

Squadron Leader SEDIGALLAGE SUDIL DEVAPRIYA PEIRIS (01581) Ad/Regt-01.05.2004
Squadron Leader RANASINGHE HETTIARACHCHIRALALAGE KAMAL PRIYANTHA RANASINGHE (01582) Tech/Eng-01.05.2004
Squadron Leader MAHILAL DUSHYANTHA RATNAYAKE (01583) Tech/Eng-01.05.2004
Squadron Leader METHINDRA DILSHAN JAYANTHI WASAGE (01576) Ad/Regt-01.06.2004
Squadron Leader JAGATH ROHAN HEMASINGHE (01585) Equip-01.06.2004
Squadron Leader GANNILE AMARAKOON MUDIYANSELAGE WASANTHA AMARAKOON (01595) Tech/Eng-01.06.2004
Squadron Leader VERANDRA PRASANNA BALASOORIYA (01597) Admin-01.06.2004
Squadron Leader KARIYAWASAM GONAPINUWALA GAMAGE ABHAYANATH CHAVAN DE SILVA (01600) Equip-01.06.2004
Squadron Leader MELVIN FERREIRA (01601) Admin-01.06.2004
Squadron Leader THUIYANDURA PRAKASH MENDIS GUNASEKARA (01602) GD/P-01.06.2004

Squadron Leader LAKSIRI DESHAPRIYA GUNAWARDHANE (01603) Tech/Eng-01.06.2004
Squadron Leader KRISHANTHA MANOHARA JAYANETTY (01605) Tech/Sig-01.06.2004
Squadron Leader MAHANAMA NISHSHANKA JAYAWARDHANE (01606) Admin-01.06.2004
Squadron Leader WEERASINGHE MUDIYANSELAGE KURULLANMADUWE SUJEEVA PRIYANTHA WEERASINGHE (01608) Equip-01.06.2004

By Her Excellency's Command,

L. D. C. HERATH,
Secretary,
Ministry of Defence.

Colombo,
16th March, 2004.

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Government Notifications

VATTAPALAI KANNAKY AMPAL KOVIL FESTIVAL - 2005 - MULLAITIVU DISTRICT

It is hereby notified for general information that the above festival will commence at 6.00 a. m. on 09.05.2005 and terminate at 6.00 p. m. on 24.05.2005.

The attention of the general public is drawn to the regulations published in the *Government Gazette* Nos. 9978 of 1949.05.27 and 10105 of 1950.05.26.

The standing regulations published will be in force during the period of festival.

EMELDA SUKUMAR,
Govt. Agent,
Mullaitivu.

08th April, 2005.

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THE PILGRIMAGE ORDINANCE GODAPITIYA MUSLIM FESTIVAL - 2005

IN terms of regulations "3" of the regulations formed under the pilgrimage Ordinance (Chapter 175) & published in the *Government Gazette* No. 10630 of 8th January, 1954. It is hereby notified that annual Pilgrimage of Godapitiya Poruwai Mosque "Mohiyadeen Muslim Mosque" at Godapitiya Akuressa in Athuraliya Division, in Matara District will commence on 11th May, 2005 to 22nd May, 2005.

The regulations relating this Pilgrimage Ordinance in *Government Gazette* No. 10630 issued on 8th January, 1954 shall in force within the camp above referred to in the regulations and described in the scheduled there to during the period of the Pilgrimage of the Pilgrimage referred to above.

D. A. EKANAYAKA,
Divisional Secretary,
Athuraliya Division,
Secretary Division.

19th April, 2005,
Divisional Secretariat Athuraliya,
Tibbotuwawa, Akuressa.

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Revenue and Expenditure Returns

BALANCESHEET

	Note	2004 Rs. '000	2003 Rs. '000
As at 31st December			
Assets			
<i>Non-Current Assets :</i>			
Property, Plant and Equipment	6	24,607	21,150
<i>Current Assets :</i>			
Inventories	7	8,049	7,578
Receivables	8	9,833	10,047

	Note	2004 Rs. '000	2003 Rs. '000
Deposits, Prepayments and Advances		892	1,249
Short-Term Investments	9	122,471	100,764
Balances at Bank and Cash in Hand		3,400	2,404
		<u>144,645</u>	<u>122,042</u>
Total Assets		<u>169,252</u>	<u>143,192</u>
Funds and Liabilities			
<i>Accumulated Fund and Reserves :</i>			
Accumulated Fund		74,214	59,885
Capital Reserve		24,000	16,000
		<u>98,214</u>	<u>75,885</u>
Specific Internal Funds			
Faculty of Taxation Fund	10	316	316
faculty of Auditing Fund	11	210	196
Scholarship Fund Needy Students	12	6,632	6,606
Merit Scholarship Fund	13	6,292	6,335
Prize Funds	14	622	642
Income Balances-Scholarships and Prize Funds	15	2,252	1,698
Publication Fund	16	136	127
Best Annual Report Competition Fund	17	450	450
		<u>16,910</u>	<u>16,370</u>
Grants			
Treasury Grant for ICASL Standards Setting	18	2,000	166
Non-Current Liabilities			
Provision for Retiring Gratuity	19	12,280	10,935
Current Liabilities			
Accounts Payable	20	8,067	10,562
Receipts in Advance	21	26,167	28,696
Bank Overdraft		5,614	578
		<u>39,848</u>	<u>39,836</u>
Total Funds and Liabilities		<u>169,252</u>	<u>143,192</u>

The Notes on pages 46 to 54 form an integral part of these Financial Statements, Report of the Auditor is on Page 57.

For and on behalf of the Council

A. I. Fernando
President

P. Y. S. Perera
Vice-President

Lakshman Perera
Secretary.

Colombo 07,
24th March, 2005.

Statement of Changes in Funds

	<i>Accumulated Fund Rs. '000</i>	<i>Capital Reserve Rs. '000</i>	<i>Specific Internal Funds Rs. '000</i>	<i>Total Rs. '000</i>
Balance as at 1st January 2003	53,143	8,000	10,702	71,845
Increase in Specific Internal Funds	—	—	668	668
Surplus of Income over Expenditure for the year 2003	19,742	—	—	19,742
Transfer to Merit Scholarship Fund	(5,000)	—	5,000	—
Transfer to Capital Reserve	(8,000)	8,000	—	—
Balance as at 31st December 2003	59,885	16,000	16,370	92,255
Increase in Specific Internal Funds	—	—	540	540
Surplus of Income over Expenditure for the year 2004	22,329	—	—	22,329
Transfer to Capital Reserve	(8,000)	8,000	—	—
Balance as at 31st December 2004	74,214	24,000	16,910	115,124

Capital Reserve

Represent funds reserved for upgrading of buildings.

The Notes on Pages 46 to 54 form an integral part of these Financial Statements.

Report of the Auditor is on page 57.

Cash Flow Statement

For the year ended 31st December	<i>2004 Rs. '000</i>	<i>Rs. '000</i>	<i>2003 Rs. '000</i>	<i>Rs. '000</i>
Cash Flows from Operating Activities				
Excess of Income over Expenditure	22,329		19,742	
Adjustment for				
Depreciation	3,567		3,665	
Government Grant	(100)		(100)	
Provision for Retiring Gratuity	2,634		1,143	
Amortisation of Capital Grant	(41)		(41)	
Transfers from other Grants Received	(1,625)		(3,000)	
Interest Income	(7,336)		(6,468)	
(Gain)/Loss on Disposal of Property, Plant and Equipment	238		431	
Operating Surplus before Working Capital Changes	19,666		15,372	
Decrease/(Increase) in inventories	(471)		(761)	
Decrease/(Increase) in Receivables	214		(1,200)	
Decrease/(Increase) in Deposits and Prepayments	357		33	
(Decrease)/Increase in Accounts Payable	(2,495)		5,242	
(Decrease)/Increase in Receipts in Advance	(2,529)		5,213	
	14,742		23,899	
Retiring Gratuity Paid	(1,289)		(1,200)	
Net Cash Inflow from operating Activities		13,453		22,699

For the year ended 31st December	2004 Rs. '000	Rs. '000	2003 Rs. '000	Rs. '000
Cash flow from Investing Activities				
Acquisition of Property, Plant and Equipment	(7,380)		(2,900)	
Proceeds on Deposal of Property, Plant and Equipment	118		120	
Interest Received	7,336		6,468	
Net Cash Inflow from Investing Activities		74		3,688
Cash Flow from Financing Activities				
Government Grant and other Grants Received	3,600		3,100	
Net Receipts of Specific Internal Funds	540		668	
Net Cash Inflow from Financing Activities		4,140		3,768
Net Increase in Cash and Cash Equivalants during the year		17,667		30,155
Cash and Cash Equivalants at 1st January		102,590		72,435
Cash and cash Equivalan at 31st December (Note A)		120,257		102,590
Note A				
Analysis of Cash and Cash Equivalants at 31st December				
Short-Term Investments		122,471		100,764
Balances at banks and Cash in Hand		3,400		2,404
Bank Overdraft		(5,614)		(578)
		120,257		102,590

The Notes on pages 46 to 54 form an integral part of these Financial Statements.
Report of the Auditors is on Page 57.

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Annual Report 2004

Notes to the Financial Statements

1. Significant Accounting Policies

- 1.1 *General.*— The Financial Statements of the Institute have been prepared in accordance with the Sri Lanka Accounting Standards on the historical cost basis. No adjustments have been made for inflationary factors affecting the Financial statements. The accounting policies are consistent with those used in the previous year.

Figures and phrases relating to the previous year have been restated where necessary, to conform to the current year's presentation.

1.2 Assets and the Basis of their valuation

- 1.2.1 *Property, Plant and Equipment and Depreciation.*— Tangible Assets are shown at cost less accumulated depreciation had been charged to the Income Statement on the written down values at the following rates per annum in order to write off the cost of such assets over their estimated useful lives, except in the case of buildings on Leasehold Land, Buildings on Leasehold Land have been depreciated over the estimated useful life of the assets or the balance period of the lease whichever is shorter :

Generator	20%
Furniture and Equipment	10%
Air-Conditioning Equipment	20%

Audio-Visual Equipment	10%
Motor Vehicles	20%
Computers	20%
Canteen Equipment	10%

Depreciation is not charged in the year of purchase, whilst a full year's depreciation is charged in the year of disposal.

1.2.2 *Inventories*.—Inventories have been valued at the lower of cost or net realizable value. Cost is arrived at on a weighted average basis.

1.2.3 *Receivable*.—Receivable are stated at the values estimated to be realized.

1.2.4 *Short-term Investments*.—Treasury Bills are valued at cost plus accrued interest. Other short-term investments are valued at the lower of cost of market value.

1.2.5 *Cash and Cash Equivalents*.—Cash and Cash equivalents include cash in hand and at Bank and Call Deposits, Fixed deposits at bank and Treasury Bills and the accrued interest component.

1.2.6 *Cash Flow*.—Cash Flow Statement has been prepared using the 'Indirect method'.

1.3 *Accounting for Grants* :

Grants that compensate the Institute for expenses incurred are recognized as revenue in the Income Statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the institute for the cost of an assets is capitalized and amortised as revenue on a systematic basis over the useful life of the related assets.

1.4 *Employee Benefits* :

1.4.1 *Provision for Gratuity*.—Provision has been made for the retiring gratuity payable from the initial year of service to all employees in conformity with SLAS 16-Retirement Benefit Costs, However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The liability is not externally funded nor is it actuarially valued.

1.4.2. *Defined Contribution Plans*.—Obligations for contributions to Provident Fund and Trust Funds are recognized as an expense in the incomes Statements as incurred.

1.5 *Current Liabilities* :

1.5.1 *Current Liabilities*.—Current liabilities are those which fall due for payments on demand or within one year from the Balance Sheet date. Non-Current liabilities will fall due for payment one year or more after the Balance Sheet date.

1.5.2 *Taxation*.—The Institute is exempt from Income Tax under Section 8(a)(ii) of the Inland Revenue Act No. 38 of 2000.

1.6 *Events after the Balance Sheet date* :

The materiality of events occurring after the Balance Sheet date has been considered and appropriate adjustments, wherever necessary, have been made in the accounts.

1.7 *Income and Expenditure* :

1.7.1 *Revenue Recognition*.—(a) Renewal and enrolment fees from members and students are recognized as revenue only on receipt. Renewal and enrolment fees received in advance for the following year are treated as receipts in advance. Interest income is accounted on accrual basis.

(b) Sponsorship of Member related activities are recognized as revenue on receipt.

(c) Surpluses/Deficits on examinations, seminars, courses and other educational and members activities are taken to income Account in the year of completion of such activity.

1.7.2. *Expenditure.*—

- (a) All expenditure incurred in the running of the Institute and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.
- (b) All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the institute has been treated as capital expenditure.

2. *Contribution from Activities*

	<i>Direct Income Rs. '000</i>	<i>2004 Direct (Expenses) Rs. '000</i>	<i>Contribution Rs. '000</i>	<i>Income Rs. '000</i>	<i>2003 Direct (Expenses) Rs. '000</i>	<i>Contribution Rs. '000</i>
Examinations	54,393	24,382	30,011	38,593	19,915	18,678
Registration, Education, Training & Library	52,656	33,384	19,272	46,088	29,142	16,946
Computer Centre	3,018	4,703	(1,685)	3,695	5,304	(1,609)
Student Amenities	-	5,054	(5,054)	-	4,404	(4,404)
Members' Activities	29,045	27,162	1,883	25,262	20,148	5,114
Business School	1,727	2,007	(280)	2,527	1,976	551
Taxation Faculty	1,941	1,230	711	1,457	885	572
CPE Secretariat	545	2,068	(1,523)	449	1,787	(1,338)
Technical & Research	4,449	7,083	(2,634)	5,123	5,320	(197)
Strategic Management Accounting Faculty	417	1,130	(713)	1,215	1,302	(87)
	<u>148,191</u>	<u>108,203</u>	<u>39,988</u>	<u>124,409</u>	<u>90,183</u>	<u>34,226</u>

2004
Rs. '000

2003
Rs. '000

03. *Other Operating Income*

Profit on Sale of Diaries	72	29
Profit on Sale of Publications	246	293
Hire of Auditorium and Lecture Halls	122	64
Miscellaneous Income	206	67
	<u>646</u>	<u>453</u>

4. *Administrative Staff Costs*

	2004 Rs. '000	2003 Rs. '000
Defined Contribution Plan Costs - EPF/ETF	4,403	3,867
Defined Benefit Plan Costs-Retiring Gratuity	2,634	1,143
Other Staff Costs	43,262	37,828
	<u>50,299</u>	<u>42,838</u>
Charged to Contribution from Activities	(38,303)	(31,810)
Administrative Staff Costs	<u>11,996</u>	<u>11,028</u>

Administrative Staff costs were incurred under the following sections :

Secretariat	3,191	2,933
Administration	4,677	4,300
Finance	4,128	3,795
	<u>11,996</u>	<u>11,028</u>

5. Other Expenses

	2004 Rs. '000	2003 Rs. '000
Motor Vehicle Running Expenses	288	277
Bank Charges & Debit Tax	265	228
Architect's & Engineer's Fees for Modifications of Buildings	-	423
Architect's Fees for drawing plans for a New Buildings	990	350
Internal Audit and Seconded Staff Expenses	853	314
Legal Charges	664	269
General Expenses	468	398
Quality Enhancement Fund Project (World Bank)	914	-
ICASL - IT Road Map	300	-
	<u>4,742</u>	<u>2,259</u>

6. Property, Plant & Equipment

Description	Cost			Depreciation						
	Balance	Additions	Disposals	Balance	Balance	Charge	Dep. on	Balance	W. D. V.	W. D. V.
	as at			as at	as at	for the	Disposals	as at	at	at
	01.01.04			31.12.04	01.01.04	year		31.12.04	31.12.04	31.12.03
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Buildings on Leasehold Land	14,744	-	-	14,744	10,355	1,090	-	11,445	3,299	4,389
Generator	1,228	-	-	1,228	954	55	-	1,009	219	274
Furniture	14,291	1,469	331	15,429	6,690	760	222	7,228	8,201	7,601
Air-Conditioners	3,075	2,728	646	5,157	2,087	198	643	1,642	3,515	988
Audio Equipment	1,648	175	-	1,823	574	107	-	681	1,142	1,074
Motor Vehicles	906	-	-	906	542	73	-	615	291	364
Computers	14,375	3,009	1,433	15,951	7,988	1,277	1,188	8,077	7,874	6,387
Canteen Equipment	130	-	-	130	57	7	-	64	66	73
	<u>50,397</u>	<u>7,381</u>	<u>2,410</u>	<u>55,368</u>	<u>29,247</u>	<u>3,567</u>	<u>2,053</u>	<u>30,761</u>	<u>24,607</u>	<u>21,150</u>

6.1 Leasehold Land :

The buildings are situated on 2 blocks of land obtained from the Government, one on a 99 year lease and the other on a 30 years lease. The balance payable on the 99 year lease is Rs. 59,194 over a period of 55 years, while the other lease has an amount of Rs. 14,200 payable over a period of 2 years.

6.2 Depreciation :

	Rs. '000
Depreciation reflected in the Income Statement	3,167
Depreciation charged in arriving at the Contribution from Activities (Note 2)	400
	<u>3,567</u>

	<i>2004</i> <i>Rs. '000</i>	<i>2003</i> <i>Rs. '000</i>
7. Inventories		
Self-Study Course Packs	5,561	4,321
Other Inventories	2,488	3,257
	<u>8,049</u>	<u>7,578</u>

8. Receivables

Loans and Advances to staff	7,960	6,947
Receivables on Conference and Diary	985	2,977
Others	888	123
	<u>9,833</u>	<u>10,047</u>

9. Short-Term Investments

Fixed Deposits	750	5,400
Treasury Bills	121,571	95,214
Call Deposits	150	150
	<u>122,471</u>	<u>100,764</u>

10. Faculty of Taxation Fund

Balance as at 31st December	<u>316</u>	<u>316</u>
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Income and Expenses relating to this Faculty for the year has been accounted under contribution from Main Activities (Note 2)

11. Faculty of Auditing Fund

	<i>2004</i> <i>Rs. '000</i>	<i>2003</i> <i>Rs. '000</i>
Balance as at 1st January	196	181
Interest for the year	14	15
	<u>210</u>	<u>196</u>

	<i>Balance as at</i> <i>01.01.2004</i> <i>Rs. '000</i>	<i>Transfer</i> <i>/receipts</i> <i>during the</i> <i>Year</i> <i>Rs. '000</i>	<i>Balance as at</i> <i>31.12.2004</i> <i>Rs. '000</i>
12. Scholarships Fund - Needy Students			
Scholarships Scheme - General	6,232	-	6,232
Scheme of ICASL Members -UK	270	19	289
Dalton Wijeratne Memorial Scheme	104	7	111
	<u>6,606</u>	<u>26</u>	<u>6,632</u>

Interest received and awards under this scheme have been accounted under income Balances - Scholarships & Prize Funds (Note 15)

	<i>Balance as at 01.01.2004 Rs. '000</i>	<i>Receipts/ Transfers Rs. '000</i>	<i>Transfer to Income Bal. Rs. '000</i>	<i>Balance as at 31.12.2004 Rs. '000</i>
13. Merit Scholarship Fund				
General Fund	6,010	-	-	6,010
Specific :				
Pelwatta Sugar Industries Ltd. Fund	80	-	-	80
Prof. Y. A. D. S. Samaratunga Memorial Fund	100	-	-	100
Ernest & Young Scholarship Fund	90	15	58	47
Miss Inoka Gunaratne Memorial Fund	55	-	-	55
	<u>6,355</u>	<u>15</u>	<u>58</u>	<u>6,292</u>

Interest received and awards under thid fund have been accounted under Income Balances - Scholarship & Prize Funds (Note 15) The direct cost of Rs. 47,557 for administering the Merit Scholarship Scheme was charged under Student Amenities (Note 2)

14. Prize Funds

		<i>Balance as at 01.01.2004 Rs. '000</i>	<i>(Short falls for Awards) Transfer to Income Balances Rs. '000</i>	<i>Balance as at 31.12.2004 Rs. '000</i>
President's Fund (ICASL)	(1992)	25		25
B R De Silva Memorial Fund	(1992)	25		25
Satchithananda Memorial Fund	(1993)	15		15
Kreston MNS Fund	(1993)	25	(5)	20
N. A. L. Cabraal Fund	(1994)	25		25
Reyaz Mihular Fund	(1996)	25		25
D R. Settinayake Memorial Fund	(1999)	25		25
A D E de S. Wijeyratne Memorial Fund	(1999)	25		25
M A. Abeynaïke Fund	(1999)	25		25
KPMG Ford, Rhodes, Thornton & Co. Fund	(1999)	50		50
Ernst & Young Fund	(1999)	75		75
S J. M S Associates & Co. Fund	(1999)	25		25
Sunil Piyawardena & Co. Fund	(1999)	25		25
Jayasinghe & Co. Fund	(2000)	25		25
Lal Nanayakkara & Co. Fund	(2000)	75		75
G C B Wijesinghe Fund	(2000)	50		50
Nihal Hettiarachchi Fund	(2000)	25		25
Jayaweera & Co. Fund	(2000)	25		25
Brito Mutunayagam Memorial Fund	(2003)	52	(15)	37
		<u>642</u>	<u>(20)</u>	<u>622</u>

Interest received and prizes awarded on behalf of these funds have been shown under the income Balances Scholarship and Prize Funds (Note 15)

Notes to the Financial Statements

	<i>Balance at 01.01.2004</i>	<i>Interest/ Income Transfers for the year</i>	<i>(Awards) during the year</i>	<i>Balance at 31.12.2004</i>
	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>
15. Income Balances - Scholarships and Prize Funds				
Scholarship Fund - Needy Students	827	499	169	1,157
Merit Scholarship General Fund	334	448	239	543
Sepecific				
Pelwatte Sugar Industries Ltd., Fund	103	13	-	116
Prof. Y A D S Samaratunga Memorial Fund	93	13	-	106
Ernest & Young Scholarship Fund	16	138	154	-
Miss Inoka Gunaratne Memorial Fund	64	9	-	73
Prize Funds	261	60	65	257
	<u>1,698</u>	<u>1,180</u>	<u>627</u>	<u>2,252</u>

In addition to the above Rs. 145,800 was received and disbursed to Mahapola Scholars who are registered students of the institute.

16. Publications Fund

	<i>2004 Rs. '000</i>	<i>2003 Rs. '000</i>
Balance as at 1st January	127	118
Add : Interest for the year	9	9
Balance as at 31st December	136	127

Notes to the Financial Statements**17. Best Annual Report Competition Fund**

	<i>Balance at 31.12.2004 Rs. 000</i>
Donations received in previous years	
Deshabandu Albert Page (1992)	100
Late Mr Cyril Gardiner (1993)	150
Hayleys Ltd. (1994)	200
	<u>450</u>

No donations were received during the year. Surplus in conducting this competition for the year Rs. 237,404 is included under Contributions from Members Activities (Note 2).

	<i>2004 Rs. '000</i>	<i>2003 Rs. '000</i>
18. Treasury Grant for ICASL Standard Setting		
Balance as at 1st January	166	207
Grant for purchase of Equipment	875	-
Grant for preparation of Accounting Standard for Non - Governmental Organisations (Note 18.1)	1,000	-
Grant for ICASL Standard Setting	1,625	3,000
	<u>3,666</u>	<u>3,207</u>

	2004 Rs. '000	2003 Rs. '000
Less : Transfer to Technical Division		
Amortization of Capital Grant	(41)	(41)
Revenue Grant	(1,625)	(3,000)
Balance as at 31st December	2,000	166

18.1 The Accounting Standard for Non-Governmental Organisations was under preparation as at the balance sheet date.

19. Provision for Retiring Gratuity

	2004 Rs. '000	2003 Rs. '000
Balance as at 1st January	10,935	10,992
Provision for the year	2,634	1,143
	13,569	12,135
Payments during the year	(1,289)	(1,200)
Balance as at 31st December	12,280	10,935

20. Accounts Payable

Accrued Charges	2,327	1,559
Staff Payables	4,741	3,656
University of Southern Queensland	660	5,276
Miscellaneous Payables	339	71
	8,067	10,562

21. Receipts in Advance

Members' Fees	2,572	3,425
Subscriptions for Registrations, Lectures & Exam Fees	23,567	23,193
Best Annual Report Competition	-	1,826
Others	28	252
	26,167	28,696

22. Capital Commitments

The Institute was awarded a Quality Enhancement Grant of Rs. 100.3 million by the Ministry of Education under an IDA funded World Bank Project for Improving Relevance and Quality of Undergraduate Education (IRQUE). This represents 50 per cent of Total Quality Enhancement Project cost of Rs. 200.6 million to improve Student related activities of the Institute over a five year period 2005-2009. The balance cost of the Project amounting to Rs. 100.3 million shall be borne by the Institute over the corresponding period.

23. Contingent Liabilities

There are no contingent liabilities that require disclosure in the financial statements.

24. Related Party Disclosures

There were no related party transactions during the year under review.

25. Events after Balance Sheet date

The World Bank by letter dated 31st January, 2005 has given its concurrence to the activities of the IRQUE Project (Refer to in Note 22) for an estimated cost of Rs. 100.3 million.

There are no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statements.

F. B. Lander Prize Fund**BALANCE SHEET AS AT 31ST DECEMBER, 2004**

	<i>Rs.</i>	<i>31.12.2004 Rs.</i>	<i>31.12.2003 Rs.</i>	<i>Rs.</i>
Assets				
50 Shares - Hill School Co. Ltd.		500		500
Balance at National Savings Bank		400,804		381,250
		<u>401,304</u>		<u>381,750</u>
Liabilities				
FB Lander Prize Fund				
Capital		13,333		13,333
Income Account				
Balance as at 1st January	368,417		346,567	
Add : Interest for the year	19,554	387,971	21,850	368,417
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cyril E. Begbie Memorial Prize Fund		381,750		401,304
		<u> </u>		<u> </u>

BALANCE SHEET AS AT 31ST DECEMBER, 2004

	<i>Rs.</i>	<i>31.12.2004 Rs.</i>	<i>31.12.2003 Rs.</i>	<i>Rs.</i>
Assets				
Balance at National Savings Bank		127,118		120,920
		<u>127,118</u>		<u>120,920</u>
Liabilities				
Cyril E Begbie Memorial Prize Fund				
Capital		10,000		10,000
Income Account				
Balance as at 1st January	85,920		86,490	
Add : Interest for the year	6,198		6,930	
Less : Prizes Paid	(5,000)	87,118	(7,500)	85,920
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Creditors - ICASL		30,000		25,000
		<u>127,118</u>		<u>120,920</u>

THE REPORT OF THE AUDITOR**To the Council of the Institute of Chartered Accountants of Sri Lanka**

I have examined the accompanying Balance Sheet of the Institute of Chartered Accountants of Sri Lanka as at 31st December 2004, the Balance Sheets of F B Lander Prize Fund and Cyril E. Begbie Memorial Prize Fund and the related Statements of Income, Changes in Funds and the Cash Flow for the year then ended.

Respective Responsibilities of Management and Auditor

These Financial Statements are the responsibility of the Institute's management and have been prepared and presented in accordance with Sri Lanka Accounting Standards. My responsibility is to express an opinion on these Financial Statements based on my audit.

Basis of Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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. I believe that my audit provides a reasonable basis for my opinion. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

Opinion

In my opinion, so far as appears from my examination, proper books of account have been maintained by the Institute with respect to its activities, FB Lander Prize Fund and the Cyril E Begbie Memorial Prize Fund, and to the best of my information and according to the explanations given to me, the Financial Statements which are in agreement with the books of account read together with the notes referred to therein, give a true and fair view of the state of affairs of the Institute, the FB Lander Prize Fund and Cyril E Begbie Memorial Prize Fund as at 31st December, 2004 and of the results of their operations and cash flows for the year then ended.

Colombo 2
24th March, 2005.

V. SINNADORAI,
Chartered Accountant.

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Miscellaneous Departmental Notices

PEOPLE'S BANK - NUGEGODA BRANCH

Resolution under Section 29D of the People's Bank Act, No. 29 of 1961 as amended by the Act, No. 32 of 1986

IT is here by notified that the following resolution was unanimously passed by the Board of Directors of the People's Bank under Section 29D of the People's Bank Act No. 29 of 1961 as amended by Act No. 32 of 1986 at their meeting held on,

Whereas Dhammika Prasanna Priyanath Pathirana & Ranawaka Arachchige Subadra Nilmini Perera have made default in payment due on the bond No. 4944 dated 26th August, 1997 and agreement No. 4945 dated 26th August, 1997 both attested by Mrs. A. A. S. W. Amarasinghe Notary Public of Colombo and bond Nos. 2210 dated 27th October, 1998, 3079 dated 30th September, 1999, 4992 dated 04th December, 2002 and 5024 dated 05th February, 2003 all attested by Mrs. K. S. Jagoda Notary Public Colombo in favour of the People's Bank and there is now due and owing to the People's Bank a sum of Rupees One Hundred and Eighty Nine Thousand Fifty Nine and Cents Thirty-eight (Rs. 189,059.38) a sum of Rupees One Hundred and Fifty Thousand (Rs. 150,000) a sum of Rupees One Million and Five Hundred Thousand (Rs. 1500,000), a sum of Rupees Five Hundred and ninety Five Thousand Three Hundred and Eighty-five and Cents Sixty-six (Rs. 595,385.66) a sum of Rupees Eight Hundred Thousand (Rs. 800,000) and a sum of Rupees Seven Hundred Thousand (Rs. 700,000) on said Bonds. The Board of Directors of the People's Bank under the powers vested in them by the People's Bank Act No. 29 of 1961 as amended by the Act No. 32 of 1986 do here by resolve that the property and premises mortgage to the said bank by the said Bond and agreement Nos. 4944, 4945, 2210, 3079, 4992, 5024 be sold by public auction by E. Irvin Perera Licensed Auctioneer of Colombo for recovery of the said sum of Rupees One Hundred and Eighty-nine Thousand Fifty-nine and Cents Thirty-eight (Rs. 189,059.38) a sum of Rupees One Hundred and Fifty Thousand (Rs. 150,000) a sum of Rupees One Million and Five Hundred Thousand (Rs. 1500,000), a sum of Rupees Five Hundred and ninety Five Thousand Three Hundred and Eighty-five and Cents Sixty-six (Rs. 595,385.66) a sum of Rupees Eight Hundred Thousand (Rs. 800,000) and a sum of Rupees Seven Hundred Thousand (Rs. 700,000) and with further interest on Rupees One Hundred and Eighty Nine Thousand Fifty Nine and Cents Thirty Eight (Rs. 189,059.38) at Twenty Nine

(29%) per annum from 11th April, 2003 to date of sale, with further interest on Rupees One Hundred and Fifty-thousand (Rs. 150,000) at Twenty-nine (29%) per annum from 05th August, 2003, to date of sale with further interest on Rupees One Million and Five Hundred Thousand (Rs. 1500,000) at Twenty Nine (29%) per annum from 05th August, 2003, to date of sale with further interest on Rupees Five Hundred and Ninety-five Thousand Three Hundred and Eighty-five and Cents Sixty-six (Rs. 595,385.66) at Twenty-four (24%) per annum from 11th April, 2003 to date of sale with further interest on Rupees Eight Hundred Thousand (Rs. 800,000) at Twenty-four (24%) per annum from 27th March, 2003, to date of sale, with further interest on Rupees Seven Hundred Thousand (Rs. 700,000) at Twenty Three (23%) per annum from 06th February, 2003 to the date of sale and costs and moneys recoverable under section "29 L" of the said People's Bank Act, less payment (If any) since received.

DESCRIPTION OF THE PROPERTY AND PREMISES MORTGAGED

All that divided and defined allotment of land marked Lot A 2 depicted in plan No. 3677 dated 05th September, 1992 made by A. E. Wijesuriya Licensed Surveyor of the land called Gorakagahawatta situated at Talangama South in the Palle Pattu of Hewagama Korale in the district of Colombo Western province and bounded on the North by land of D. D. Weragala, on the East by Lot B in plan No. 1900, on the South by Lots A3 & A5 and on the West by Lot A1 and containing in extent Six perches (0A. 0R. 6.00P.) according to the said plan No. 3677, together with buildings, bearing Assessment No. 432/1, Pannipitiya Road, Talangama South, Trees, plantations and everything else standing thereon. Together with the Right of way in along and over the reservation for Road marked Lot A5 depicted in plan No. 3677 & Lot H in plan No. 1900.

Registered under G 1411/201 at Homagama land Registry.

By order of the Board of Directors,

Asst. General Manager.
(Western Zone - 11).

People's Bank,
Regional Head Office - (Colombo (Outer),
No. 177, High Level Road,
Nugegoda.
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