

**S. THOMAS' PREPARATORY SCHOOL OBU**  
**FINANCIAL STATEMENTS TOGETHER**  
**WITH AUDITOR'S REPORT**  
**YEAR ENDED 31<sup>ST</sup> MARCH 2017**

**INDEPENDENT AUDITOR'S REPORT  
TO THE EXECUTIVE COMMITTEE OF S. THOMAS' PREPARATORY SCHOOL OBU**

**Report on the Financial Statements**

We have audited the accompanying financial statements of S. Thomas' Preparatory School OBU ("the Union"), which comprise the statement of financial position as at 31<sup>st</sup> March 2017, and the income and expenditure account, statement of changes in accumulated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Executive Committee's Responsibility for the Financial Statement**

The Executive Committee is responsible for the preparation of these financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles, and for such internal control as Executive Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

1. We are unable to ensure the accuracy, validity and the completeness of the accumulated fund of Rs. 1,500,655 as at 1<sup>st</sup> April 2015 as there is no evidence of any audits being carried out up to 31<sup>st</sup> March 2015.
2. A suspense account balance amounting to Rs. 690,512 appearing in the statement of financial position has not been reconciled as at the end of the year.

**Qualified Opinion**

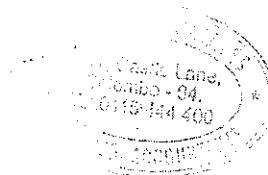
In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph (1) to (2), the financial statements give a true and fair view of the financial position of the Union as at 31<sup>st</sup> March 2017 and of its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

*SJMS Associates*  
**SJMS ASSOCIATES**  
Chartered Accountants  
Colombo  
30<sup>th</sup> June 2017

**S. THOMAS' PREPARATORY SCHOOL OBU  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017**

	Notes	2016/2017 Rs.	2015/2016 Rs.
<b>Income</b>			
Project income	3	5,815,924	5,460,000
Membership fees		62,000	60,000
Interest income		110,907	22,892
<b>Total income</b>		<u>5,988,831</u>	<u>5,542,892</u>
<b>Expenses</b>			
Project expenses	4	3,415,229	3,444,031
Special projects	5	685,190	477,459
Donations	6	-	147,133
Administration expenses	7	187,822	98,329
Income tax expenses	8	170,059	-
<b>Total expenses</b>		<u>4,458,300</u>	<u>4,166,952</u>
<b>Surplus / (deficit) of income over expenses</b>		<u><u>1,530,531</u></u>	<u><u>1,375,940</u></u>

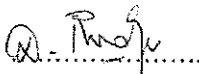
The accounting policies and notes from 01 to 15 form an integral part of these financial statements.

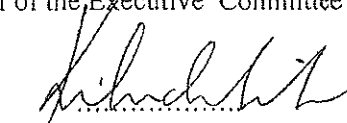



**S. THOMAS' PREPARATORY SCHOOL OBU**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH 2017**

	Notes	31.03.2017 Rs.	31.03.2016 Rs.
<b>Assets</b>			
Deposits	9	1,610,908	-
Advances and receivable	10	1,649,000	176,000
Cash and cash equivalents	11	2,040,780	3,476,031
<b>Total assets</b>		<b>5,300,688</b>	<b>3,652,031</b>
<b>Equity and liabilities</b>			
Accumulated funds	12	4,407,126	2,876,595
<b>Current liabilities</b>			
Project expense payable		-	84,924
Audit fee payable		32,991	-
Income tax payable	13	170,059	-
Suspense account		690,512	690,512
<b>Total equity and liabilities</b>		<b>5,300,688</b>	<b>3,652,031</b>

The Executive Committee is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Executive Committee on 30<sup>th</sup> June 2017.

  
 President

  
 Secretary

  
 Treasurer

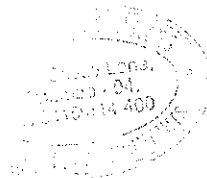
The accounting policies and notes from 01 to 13 form an integral part of these financial statements.



**S. THOMAS' PREPARATORY SCHOOL OBU  
STATEMENT OF CHANGES IN ACCUMULATED FUND  
FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017**

	Accumulated fund Rs.	Total equity Rs.
Balance as at 1 <sup>st</sup> April 2015 - (Unaudited)	1,500,655	1,500,655
Surplus for the year	1,375,940	1,375,940
Balance as at 31 <sup>st</sup> March 2016	2,876,595	2,876,595
Surplus for the year	1,530,531	1,530,531
Balance as at 31 <sup>st</sup> March 2017	4,407,126	4,407,126

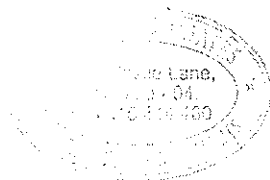
The accounting policies and notes from 01 to 15 form an integral part of these financial statements.



**S. THOMAS' PREPARATORY SCHOOL OBU**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

	2016/2017 Rs.	2015/2016 Rs.
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year before tax	1,700,590	1,375,940
<b>Adjustment for;</b>		
<b>Operating profit/(loss) before working capital changes</b>	1,700,590	1,375,940
(Increase)/decrease in receivables	(1,473,000)	(176,000)
Increase/(decrease) in payables	(84,924)	84,924
Increase/(decrease) in audit fee payables	32,991	-
<b>Cash used in from operations</b>	(1,524,933)	1,284,864
<b>Net cash used in operations activities</b>	175,657	1,284,864
<b>Cash flows from investing activities</b>		
Investment in Fixed deposits	(1,610,907)	2,026,667
<b>Net cash used in investing activities</b>	(1,610,907)	2,026,667
Net increase in cash and cash equivalents	(1,435,250)	3,311,531
Cash and cash equivalents at the beginning of the period	3,476,031	164,500
Cash and cash equivalents at the end of the period	2,040,780	3,476,031

The accounting policies and notes from 01 to 15 form an integral part of these financial statements.



**S. THOMAS' PREPARATORY SCHOOL OBU  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017**

**1. General information**

S.Thomas' Preparatory School Kollupitiya OBU ("the Union") was established in May 12, 1978.

The Union was formed with the following objects:

- a. To increase a sense of fellowship in Old Boys both with one another and with the school,
- b. To promote good works for the benefit of the school and assist the school when assistance is needed.
- c. To afford guidance and encouragement to the younger generation of boys.
- d. To give guidance when requested by the Headmaster for the better management and administration of the school, provided that the Union shall not in any manner be entitled to participate in or intervene in the management and administration of the school by the Board of Governors or the Headmaster, or make any decisions concerning the policy of the school in any matter.

**Date of authorization for issue**

The financial statements of the club for the year ended 31<sup>st</sup> March 2017 were authorized for issue by the committee on 30<sup>th</sup> June 2017.

**2. Basis of preparation and summary of significant accounting policies**

These financial statements have been prepared on a going concern basis and in compliance with the Generally Accepted Accounting Principles. All values appearing in the financial statements are presented in Sri Lanka rupees (Rs.) rounded to the nearest rupee, unless otherwise stated. The basis of measurement used is the historical cost basis, except where otherwise stated in the accounting policies below.

**2.1 Significant accounting policies**

**2.1.1 Income and expenditure recognition**

**Income**

Income is accounted on accrual basis.

**Expenditure**

Expenditure is accounted on accrual basis.

**2.1.2 Receivables**

Receivables are stated at the amounts they are estimated to be realized.

**2.1.3 Liabilities and provisions**

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date.

**2.1.4 Cash and cash equivalents**

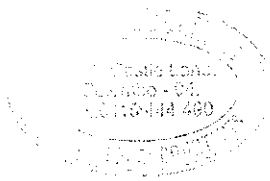
Cash and cash equivalents comprise cash and bank balances.

**2.1.5 Taxation expenses**

The calculation of tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto.

**S. THOMAS' PREPARATORY SCHOOL OBU**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2017**

	2016/2017 Rs.	2015/2016 Rs.
<b>3. Project income</b>		
Prep Night	5,731,000	4,830,000
Thomian Walkathon	-	630,000
Reversal of over provision - 2015 Prep Night	84,924	-
	<u>5,815,924</u>	<u>5,460,000</u>
<b>4. Project expenses</b>		
Prep Night	3,380,229	3,144,031
Bad debt written off - prep. Night	-	30,000
Thomian Walkathon	35,000	270,000
	<u>3,415,229</u>	<u>3,444,031</u>
<b>5. Special projects</b>		
Teacher's Facilitation	150,000	270,055
Founder's Day - Breakfast	-	158,400
Teacher's Lunch	-	49,004
Sport Development	50,000	-
J.S.L. Fernando Scholarship	485,190	-
	<u>685,190</u>	<u>477,459</u>
<b>6. Donations</b>		
S. Thomas College, Colombo - Walkathon Profit	-	130,000
	<u>-</u>	<u>130,000</u>
<b>7. Administration expenses</b>		
Meeting expenses	-	91,016
Web hosting	12,000	6,000
Interest	-	1,313
AGM Expenses	129,882	-
Bank Charges	950	-
Audit fees	32,991	-
Printing & Stationery	12,000	-
	<u>187,822</u>	<u>98,329</u>
	2016/2017 Rs.	2015/2016 Rs.
<b>8. Income tax expenses</b>		
Surplus of income over expenses	1,700,590	-
Sections 25 and 26 adjustments	-	-
Taxable income	<u>1,700,590</u>	<u>-</u>
Income tax at 10%	<u>170,059</u>	<u>-</u>





	31.03.2017 Rs.	31.03.2016 Rs.
<b>9. Deposits</b>		
Fixed deposits	1,610,907	-
	<u>1,610,907</u>	<u>-</u>
<b>10. Project income receivable</b>		
Ticket income receivable	118,000	75,000
Sponsorship, advertisement and donation income receivable - Prep Night	1,531,000	101,000
	<u>1,649,000</u>	<u>176,000</u>
	<b>2016/2017 Rs.</b>	<b>31.03.2016 Rs.</b>
<b>11. Cash and cash equivalents</b>		
Cash in hand	26,000	26,000
Cash at bank	2,014,780	3,450,031
	<u>2,040,780</u>	<u>3,476,031</u>
<b>11.1 Cash at bank</b>		
National Development Bank PLC - General Account	277,539	836,861
National Development Bank PLC - Special project	1,731,979	2,607,908
Commercial Bank - Sports Development	5,262	5,262
	<u>2,014,780</u>	<u>3,450,031</u>
<b>12. Accumulated funds</b>		
Opening balance as at 01 <sup>st</sup> April	2,876,595	1,500,655
Surplus/ (deficit) during the year	1,530,531	1,375,940
Closing balance as at 31 <sup>st</sup> March	<u>4,407,126</u>	<u>2,876,595</u>
<b>13. Income tax payable</b>		
Income tax expense	<u>170,059</u>	<u>-</u>
<b>14. Events after the reporting period</b>		
There were no significant events after the reporting period that require adjustments to or disclosure in the financial statements.		
<b>15. Capital commitments and contingencies</b>		
There were no significant capital commitments and contingencies as at the reporting date.		



