

Revenue Expenditure and Returns

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA

Income Statement

| YEAR ENDED 31ST DECEMBER | | 2003 | 2002 |
|--|--------------|----------------|----------------|
| | <i>Notes</i> | <i>Rs. 000</i> | <i>Rs. 000</i> |
| CONTRIBUTIONS FROM | | | |
| Main Activities | 2 | 34,226 | 29,844 |
| ADD : OTHER INCOME | | | |
| Government Grant | | 100 | 150 |
| Interest Income | | 6,468 | 6,735 |
| Other Operating Income | 3 | <u>453</u> | <u>554</u> |
| | | 7,021 | 7,439 |
| Total Income | | 41,247 | 37,283 |
| LESS : EXPENSES | | | |
| Administrative Staff Costs | 4 | 11,028 | 11,732 |
| Communication | | 1,122 | 1,435 |
| Expenditure on Premises | | 2,895 | 2,261 |
| Maintenance of Furniture & Equipment | | 518 | 655 |
| Audit Fee | | 29 | 28 |
| Other Expenses | 5 | 2,259 | 1,248 |
| Depreciation of Property Plant & Equipment | | 3,223 | 3,094 |
| Loss on Disposal of Property Plant & Equipment | | <u>431</u> | <u>—</u> |
| | | 21,505 | 20,453 |
| <i>Surplus Transferred to Accumulated Fund (Note 10)</i> | | <u>19,742</u> | <u>16,830</u> |

The Notes on pages 5 to 13 form an integral part of these Financial Statements.
The Auditor's Report is on Page 15.

Balance Sheet

| AS AT 31ST DECEMBER | | 2003 | 2002 |
|----------------------------------|--------------|-----------------------|-----------------------|
| | <i>Notes</i> | <i>Rs. '000</i> | <i>Rs. '000</i> |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, Plant & Equipment | 6 | 21,150 | 22,466 |
| CURRENT ASSETS | | | |
| Inventories | 7 | 7,578 | 6,817 |
| Receivables | 8 | 10,047 | 8,847 |
| Deposits, Prepayments & Advances | | 1,249 | 1,282 |
| Short term Investments | 9 | 100,764 | 67,900 |
| Balances at Bank & Cash in hand | | <u>2,404</u> | <u>4,535</u> |
| | | 122,042 | 89,381 |
| Total Assets | | <u>143,192</u> | <u>111,847</u> |

| AS AT 31ST DECEMBER | Notes | 2003 Rs. '000 | 2002 Rs. '000 |
|--|-------|------------------|------------------|
| FUNDS & LIABILITIES | | | |
| ACCUMULATED FUND & RESERVES | | | |
| Accumulated Fund | 10 | 59,885 | 53,143 |
| Capital Reserve | 11 | <u>16,000</u> | <u>8,000</u> |
| | | <u>75,885</u> | <u>61,143</u> |
| SPECIFIC INTERNAL FUNDS | | | |
| Faculty of Taxation Fund | 12 | 316 | 316 |
| Faculty of Auditing Fund | 13 | 196 | 181 |
| Scholarship Fund - Needy Students | 14 | 6,606 | 1,231 |
| Merit Scholarship Fund | 14.1 | 6,335 | 6,545 |
| Prize Funds | 14.2 | 642 | 550 |
| Income Balances - Scholarships & Prize Funds | 14.3 | 1,698 | 1,311 |
| Publication Fund | 15 | 127 | 118 |
| Best Annual Report Competition Fund | 16 | <u>450</u> | <u>450</u> |
| | | <u>16,370</u> | <u>10,702</u> |
| GRANTS | | | |
| Professional Development Accreditation Grant (MOF/ADB) | 17 | — | — |
| Treasury Grant for ICASL Standards Setting | 18 | <u>166</u> | <u>207</u> |
| | | 166 | 207 |
| NON-CURRENT LIABILITIES | | | |
| Provision for Retiring Gratuity | 19 | <u>10,935</u> | <u>10,992</u> |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 20 | 10,562 | 5,320 |
| Receipts in Advance | 21 | 28,696 | 23,483 |
| Bank Overdraft | | <u>578</u> | <u>—</u> |
| | | <u>39,836</u> | <u>28,803</u> |
| TOTAL FUNDS & LIABILITIES | | <u>143,192</u> | <u>111,847</u> |

The Notes on pages 5 to 13 form an integral part of these Financial Statements. The Auditor's Report is on page 15.

For an on behalf of the Council,

A. I. FERNANDO,
President.

P. Y. S. PERERA,
Vice President.

LAKSHMAN PERERA,
Secretary.

Colombo 07.
5th June, 2004.

Statement of Changes in Funds and Reserves for the Year ended 31st December 2003

| | Accumulated Fund | Capital Reserve | Specific Internal Funds | Total |
|-------------------------------------|------------------|-----------------|-------------------------|---------|
| | Rs. 000 | Rs. 000 | Rs. 000 | Rs. 000 |
| Balance as at 01st January 2002 | 49,313 | — | 5,184 | 54,497 |
| Increase in Specific Internal Funds | — | — | 518 | 518 |

| | <i>Accumulated Fund</i> | <i>Capital Reserve</i> | <i>Specific Internal Funds</i> | <i>Total</i> |
|--|-------------------------|------------------------|--------------------------------|----------------|
| | <i>Rs. 000</i> | <i>Rs. 000</i> | <i>Rs. 000</i> | <i>Rs. 000</i> |
| Surplus of Income over Expenditure for the year 2002 | 16,830 | — | — | 16,830 |
| Transfer to Merit Scholarship Fund | (5,000) | — | 5,000 | — |
| Transfer to Capital Reserve | (8,000) | 8,000 | — | — |
| Balance as at 31st December 2002 | 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 Needy Scholarship Fund | (5,000) | — | 5,000 | — |
| Transfer to Capital Reserve | (8,000) | 8,000 | — | — |
| Balance as at 31st December 2003 | <u>59,885</u> | <u>16,000</u> | <u>16,370</u> | <u>92,255</u> |

The Notes on pages 5 to 13 form an integral part of these Financial Statements. The Report of the Auditor is on page 15.

Cash Flow Statement

| YEAR ENDED 31ST DECEMBER | 2003 <i>Rs. '000</i> | 2002 <i>Rs. '000</i> |
|---|-------------------------|-------------------------|
| Cash Flows from Operating Activities | | |
| Excess of Income over Expenditure | 19,742 | 16,830 |
| Adjustment for : | | |
| Depreciation | 3,665 | 3,533 |
| Government Grant | (100) | (150) |
| Provision for Retiring Gratuity | 1,143 | 1,123 |
| Amortization of Capital Grants | (41) | (750) |
| Transfers from other Grants received | (3,000) | (2,793) |
| Interest Income | (6,468) | (6,735) |
| Loss on Disposal of Property Plant & Equipment | <u>431</u> | <u>—</u> |
| OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES | 15,372 | 11,058 |
| (Increase) in Inventories | (761) | 541 |
| (Increase) in Receivables | (1,200) | (844) |
| Decrease in Deposits & Prepayments | 33 | (217) |
| Increase in Accounts Payable | 5,242 | 2,450 |
| Increase accounts receipts in Advance | <u>5,213</u> | <u>4,010</u> |
| Retiring Gratuity Paid | <u>(1,200)</u> | <u>—</u> |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 22,699 | 16,998 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of Property, Plant & Equipment | (2,900) | (3,616) |
| Proceeds on disposal of Property, Plant & Equipment | <u>120</u> | <u>—</u> |
| Interest Received | <u>6,468</u> | <u>6,735</u> |
| NET CASH INFLOW FROM INVESTING ACTIVITIES | 3,688 | 3,119 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Government & Other Grants Received | 3,100 | 3,150 |

| | | | |
|---|------------|----------------|---------------|
| Net Receipts of Specific Internal Funds | <u>668</u> | <u>518</u> | |
| NET CASH INFLOW FROM FINANCING ACTIVITIES | | <u>3,768</u> | <u>3,668</u> |
| Net Increase in cash and cash Equivalents | | 30,155 | 23,785 |
| Cash & Cash equivalents at 1st January | | <u>72,435</u> | <u>48,650</u> |
| Cash & Cash equivalents at 31st December (Note A) | | <u>102,590</u> | <u>72,435</u> |
| | | ===== | ===== |

Note A - Cash & Cash equivalents at 31st December

| | | | |
|---------------------------------|--------------|----------------|---------------|
| Short Term Investments | | 100,764 | 67,900 |
| Balances at Bank & Cash in Hand | 2,404 | | 4,535 |
| Less Overdraft | <u>(578)</u> | <u>1,826</u> | <u>—</u> |
| | | <u>102,590</u> | <u>72,435</u> |
| | | ===== | ===== |

The Notes on pages 5 to 13 form an integral part of these Financial Statements.

The Auditor's Report is on page 15

Notes to 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 & Equipment and Depreciation

Tangible Assets are shown at cost less accumulated depreciation. Depreciation is 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 asset or the balance life of the lease whichever is shorter.

| | |
|----------------------------|-----|
| Generator | 20% |
| Furniture & 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 realisable value. Cost is arrived at on a simple average basis.

1.2.3 Receivables

Receivables are stated at the values estimated to be realised.

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 or market value.

1.2.5 Cash and Cash Equivalents

Cash & cash equivalent include Cash in Hand and at Bank and Call Deposits, Fixed Deposits at Bank and Treasury Bills and 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 asset is capitalized and amortised as revenue on a systematic basis over the useful life of the related asset.

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 employees 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 and Trust Funds are recognized as an expense in the income statement as incurred.

1.5 CURRENT LIABILITIES

1.5.1 Current Liabilities

Current liabilities are those, which fall due for payment 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 & EXPENDITURE

1.7.1 Revenue Recognition

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.

- (a) 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 MAIN ACTIVITIES

| | <i>Income</i> | <i>Direct</i> | <i>Contribution</i> | |
|---|-----------------|-------------------|---------------------|-----------------|
| | <i>Rs. '000</i> | <i>(Expenses)</i> | <i>2003</i> | <i>2002</i> |
| | | <i>Rs. '000</i> | <i>Rs. '000</i> | <i>Rs. '000</i> |
| Examinations | 38,593 | 19,915 | 18,678 | 12,037 |
| Registration, Education, Training & Library | 46,088 | 29,142 | 16,946 | 14,831 |
| Computer Centre | 3,695 | 5,304 | (1,609) | (1,517) |
| Student Amenities | 0 | 4,404 | (4,404) | (3,916) |
| Members' Activities | 25,262 | 20,148 | 5,114 | 7,591 |
| Business School | 2,527 | 1,976 | 551 | 191 |
| Taxation Faculty | 1,457 | 885 | 572 | 552 |
| CPE Secretariat | 449 | 1,787 | (1,338) | (1,493) |
| Technical & Research | 5,123 | 5,320 | (197) | 1,643 |
| Strategic Management Accounting Faculty | 1,215 | 1,302 | (87) | (75) |
| | ----- | ----- | ----- | ----- |
| | 124,409 | 90,183 | 34,226 | 29,844 |
| | ===== | ===== | ===== | ===== |

3. OTHER OPERATING INCOME

| | <i>2003</i> | <i>2002</i> |
|------------------------------------|-----------------|-----------------|
| | <i>Rs. '000</i> | <i>Rs. '000</i> |
| Profit on Sale of Diaries | 29 | 97 |
| Profit on Sale of Publications | 293 | 119 |
| Hire of Auditorium & Lecture Halls | 64 | 187 |
| Miscellaneous Income | 67 | 151 |
| | ----- | ----- |
| | 453 | 554 |
| | ===== | ===== |

4. STAFF COSTS

| | <i>2003</i> | <i>2002</i> |
|---|-----------------|-----------------|
| | <i>Rs. '000</i> | <i>Rs. '000</i> |
| Defined contribution plan costs-EPF/ETF | 3,867 | 3,397 |
| Defined benefit plan costs-Retiring Gratuity | 1,143 | 1,123 |
| Other staff costs | <u>37,828</u> | <u>35,927</u> |
| | 42,838 | 40,447 |
| Charged to Contributions from Main Activities | <u>(31,810)</u> | <u>(28,715)</u> |
| Administrative Staff Cost | 11,028 | 11,732 |
| | ===== | ===== |

Administrative Staff Costs were incurred under the following sections :-

| | <i>2003</i> | <i>2002</i> |
|----------------|-----------------|-----------------|
| | <i>Rs. '000</i> | <i>Rs. '000</i> |
| Secretariat | 2,933 | 2,888 |
| Administration | 4,300 | 5,259 |
| Finance | 3,795 | 3,585 |
| | ----- | ----- |
| | 11,028 | 11,732 |
| | ===== | ===== |

5. OTHER EXPENSES

| | 2003 Rs. '000 | 2002 Rs. '000 |
|---|------------------|------------------|
| Motor Vehicle Running Expenses | 277 | 223 |
| Bank Charges & Debit Tax | 228 | 233 |
| Architect's & Engineer's Fees for Modifications of Buildings | 423 | - |
| Architect's fees for drawing plans for New Building | 350 | - |
| Internal Audit Expenses | 314 | 28 |
| Legal Charges | 269 | 226 |
| General Expenses | 398 | 538 |
| | 2,259 | 1,248 |
| | ===== | ===== |

6. PROPERTY, PLANT & EQUIPMENT

| Description | Cost | | | Depreciation | | | | | W. D. V. | W. D. V |
|-------------------|---------------|-----------|-----------|---------------|---------------|--------------|-----------|---------------|---------------|---------------|
| | Balance as at | Additions | Disposals | Balance as at | Balance as at | Charge | Dep. on | Balance as at | at 31.12.2003 | at 31.12.2002 |
| | 01.01.2003 | | | 31.12.2003 | 01.01.2003 | for the year | Disposals | 31.12.2003 | 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 | 9,261 | 1,094 | - | 10,355 | 4,389 | 5,483 |
| Generator | 1,228 | - | - | 1,228 | 886 | 68 | - | 954 | 274 | 342 |
| Furniture | 13,938 | 1,346 | (993) | 14,291 | 6,691 | 725 | (726) | 6,690 | 7,601 | 7,247 |
| Air Conditioners | 2,717 | 400 | (42) | 3,075 | 1,982 | 147 | (42) | 2,087 | 988 | 735 |
| Audio Equipment | 1,434 | 239 | (25) | 1,648 | 497 | 94 | (17) | 574 | 1,074 | 937 |
| Motor Vehicles | 906 | - | - | 906 | 451 | 91 | - | 542 | 364 | 455 |
| Computers | 15,453 | 915 | (1993) | 14,375 | 8,267 | 1,437 | (1716) | 7,988 | 6,387 | 7,186 |
| Canteen Equipment | 130 | - | - | 130 | 49 | 8 | - | 57 | 73 | 81 |
| | 50,550 | 2,900 | (3053) | 50,397 | 28,084 | 3,664 | (2501) | 29,247 | 21,150 | 22,466 |

- 6.01 *Leasehold Land* The buildings are situated on 2 blocks of land obtained from the Government, one on on a 99 year lease and the other on a 30 year lease. The balance payable on the 99 year, lease is Rs. 60,270 over a period of 56 years, while the other lease has an amount of Rs. 21,300 payable over a period of 3 years.

Rs. '000

- 6.02 *Depreciation* Depreciation reflected in the Income Statement 3,223
Depreciation charged in arriving at the Contribution from Main Activities (Note 2) 441
3,664
=====

YEAR ENDED 31ST DECEMBER

| | 2003 Rs. '000 | 2002 Rs. '000 |
|-----------------------|------------------|------------------|
| 7. <i>Inventories</i> | | |
| Self-study Courses | 4,321 | 3,126 |
| Other Inventories | 3,257 | 3,691 |
| | 7,578 | 6,817 |
| | ===== | ===== |

YEAR ENDED 31ST DECEMBER

| | 2003 Rs. '000 | 2002 Rs. '000 |
|-------------------------------------|------------------|------------------|
| 8. <i>Receivables</i> | | |
| Receivables from staff | 6,947 | 7,095 |
| Receivables on Conference and Diary | 2,977 | 1,252 |
| Others | 123 | 500 |
| | <u>10,047</u> | <u>8,847</u> |
| | ===== | ===== |

| | | |
|----------------------------------|----------------|---------------|
| 9. <i>Short-Term Investments</i> | | |
| Fixed Deposits | 5,400 | 7,900 |
| Treasury Bills | 95,214 | 59,850 |
| Call Deposits | 150 | 150 |
| | <u>100,764</u> | <u>67,900</u> |
| | ===== | ===== |

Out of these Investments Rs. 27,305,000 is in respect of the Provision for Retiring Gratuity and Specific Internal Funds.

| | | |
|---|---------------|---------------|
| 10. <i>Accumulated Fund</i> | | |
| Balance as at 1st January | 53,143 | 49,313 |
| Add : Surplus of Income over Expenditure for the year | 19,742 | 16,830 |
| Less : Appropriation - Transfer to Needy Scholarship Fund | (5,000) | - |
| Transfer to Merit Scholarship Gen. Fund | - | (5,000) |
| Transfer to Capital Reserve | (8,000) | (8,000) |
| | <u>59,885</u> | <u>53,143</u> |
| | ===== | ===== |

| | | |
|--|---------------|--------------|
| 11. <i>Capital Reserve</i> | | |
| Balance as at 1st January | 8,000 | - |
| Transfer from Accumulated Fund (Note 10) during the year | 8,000 | 8,000 |
| | <u>16,000</u> | <u>8,000</u> |
| | ===== | ===== |

| | | |
|---|-------|-------|
| 12. <i>Faculty of Taxation Fund</i> | | |
| Balance as at 31st December | 316 | 316 |
| | ===== | ===== |
| Income and Expenses relating to this Faculty for the year has been accounted under contribution from Main Activities (Note 2) | | |

| | | |
|-------------------------------------|------------|------------|
| 13. <i>Faculty of Auditing Fund</i> | | |
| Balance as at 1st January | 181 | 162 |
| Interest for the year | <u>15</u> | <u>19</u> |
| Balance as at 31st December | <u>196</u> | <u>181</u> |
| | ===== | ===== |

| | | | |
|--|--|--|---|
| 14. <i>Scholarship Fund - Needy Students</i> | | | |
| | <i>Balance at 01.01.03 Rs.. '000</i> | <i>Transfer/Receipts during the year Rs.. '000</i> | <i>Balance as at 31.12.03 Rs.. '000</i> |
| Scholarships Scheme - General | 1,231 | 5001 | 6,232 |
| Scheme of ICASL Members UK | 0 | 270 | 270 |
| Dalton Wijeratne Memorial Scheme | 0 | 104 | 104 |
| | <u>1,231</u> | <u>5,375</u> | <u>6,606</u> |
| | ===== | ===== | ===== |

Interest received and awards under this scheme have been accounted under Income Balances - Scholarships & Prize Funds (Note 14.3)

14.1 Merit Scholarship Fund

| | Balance as at 01.01.03 Rs.'000 | Receipts/ Transfers Rs.'000 | Transfer to Income Bal. Rs.'000 | Balance as at 31.12.03 Rs.'000 |
|--------------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--------------------------------------|
| General Fund | 6,010 | | | 6,010 |
| Specific | | | | 0 |
| Pelwatta Sugar Industries Ltd., Fund | 80 | - | 0 | 80 |
| Prof. YADS Samaratunga Memorial Fund | 100 | - | 0 | 100 |
| Ernst & Young Scholarship Fund | 300 | 10 | 220 | 90 |
| Miss. Inoka Gunaratne Memorial Fund | 55 | - | - | 55 |
| | 6,545 | 10 | 220 | 6,335 |
| | ===== | ===== | ===== | ===== |

Intrest received and awards under this fund have been accounted under Income Balances-Scholarship & Prize Funds (Note 14.3)
The direct cost of Rs. 207,800 for administering the Merit Scholarship Scheme was charged under Student Amenities (Note 2)

14.2 Prize Funds

| | | Balance as at 01.01.2003 Rs., '000 | Donat. Recv. During year Rs., '000 | Trasfer to Income Bal. A/c Rs., '000 | Balance as at 31.12.2003 Rs., '000 |
|------------------------------------|--------|--|--|--|--|
| President's Fund (ICASL) | (1992) | 25 | | | 25 |
| B R De Silva Memorial Fund | (1992) | 25 | | | 25 |
| Satchithananda Memorial Fund | (1993) | 25 | 12 | (22) | 15 |
| Kreston MNS Fund | (1993) | 25 | | | 25 |
| NAL Cabraal Fund | (1994) | 25 | | | 25 |
| Reyaz Mihular Fund | (1996) | 25 | | | 25 |
| D. R. Settiyanake Memorial Fund | (1999) | 25 | | | 25 |
| ADE de S. Wijeyratne Memorial Fund | (1999) | 25 | | | 25 |
| M. A. Abeynaike Fund | (1999) | 25 | | | 25 |
| KPMG Ford Rhodes Fund | (1999) | 50 | | | 50 |
| Ernst & Young Fund | (1999) | 25 | 50 | | 75 |
| S. J. 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) | 0 | 52 | | 52 |
| | | 550 | 114 | (22) | 642 |
| | | ===== | ===== | ===== | ===== |

Interest received and Prizes awarded on behalf of these funds have been shown under the Income Balances - Scholarship and Prize Funds - (Note 14.3)

14.3. Income Balances- Scholarships and Prize Funds

| | Balance at 01.01.2003 Rs. '000 | Interest/Income Transfers for the year Rs. '000 | (Awards) during the year Rs. '000 | Balance at 31.12.2003 Rs. '000 |
|-----------------------------------|--------------------------------------|--|---|--------------------------------------|
| Scholarship Fund-Needy Students | 825 | 158 | (156) | 827 |
| Merit Scholarship General Fund | 0 | 572 | (238) | 334 |

| | <i>Balance at 01.01.2003 Rs.'000</i> | <i>Interest/Income Transfers for the year Rs.'000</i> | <i>(Awards) during the year Rs.'000</i> | <i>Balance at 31.12.2003 Rs.'000</i> |
|--|--|---|---|--|
| Specific : | | | | |
| Pelwatta Sugar Industries Ltd., Fund | 90 | 13 | | 103 |
| Prof. Y. A. D. S. Samarasinghe Memorial Fund | 80 | 14 | (1) | 93 |
| Ernst & Young Scholarship Fund | 3 | 292 | (279) | 16 |
| Miss Inoka Gunaratne Memorial Fund | 55 | 9 | | 64 |
| Prize Funds | 258 | 86 | (83) | 261 |
| | <u>1311</u> | <u>1144</u> | <u>(757)</u> | <u>1698</u> |
| | ===== | ===== | ===== | ===== |

In addition to the above Rs. 281,000 was received and disbursed to Mahapola Scholars who are registered Students of the Institute.

15. *Publications Fund*

| | <i>2003 Rs.'000</i> | <i>2002 Rs.'000</i> |
|-----------------------------|-------------------------|-------------------------|
| Balance as at 1st January | | |
| Add : Interest for the year | 118 | 105 |
| Balance as at 31st December | 9 | 13 |
| | <u>127</u> | <u>118</u> |
| | ===== | ===== |

16. *Best Annual Report Competition Fund*

| | <i>Balance at 31.12.2003 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. 386,868 is included in to Contributions from Members Activities (Note 2)

17. *Professional Development Accreditation Grant (MOF/ADB)*

| | <i>2003 Rs.000</i> | <i>2002 Rs.000</i> |
|--|------------------------|------------------------|
| Balance as at 1st January | - | 750 |
| Less Transfer to Technical & Research (Note 2) | <u>-</u> | <u>750</u> |
| Balance as at 31st December | - | - |
| | ===== | ===== |

18. *Treasury Grant for ICASL Standard Setting*

| | <i>2003 Rs.000</i> | <i>2002 Rs.000</i> |
|----------------------------------|------------------------|------------------------|
| Balance as at 1st January | 207 | - |
| Grant for Purchase of Computers | - | 207 |
| Grant for ICASL Standard Setting | <u>3,000</u> | <u>2,793</u> |

| | | |
|--|---------------|---------------|
| | 3,207 | 3,000 |
| Transfer to Technical & Research (Note 2) | 3,041 | 2,793 |
| | <u>166</u> | <u>207</u> |
| Balance as at 31st December | ===== | ===== |
| 19. <i>Provision for Retiering Gratuity</i> | | |
| Balance as at 1st January | 10,992 | 9,869 |
| Provision for the year | <u>1,143</u> | <u>1,123</u> |
| | 12,125 | 10,992 |
| Payments during the year | <u>1,200</u> | - |
| Balance as at 31st December | <u>10,935</u> | <u>10,992</u> |
| | ===== | ===== |
| 20. <i>Accounts Payable</i> | | |
| Accrued Charges | 3,359 | 2,137 |
| Staff Payable | 1,856 | 1,434 |
| University of Southern Queensland | 5,276 | 1,541 |
| Miscellaneous Payable | 71 | 187 |
| Retention Monies | - | 21 |
| | <u>10,562</u> | <u>5,320</u> |
| | ===== | ===== |
| 21. <i>Receipts in Advance</i> | | |
| Members' Fees | 3,425 | 2,694 |
| Subscriptions for Registrations, Lectures & Exams Fees | 23,193 | 19,047 |
| Best Corporate Report & Accounts competition | 1,826 | 1,548 |
| Others | 252 | 194 |
| | <u>28,696</u> | <u>23,483</u> |
| | ===== | ===== |
| 22. <i>Capital Commitments</i> | | |
| There are no material Capital Commitments as at the Balance Sheet date. | | |
| 23. <i>Contingent Liabilities</i> | | |
| There are no contingent liabilities that require disclosure in the Financial Statements. | | |

F.B. Lander Prize Fund

Balance Sheet as at 31 December 2003

| | Rs. | 31.12.2003 Rs. | Rs. | 31.12.2002 Rs. |
|----------------------------------|-----|-------------------|-----|-------------------|
| <i>Assets</i> | | | | |
| 50 Shares, Hill School Co. Ltd. | | 500 | | 500 |
| Balance at National Savings Bank | | <u>3,81,250</u> | | <u>3,59,400</u> |
| | | 381,750 | | 359,900 |
| | | ===== | | ===== |
| <i>Liabilities</i> | | | | |
| F.B. Lander Prize Fund | | | | |
| Capital | | 13,333 | | 13,333 |

1200

I කොටස : (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය - 2004.08.20

PART I : SEC. (I) – GAZETTE OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 20.08.2004

Income Account

| | | | | |
|---------------------------|---------|---------|---------|---------|
| Balance as at 1st January | 346,567 | | 322,916 | |
| Add Interest for the year | 21,850 | 368,417 | 23,651 | 346,567 |
| | | 381,750 | | 359,900 |
| | | ===== | | ===== |

Cyril E. Begbie Memorial Prize Fund*Balance Sheet as at 31 st December 2003*

| | <i>Rs.</i> | <i>31.12.2003</i> <i>Rs.</i> | <i>Rs.</i> | <i>31.12.2002</i> <i>Rs.</i> |
|----------------------------------|------------|---------------------------------|------------|---------------------------------|
| <i>Assets</i> | | | | |
| Balance at National Savings Bank | | 120,920 | | 113,990 |
| | | - | | - |
| | | ----- | | ----- |
| | | 120,920 | | 113,990 |
| | | ===== | | ===== |

*Liabilities*Cyril E. Begbie Memorial Prize Fund
Capital

10,000 10,000

Income Account

| | | | | |
|----------------------------|----------------|---------|--------------|---------|
| Balance as at 1st January | 86,490 | | 78,991 | |
| Add. Interest for the year | 6,930 | | <u>7,499</u> | 86,490 |
| Less Prizes Paid | <u>(7,500)</u> | 85,920 | | |
| Creditors – ICASL | | 25,000 | | 17,500 |
| | | 120,920 | | 113,990 |
| | | ===== | | ===== |

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, 2003, the Balance Sheets of FB Lander Prize Fund and Cyril E. Begbie Memorial Prize Fund and the related Statements of Income, Changes in Equity 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 F.B. Lander Prize Fund and Cyril E. Begbie memorial Prize Fund as at 31st December 2003 and of the results of their operations and cash flows for the year then ended.

V. SINNADORAI,
Chartered Accountant.

Colombo 02,
5th June, 2004.

08-1146

Miscellaneous Departmental Notices

THE STATE MORTGAGE AND INVESTMENT BANK

SCHEDULE

**Resolution adopted by the Board of Directors under
Section 50 of the State Mortgage and Investment Bank
Law, No. 13 of 1975 as amended by Act, No. 62 of 1981 and
by Act, No. 29 of 1984**

Loan Reference Nos. : 1/33989/CD3/337.
1/43667/CD7/498.

AT the meeting held on 13.02.2004 the Board of Directors of the State Mortgage and Investment Bank resolved specially and unanimously that—

1. Whereas Widhana Pathirannehelage Jayaba Priyankara Siriwardhana and Brigitte Barakat Siriwardhana both of Colombo 07 have made default in the payment due on Mortgage Bond Nos. 1272 and 2155 dated 15.06.1998 and 06.08.2002 both attested by S. M. Kaluarachchi, Notary Public of Colombo and a sum of Rupees Two Million Nine Hundred and Forty-five Thousand Five Hundred and Twenty-five and Cents Seventy-one (Rs. 2,945,525.71) is due on account of Principal and Interest as at 20.01.2004 together with further interest thereafter at Rupees One Thousand Three Hundred and Sixteen and Cents Fifty-nine (Rs. 1,316.59) per day, till date of full and final settlement, in terms of Mortgage Bond Nos. 1272 and 2155 aforesaid. (less any payments made on thereafter.)

2. That in terms of Section 50 of the State Mortgage and Investment Bank Law, No. 13 of 1975 and the Amendments thereto E. Irvin Perera, Licensed Auctioneer of No. 3, Pagoda Road, Nugegoda be authorised and empowered to sell by Public Auction the property mortgaged to the State Mortgage and Investment Bank described in the Schedule hereunto for the recovery of the said sum as mentioned in paragraph one of this notice together with costs and monies recoverable under Section 57 of the said Law.

A5-B 78983

All that divided and defined allotment of land marked Lot A depicted in Plan No. 1256A dated 20.03.1998 made by K. P. Wijeweera, Licensed Surveyor of the land together with the building bearing Assessment No. 166/25B, Elvitigala Mawatha situated at Thimbirigasyaya within the Municipal Council Limits of Colombo in the District of Colombo and containing in extent 0A., 0R., 8.90P. according to the said Plan No. 1256A.

W. D. MENDIS,
Acting General Manager.

No. 269, Galle Road,
Colombo 03,
06th August, 2004.

08-1042/1

THE STATE MORTGAGE AND INVESTMENT BANK

**Resolution adopted by the Board of Directors under
Section 50 of the State Mortgage and Investment Bank
Law, No. 13 of 1975 as amended by Act, No. 62 of 1981 and
by Act, No. 29 of 1984**

Loan Reference No. : K16/0650/KY1/448.

AT the meeting held on 31.10.2002 the Board of Directors of the State Mortgage and Investment Bank resolved specially and unanimously that—

1. Whereas Paththini Gedera Menikrala and Paththini Gedera Sarath Athula Rajabandara both of Diyasenpura have made default in the payment due on Mortgage Bond No. 19 dated 11.02.1995