

J.C.C.EDU CARE TRUST
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31ST MARCH 2017

INDEPENDENT AUDITORS' REPORT TO THE J.C.C.EDU CARE TRUST

Report on the Financial Statements

We have audited the accompanying financial statements of J.C.C.Edu Care Trust as at 31 March 2017, which comprise the statement of financial position as at 31 March 2017, and the income and expenditure statement, statement of changes in equity and cash flow statement for the period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards for Small and Medium-Sized Entities (SLFRS for SMEs). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the financial statements present fairly in material respects the financial position of the J.C.C.Edu Care Trust as at 31 March 2017 and its financial performance and its cash flows for the period then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-Sized Entities (SLFRS for SMEs).

Other Matter

Without qualifying our opinion, we draw attention to the Note no 7.1 of the financial statement which states that it has been resolved on 16 October 2017 by the board of directors to acquire the net surplus funds received by J.C.C.Edu Care Trust fund before the incorporation and presented in the financial statements of the company for the period ended 31 March 2017.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

Chartered Accountants
16 November 2017.
Colombo

J.C.C.EDU CARE TRUST

STATEMENT OF FINANCIAL POSITION

As at 31 March

	Note	2017 Rs.
ASSETS		
Current Assets		
Short Term Investments	3	800,000
Cash and cash equivalents	4	991,491
Total Assets		<u>1,791,491</u>
EQUITY AND LIABILITIES		
Accumulated fund		1,663,264
Total equity		<u>1,663,264</u>
Current Liabilities		
Other payables	5	110,000
Income tax payable		18,227
Total Equity and Liabilities		<u>1,791,491</u>

The accounting policies and notes on pages 6 through 10 form an integral part of the financial statements.
Figures in brackets indicate deductions.

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Head of Finance

The board of directors is responsible for the preparation and presentation of these financial statements. Approved and signed for and on behalf of the board of directors of JCC Edu Care Trust.

DocuSigned by:
N kamalasingi
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Director

.....
Director

16 November 2017
Colombo

J.C.C.EDU CARE TRUST

INCOME AND EXPENDITURE STATEMENT

For the period ended 31 March

	Note	2017 Rs.
INCOME		
Funds received	6	1,792,190
Net surplus from pre incorporation activities	7	377,550
Other income	8	146
		<u>2,169,886</u>
EXPENDITURE		
Administrative Expenses	9	162,595
Project Expenses	10	325,800
		<u>1,681,491</u>
Income over expenditure before tax		1,681,491
Income tax expense		<u>(18,227)</u>
Income over expenditure for the period		<u><u>1,663,264</u></u>

The accounting policies and notes on pages 6 through 10 form an integral part of the financial statements.

Figures in brackets indicate deductions.

J.C.C.EDU CARE TRUST

STATEMENT OF CHANGES IN EQUITY

As at 31 March 2017

	Accumulated Funds	Total
	Rs.	Rs.
As at 26 September 2016	-	-
Net fund for the period	1,663,264	1,663,264
As at 31 March 2017	<u>1,663,264</u>	<u>1,663,264</u>

The accounting policies and notes on pages 6 through 10 form an integral part of the financial statements.
Figures in brackets indicate deductions.

J.C.C.EDU CARE TRUST

STATEMENT OF CASH FLOW

As at 31 March

2017
Rs.

Cash flows from operating activities

Net loss/Profit for the year	1,681,491
Adjustment for	
Interest income	(146)
Operating profit before working capital changes	1,681,345
Increase/ (decrease) in other payable	110,000
Net cash flows from operating activities	1,791,345
Cash flows from investing activities	
Investments	(800,000)
Interest income received	146
Net cash flows from investing activities	(799,854)
Net increase/(decrease) in cash and cash equivalents	991,491
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	991,491

The accounting policies and notes on pages 6 through 10 form an integral part of the financial statements. Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 March 2017

1. CORPORATE INFORMATION

I. General

J.C.C.Edu Care Trust is a Limited by Guarantee Company incorporated and domiciled in Sri Lanka under the Companies Act No.7 of 2007 with the Registration Number 3244. The registered office and principal place of business of the company is No. 34/7, Barnes Place, Colombo 07. This organisation is also registered with the National Secretariat for Non-Governmental Organisations under the provisions of Voluntary Social Service Organisation Act No. 31 of 1980. The Registration Number of J.C.C.Edu Care Trust as a Voluntary Social Services / Non-Governmental Organisation is L-162704.

II. Principal Activities and Nature of Operations

The principal activity of J.C.C.Edu Care Trust is to help talented students of Jaffna Central College Sri Lanka, financially and by providing other means of academic help to improve their standards of education.

Members of the J.C.C.Edu Care Trust believes that investing in the students' education will enable the students to achieve better prospects for themselves and their families in the longer term.

The activities of J.C.C.Edu Care Trust involve providing scholarship for high achieving students at the year 5 scholarship examinations and other means of academic support to cover other students. The activities undertaken by J.C.C.Edu Care Trust to help the students not only encourage healthy competition among students but also ensure that not only higher achievers but all students become productive citizens in the society and country as a whole.

III. Date of Authorization for Issue

The Financial Statements of J.C.C.Edu Care Trust for the period ended 31 March 2017 were authorized for issuance by the Board of Directors in accordance with the resolution passed by the board of Directors on 16 November 2017.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These Financial Statements presented in Sri Lanka Rupees have been prepared on a historical cost basis. The preparation and presentation of these Financial Statements are in compliance with the Companies Act No.07 of 2007.

2.1.1 Statement of Compliance

The balance sheet, statements of financial activities and changes in accumulated fund and cash flow statement, together with accounting policies and notes, ("Financial Statements") of J.C.C.Edu Care Trust as at 31 March 2017 and for the period then ended, have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirement of the Companies Act No. 07 of 2007.

2.1.2 Use of estimates and judgments

The preparation of financial statements in conformity with Sri Lanka Accounting Standard for Small and Medium-sized Entities laid down by the Chartered Accountants of Sri Lanka requires the management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from the other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current future periods.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRINCIPLES

2.2.1 Foreign Currency Translation

The financial statements are presented in Sri Lanka rupees, which is the organization's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to surplus or deficit. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.2.2 Taxation

Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The provision for income tax is based on fund received as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations.

2.2.3 Financial instrument

Financial assets - non derivative financial assets

The company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designed as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in, which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognized as a separate asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

Period ended 31 March 2017

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company had a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held to-maturity financial assets, loans and receivables and available-for-sale financial assets.

2.3 ASSETS AND THEIR BASES OF VALUATION

Assets classified as current assets in the statement of financial position are cash and those which are expected to be realized in cash during the normal operating cycle of the company's business or within one period from the statement of financial position date whichever is earlier. Assets other than current assets are those which the company intends to hold beyond a period of one from the statement of financial position date.

2.4 LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities on the statement of financial position are those obligations payable on demand or within one period from the statement of financial position date.

All known liabilities have been accounted for in preparing the financial statements.

2.5 VALUATION OF ASSETS AND THEIR BASES OF MEASUREMENT

2.5.1 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.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.6 INCOME STATEMENT

2.6.1 Funds Received

Funds received are recognized on cash basis during the year and it is included in Income statement as an income. This would include income received through fund raising activities and donations.

2.6.2 Other Income

Other income is recognized on an accrual basis.

2.6.3 Expenditure Recognition

Expenses in carrying out the activities of the organization are recognized in the statement of financial activities during the period in which they are incurred. Other expenses incurred in administering and running the organization are accounted on an accrual basis and charged to the statement of financial activities.

J.C.C.EDU CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2017

	Rs.
3 SHORT TERM INVESTMENT	
Fixed deposit - 1year term	800,000
	<u>800,000</u>
4 CASH AND CASH EQUIVALENTS	
Cash at bank - Saving A/c	10,131
- Current	981,360
Total cash and cash equivalents for the purpose of cash flow statement	<u>991,491</u>
5 OTHER PAYABLE	
Audit fee payable	50,000
Accountancy fee payable	60,000
	<u>110,000</u>
6 FUNDS RECEIVED	
Member Donations	1,792,190
	<u>1,792,190</u>
7 NET SURPLUS FROM PRE INCORPORATION ACTIVITIES	
Funds received for pre incorporation activities	1,079,293
<u>Pre incorporation expenses</u>	
Project Donation	(274,000)
Inauguration expenses	(212,460)
Marketing expenses	(214,248)
Other expenses	(1,035)
Net surplus from pre incorporation	<u>377,550</u>
7.1. It has been resolved on 16 October 2017 by the the board of directors to acquire the net surplus funds received by J.C.C.Edu Care Trust fund before the incorporation and presented in the financial statements of the company for the period ended 31 March 2017.	
8 OTHER INCOME	
Interest received	146
	<u>146</u>
9 ADMINISTRATIVE EXPENSES	
Bank charges	845
Incorporation expenses	51,750
Accountancy fee	60,000
Audit fee	50,000
	<u>162,595</u>
10 PROJECT EXPENSES	
Project Donation	325,800
	<u>325,800</u>

J.C.C.EDU CARE TRUST

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2017

	Rs.
11 INCOME TAX EXPENSES	
11.1 Current income tax	
Current income tax expense on ordinary activities for the year	<u>18,227</u>
Deferred income tax	<u>18,227</u>
Income tax expense reported in the income statement	
 In terms of the Inland Revenue Act No.10 of 2006 and subsequent amendments there to, the company is liable for income tax at 28% of 3% on funds received.	
11.2 A reconciliation between taxable profit/(loss) and accounting loss	
Total funds received	2,169,886
3% of Funds received	65,097
Current tax expense for the year	<u>18,227</u>