

CANDLEAID LANKA

FOR THE YEAR ENDED 31ST MARCH, 2023



Private & Confidential

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CANDLEAID LANKA

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of CandleAid Lanka (the Organization), which comprise the Statement of Financial Position as at 31st March 2023, and the Receipts & Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the organization as at 31st March 2023, and of its excess payment over the receipts for the year then ended in accordance with Generally Accepted Accounting Principles.

Basis for Opinion

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 Organization in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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 Generally Accepted Accounting Principles, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Partners - N.S.C.De Silva FCA, FCMA (UK), L.C.Piyasena FCA, L.L.S.Wickremasinghe FCA,
S.M.S.S.Bandara MBA, FCA, D.S.De Silva LL.B, Attorney - at -Law ACA, ACMA (UK)

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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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: <http://www.slaasc.lk/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and far as appears from our examination, proper accounting records have been kept by the organization.

B. R. De Silva
B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

Date... *10-2-23*

DS/ms/(1)



CANDLEAID LANKARECEIPTS AND PAYMENTS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 2023

		<u>2022/2023</u>		<u>2021/2022</u>
<u>RECEIPTS</u>	<u>Notes</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>
Donations for Education Programme	(3)	30,083,665		23,431,114
Donations for Health Programme	(4)	14,800,742		8,532,338
Donations for Food Programme	(5)	9,387,102		4,897,237
Donations for Community Development Programme	(6)	-		90,774
Donations/Funds Raised for Other Programmes	(7)	39,287,264		19,794,615
Donations for Administration Expenses		6,486,737		4,804,220
Interest Received - Savings		26,810		-
Interest Received - Repo		3,281,316		814,334
Interest Received - FD		3,023,697		10,197,405
Total Receipts		106,377,333		72,562,037
<u>PAYMENTS</u>				
Educational Programme	(3)	27,120,705		20,824,468
Health Programme	(4)	11,385,792		9,167,745
Food Programme	(5)	7,512,275		5,353,760
Community Development Programme	(6)	23,000		125,000
Other Projects	(7)	31,430,980		18,053,708
Administration Expenses	(8)	8,823,198		7,093,743
Depreciation	(9)	357,732		274,926
Bank Charges		170,096		191,565
Taxation		1,392,846		1,704,255
Total Payments		88,216,624		62,789,170
Excess of Receipts Over Payments for the year		18,160,709		9,772,867

The accounting policies and notes as set out in page (03) to (09) form an integral part of these financial statements.



CANDLEAID LANKA
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2023

	<u>Notes</u>	<u>2023.03.31</u>	<u>2022.03.31</u>
		<u>Rs. Cts.</u>	<u>Rs.</u>
<u>ASSETS</u>			
<u>Non Current Assets</u>			
Office Equipment	(9)	183,705	16,384
Furniture & Fittings		29,074	42,299
Computer & Accessories		554,839	415,540
Generator		-	4,790
		<u>767,618</u>	<u>479,013</u>
<u>Current Assets</u>			
Investments	(10)	98,258,382	79,376,548
Cash at Bank	(11)	2,890,031	1,866,217
Cash in Hand		226	33,769
TOTAL ASSETS		<u><u>101,916,256</u></u>	<u><u>81,755,547</u></u>
<u>REPRESENTED BY</u>			
<u>Accumulated Fund</u>			
Balance Brought Forward		81,755,547	71,782,680
Add : Donation towards fund		2,000,000	200,000
Excess of Receipts over Payments for the year		18,160,709	9,772,867
Balance Carried Forward		<u>101,916,256</u>	<u>81,755,547</u>
TOTAL LIABILITIES		<u><u>101,916,256</u></u>	<u><u>81,755,547</u></u>

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

Kfernando

03.08.2023.

Finance Manager

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,

DIRECTORS

1. V. D. H. Jayawardena

2. Yasmin Weerasingha

Signature

Jayawardena

Weerasingha

DATE OF APPROVAL BY THE BOARD } 03.08.2023.

The accounting policies and notes as set out in page (03) to (09) form an intergral part of these financial statements.



CANDLEAID LANKA**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023****1. CORPORATE INFORMATION****1.1 GENERAL**

CandleAid Lanka is a company Limited by Guarantee incorporated under section 8 of the Companies Act No. 07 of 2007. The registered office of the Company is located at No.45, Cornelious Place, Koralawella, Moratuwa and the principal place of business is situated at No. 21/4, Dharmarathne Avenue, Rawatawatta, Moratuwa. "Aflac International" has changed its name to "CandleAid Lanka" in accordance with the provision of Section 8 of the "Companies Act No. 7 of 2007.

CandleAid Lanka is a Government Approved Charity under Section 31 (7) of the Inland Revenue Act No. 38 of 2000.

It is also registered as a Non-Governmental Organization under Voluntary Social Service Organizations (Registration & Supervision) Act No. 31 of 1980 as amended by Act No. 08 of 1998.

1.2 Principal Activities and Nature of Operations

CandleAid Lanka is a "Non Profit" charitable institution which is reaching out and financially assisting the less fortunate communities in Sri Lanka in the areas of Education, Health, Food, Shelter and Community Development.

1.3 The notes to the Financial Statements on pages (03) to (09) form an integral part of the Financial Statements.

1.4 No of Employees

The staff consists of nine (09) permanent employees and two (02) consultants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 General Policies****2.1.1 Basis of Preparation**

The Statement of Financial Position, Statement of Receipts and Payments, together with accounting policies and notes ("Financial Statements") of the Company as at 31st March 2023 and for the year then ended comply with all material aspects of 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 on the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

Contd... (04)



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**2.1.2 Foreign Currency Transactions**

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

2.1.3 Cash and Cash 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 is recorded at cost less accumulated depreciation.

Impairment of Property, Plant & Equipment

The carrying values of Property, Plant and 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 amounts. Impairment losses are recognized in the income statements unless it reverses a previous revaluation surplus for the same asset.

(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 principle annual rates used are:

Generator	@ 25%
Furniture and Fittings	@ 12.5%
Motor Vehicle	@ 25%
Computer Equipment	@ 33.33%

2.2 Receipts and Payments Statements**Grants**

- (a) All receipts including donations and all payments have been accounted for on a cash basis as per past practice.

Interest

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



CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 2023

	<u>2022/2023</u>	<u>2021/2022</u>
	<u>Rs. Cts.</u>	<u>Rs.</u>
(3) <u>EDUCATIONAL PROGRAMME</u>		
<u>Receipts</u>		
Donations for Students' Sponsorship	27,785,815	18,428,242
Donations for Libraries	252,850	3,043,459
Donations for Book Project	1,186,106	363,411
Other Donations for Education	858,894	1,596,002
	<u>30,083,665</u>	<u>23,431,114</u>
<u>Payments</u>		
Sponsored Students	23,035,006	18,801,196
Libraries	2,289,831	934,912
Book Project	1,206,590	342,927
Other Educational Disbursements	589,278	745,433
	<u>27,120,705</u>	<u>20,824,468</u>
(4) <u>HEALTH PROGRAMME</u>		
<u>Receipts</u>		
Donations for Cancer Sponsorship	10,808,569	7,652,911
Other Donations for Health	2,280,984	268,462
Donations for KDAP	1,711,188	610,965
	<u>14,800,742</u>	<u>8,532,338</u>
<u>Payments</u>		
Sponsored Cancer Patients	9,933,000	8,018,000
Other Health Disbursements	364,942	233,395
Payments for KDAP	1,087,850	916,350
	<u>11,385,792</u>	<u>9,167,745</u>
(5) <u>FOOD PROGRAMME</u>		
<u>Receipts</u>		
Donations for Family Sponsorship	9,050,577	4,195,800
Other Donations for Food	336,525	701,437
	<u>9,387,102</u>	<u>4,897,237</u>
<u>Payments</u>		
Sponsored Families	7,281,000	4,758,500
Other Food Disbursements	231,275	595,260
	<u>7,512,275</u>	<u>5,353,760</u>



CANDLEAID LANKA**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2023****2022/2023****Rs. Cts.****2021/2022****Rs.****(6) COMMUNITY DEVELOPMENT PROGRAMME****Receipts**

Donations for Self Empowerment of Women

-	90,774
-	90,774

Payments

Payments for Self Empowerment of Women

23,000	125,000
23,000	125,000

(7) DONATIONS/FUNDS RAISED FOR OTHER PROGRAMMES**Receipts**

Donations for Secret Santa

-	392,000
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Donations for Sigiri Trust Fund

6,000,000	4,678,000
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Donations for Covid-19

-	9,226,000
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Donations for Mother and Child Project

3,749,366	2,092,308
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Donations for Project Love Jaffna

1,690,100	-
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Donations for Special Food Fund

4,980,000	-
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Donations for Dry Rations Project

14,604,771	-
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Donations for Other General Projects

8,263,027	3,406,307
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39,287,264	19,794,615
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OTHER GENERAL PROJECTS**Payments**

Payments for Secret Santa

-	392,000
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Payments for Sigiri Trust Fund

6,858,204	3,505,996
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Payments for Covid-19

-	9,225,460
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Payments for Mother and Child Project

2,685,000	2,260,000
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Payments for Project Love Jaffna

1,690,100	-
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Payments for Special Food Fund

4,980,000	-
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Payments for Dry Rations Project

13,496,762	-
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Other General Projects

1,720,915	2,670,252
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31,430,980	18,053,708
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CANDLEAID LANKANOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

	<u>2022/2023</u>	<u>2021/2022</u>
	<u>Rs. Cts.</u>	<u>Rs.</u>
(8) <u>ADMINISTRATION EXPENSES</u>		
Staff Costs	3,921,857	3,678,195
Staff Special Allowances	1,000,000	-
E.P.F.	445,129	452,961
E.T.F.	111,285	113,241
Casual Wages	103,820	96,400
Ex-Gratia Payments to Staff	417,790	529,425
Staff Consultants' Fees	792,500	635,000
Internship Payments	68,000	-
Communication Costs	217,523	159,150
Postages	27,743	32,570
Stationery	206,773	109,475
Electricity Bills	46,234	30,204
Water Bills	12,480	8,508
Office Equipment Maintenance	201,587	417,380
Office Maintenance	276,741	245,875
Vehicle Maintenance	126,874	36,858
Software Maintenance	57,000	47,500
Travelling	41,816	59,332
Fuel	140,740	55,257
Secretarial Fees	16,691	31,161
Staff Welfare	206,961	59,220
Security Expenses	28,500	-
Rates	6,780	6,780
Audit Fees	84,250	74,000
Web-hosting & Maintenance Fee	54,220	-
Leave Payments	140,652	164,739
Insurance	13,419	12,940
Professional Charges	29,500	-
Other Administration Expenses	26,332	37,572
	<u>8,823,198</u>	<u>7,093,743</u>



(9) FIXED ASSETS

Description	COST			Rates %	DEPRECIATION		
	Cost as at 31.03.2022	Additions/ (Disposals)	Cost as at 31.03.2023		W.D.V. as at 31.03.2022	Depreciation 2022/2023	W.D.V. as a 31.03.2023
	Rs. Cts.	Rs. Cts.	Rs. Cts.		Rs. Cts.	Rs. Cts.	Rs. Cts.
<u>Furniture</u>							
Computer Table	98,621	-	98,621	12.50%	-	-	
Writing Table	40,695	-	40,695	12.50%	-	-	
Typist Chairs	73,766	-	73,766	12.50%	13,614	5,945	
Office Chairs	19,145	-	19,145	12.50%	2,775	1,074	
Cupboards	129,468	-	129,468	12.50%	19,061	3,831	
Fittings	19,000	-	19,000	12.50%	6,848	2,375	
	<u>380,695</u>	<u>-</u>	<u>380,695</u>		<u>42,299</u>	<u>13,225</u>	
<u>Equipment</u>							
Telephone System	181,897	-	181,897	33.33%	-	-	
UPS	89,018	59,200	148,218	33.33%	-	18,087	
Printers	317,888	-	317,888	33.33%	10,442	5,966	
Computer Installation & Software	3,028,444	-	3,028,444	33.33%	415,541	201,267	
Laptop	127,500	441,997	569,497	33.33%	-	101,431	
Projector	65,000	-	65,000	33.33%	-	-	
Fax	52,805	-	52,805	33.33%	5,941	5,941	
Refrigerator	41,087	-	41,087	33.33%	-	-	
Photo Copier	85,000	-	85,000	33.33%	-	-	
CCTV System	-	108,140	108,140	33.33%	-	6,007	
Other Office Equipment	150,957	37,000	187,957	33.33%	-	1,018	
	<u>4,139,596</u>	<u>646,337</u>	<u>4,785,933</u>		<u>431,924</u>	<u>339,717</u>	
<u>Motor Vehicle</u>							
Motor Vehicle	1,425,000	-	1,425,000	25%	-	-	
Bicycle	7,000	-	7,000	25%	-	-	
	<u>1,432,000</u>	<u>-</u>	<u>1,432,000</u>		<u>-</u>	<u>-</u>	
<u>Generator</u>							
Generator	229,900	-	229,900	25%	4,790	4,790	
	<u>229,900</u>	<u>-</u>	<u>229,900</u>		<u>4,790</u>	<u>-</u>	
<u>Total Assets</u>	<u>6,182,191</u>	<u>646,337</u>	<u>6,828,528</u>		<u>479,013</u>	<u>357,732</u>	
						<u>767,617</u>	

CANDLEAID LANKA**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST MARCH 2023**

	<u>2022/2023</u>	<u>2021/2022</u>
	<u>Rs. Cts.</u>	<u>Rs.</u>
(10) <u>INVESTMENTS</u>		
Repo - NTB	37,857,000	25,000,000
Fixed Deposits - DFCC	-	54,376,548
Repo - DFCC	4,848,482	-
Fixed Deposits - NTB	3,000,000	-
Fixed Deposits - NDB	2,000,000	-
Treasury Bills	50,552,900	-
	<u>98,258,382</u>	<u>79,376,548</u>

(11) CASH AT BANK**Currency****Hatton National Bank**

A/C No: 022010223682	LKR	297,196	345,520
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Nations Trust Bank

A/C No: 014100008377	LKR	920,213	931,034
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People's Bank

A/C No: 091100180030370	LKR	1,440,494	587,743
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DFCC Bank

A/C No: 700115002958	LKR	23,846	1,919
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NDB Bank

A/C No: 106003471856	LKR	208,282	-
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2,890,0311,866,216**(12) TAXATION**

CandleAid Lanka is liable to a tax on 3% of its primary source of receipts which are donations at the applicable corporate tax rate of 24% & 30%.

The tax charge of Rs. 1,693,070/- for the year ended 31.3.2023 is computed as follows:

Total Donations -Rs. 100,045,510

Tax on Interest Income, - Rs. 882,702

Total Tax Liability of Rs. 1,693,070

This payment will be made during the financial year 2022/2023 and therefore be reflected as a Tax charge in the Receipts & Payment Accounts of that year.

This is for the reason that the Receipts & Payment Accounts are prepared on a cash basis.

The tax charge of Rs. 336,178 reflected in the Receipts & Payment Accounts of F/Y 2022/2023 includes the 4th installment of the year 2021/2022 and the 03rd installment of the year 2022/2023.

