70,000.00	-	70,000.00	12.50%	37,910.11	8,750.00	29,160.11
	<u>220,236.25</u>	<u>-</u>	<u>220,236.25</u>		<u>114,606.61</u>	<u>27,529.53</u>	<u>87,077.09</u>
<u>Equipment</u>							
Telephone System	92,244.80	-	92,244.80	33.33%	4,695.60	2,058.14	2,637.46
UPS	29,368.00	-	29,368.00	33.33%	76.91	74.42	2.49
Printers	202,687.50	5,800.00	208,487.50	33.33%	19,511.30	18,028.15	7,283.15
Computer Installation & Software	797,491.25	77,250.00	874,741.25	33.33%	89,950.99	67,376.56	99,824.43
Laptop	127,500.00	-	127,500.00	33.33%	12.75	0.00	12.75
Fax	17,825.00	-	17,825.00	33.33%	1.79	0.00	1.79
Refrigerator	41,087.00	-	41,087.00	33.33%	4.10	0.00	4.10
Other Office Equipment	113,388.30	19,902.80	133,291.10	33.33%	44,802.41	25,418.11	39,287.10
	<u>1,421,591.85</u>	<u>102,952.80</u>	<u>1,524,544.65</u>		<u>159,055.85</u>	<u>112,955.38</u>	<u>149,053.27</u>
Motor Vehicle	1,425,000.00	-	1,425,000.00	25.00%	356,250.00	356,250.00	-
Bicycle	7,000.00	-	7,000.00	25.00%	1,750.00	1,750.00	-
	<u>1,432,000.00</u>	<u>-</u>	<u>1,432,000.00</u>		<u>358,000.00</u>	<u>358,000.00</u>	<u>-</u>
Total Assets	<u>3,073,828.10</u>	<u>102,952.80</u>	<u>3,176,780.90</u>		<u>631,662.46</u>	<u>498,484.91</u>	<u>236,130.35</u>

