

2012

Annual Report



Transparency International Sri Lanka (TISL) is a National Chapter of Transparency International (TI), the leading global movement against corruption. TISL operates as an autonomous chapter that defines its own strategies and interventions and is responsible for mobilizing resources for these programmes.

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Designed by Haritha Dahanayaka

www.tisrilanka.org

OUR VISION

A nation that upholds
Integrity

OUR MISSION

Support the collective
effort to eradicate
corruption in order to build
a future Sri Lanka which is
equitable, peaceful and just

PURPOSE

Contribute to increase
understanding of
corruption, strengthen
anti-corruption structures
and processes and to
appreciate upholding of
integrity build a future Sri
Lanka which is equitable,
peaceful and just

CORPORATE INFORMATION

NAME

Transparency International Sri Lanka
Company Registration No - GA 279

LEGAL STATUS

Company Limited by Guarantee incorporated in
Sri Lanka

DATE OF INCORPORATION

23 March 2004 under the Companies Act No.7
of 1982
Re-registered under the Companies Act No.7
of 2007

REGISTERED OFFICE

6 37th Lane, Queen's Road
Colombo 3, Sri Lanka
Telephone : 011 4369781
Fax : 011 2506419
E-mail : tisl@tisrilanka.org
Web : www.tisrilanka.org

COMPANY SECRETARY

Charuni Gunawardana LLB (Hons) LLM

AUDITORS

Ernst & Young
Chartered Accountants

BANKERS

Hongkong and Shanghai Banking Corporation Ltd.
Commercial Bank of Ceylon PLC

Chairman's Message

We have just concluded another year when TISL was active in its mission to uphold the nation's integrity. In addition to continuing activities related to local governance and other regular programmes, TISL took several fresh initiatives towards exposing corruption and promoting integrity.

With the sudden resignation of Executive Director, Dr Wijaya Jayatilaka in March 2012, a vacuum was created in the administrative setup. Under the guidance of the Board of Directors, the Management Committee did an admirable job under the leadership of senior manager, Ms Kalaimagal Thangavelu until the appointment of a new Executive Director.

While appreciating the service rendered by Dr Jayatilaka during his short stay with TISL, on behalf of the Board of Directors I welcome Mr S Ranugge who assumed duties as Executive Director in September 2012. A senior management professional with over 30 years of experience in public sector management, he has served as Secretary to several ministries and as head of departments. He has been a Management Consultant at the Sri Lanka Institute of Administration and a university visiting lecturer. The winner of a Huber H Humphrey Fellowship, he has had post-graduate training at several foreign higher education institutes.

Two longest serving members of the Board, Mr Chandra Jayaratne and Ms Anusya Coomaraswamy retired after completing their terms. Their enormous contribution as Board members helped TISL to be recognised as the leading organisation in the country to fight against corruption and promote integrity, good governance and accountability. I wish to acknowledge their valuable contribution to our institution and look forward to their continued support for our activities.

Seventeen new members were inducted at the Annual General Meeting and Members' Day held on 27 June 2012. Among them were professionals, media personnel, a winner of the National Integrity Award (NIA) and winners of anti-corruption competitions organised by TISL. Our membership has now increased to 42 and we anticipate their cooperation in future activities.



I extend our gratitude to the Donors for their continued support without whose support we would not have been successful in implementing our programmes.

M D A Harold
15 My 2013

Summing up Year 2012

Activities during the period under review were planned and implemented in keeping with the Strategic Plan finalised in the previous year. Some of them were a continuation of activities begun earlier while others were initiated in 2012. The work begun in several local government institutions to improve their governance has started showing encouraging results.

TISL successfully brought together leading trade unions in the country to form a coalition against corruption. Our initiative provided an opportunity for this vital sector to expose corrupt activities in the public sector more effectively as a group.

We established the 'Shelter of Integrity' – a Centre for legal advice against corruption - to provide the public with the opportunity of seeking legal advice free of charge when faced with an incident of corruption while obtaining a service from a state institution. Apart from the centre in Colombo, two branch offices are in operation – one in Batticaloa and the other in Matara.

We initiated the Youth Integrity Project (YIP) to engage the youth in anti-corruption activities.

We were quick to focus on burning issues of the day related to integrity, governance and accountability.

We organised discussions, issued media releases and released position papers on these issues and invited the attention of the President and high officials.

Through the outreach programme, 'Sambhashana' we have created a regular platform or space for citizens to discuss, debate and attempt consensus- building on current topics relating to corruption and governance.

The activities are dealt with in detail in the Operational Review.

The need to restructure the organisation for more effective delivery was closely looked at and a new structure came into effect in January 2013. The TISL Manual of Operations was also revised.

We greatly appreciate the support received from the Media for our activities. Media publicity help to create a wider audience to appreciate our efforts to build a nation of integrity.



Our donors deserve a big 'thank you' for their generous support. We look forward to their continued assistance to complete the programmes underway and to start new ones.

The cooperation by the TI Secretariat is much appreciated particularly in planning the work relating to the Youth Integrity Project and the ALAC (Centre for Legal Advice against Corruption).

I am grateful to the Board of Directors for their guidance and direction.

My thanks to the staff for working as a team with dedication and commitment to achieve our goals.

We look forward to another year when we can work towards making our country a better place to live in.

S Ranugge
Executive Director
15 May 2013

Fighting against corruption



Breaking new ground, TISL took the initiative in forming a coalition of trade unions to fight against corruption. This is the first time that such an organisation has been formed in Sri Lanka.

The 'Coalition against Corruption' comprising over 50 organizations was formed with the participation of representatives of trade unions, civil society organizations, professional associations, academics, media personnel and artistes.

TISL continues to play an active role taking responsibility for the secretarial work and media relations. After the initial planning work, the Coalition will expose corrupt deals and malpractices in state institutions. It is proposed to hold weekly media briefings to reveal these.

At the formal launch of the Coalition on 31 October 2012, the participants took an Oath of Allegiance firmly assuring not to be a party to any form of bribery or corruption, and to act against all forms of corruption with determination.

Stating that "the country is plagued with corruption due to falsehoods, fraud, injustice, and despotism, where the common man is oppressed due to rampant corruption and fraud, and where the public is barred from participating in development activities, and a situation created where the public is losing their ownership to the country's resources and public property", they pronounced that fighting against corruption is a fair means of protecting the day to day life, society and the security of the country. It was also stated that they have "realized that this is the only non-violent method of protecting our respect, pride and safety".

- Among the aims of the Coalition are:
- Fight against all forms of corruption, bribery and fraud.
 - Prevention of the misuse of public property.
 - Agitate for legislation on Right to Information
 - Work towards legalizing transparency in State finances
 - Work towards strengthening Parliamentary oversight committees on financial matters
 - Enactment of legislation on whistle blower protection

The Coalition will investigate and reveal instances of corruption and request relevant authorities to take necessary action.



Citizens' participation enhanced

The programme started in three selected local government institutions in the Galle District in 2011 to improve the governance and accountability was continued during the year under review. Considerable headway was made in the three institutions - Ambalangoda Urban Council (UC) and Ambalangoda & Yakkalamulla Pradeshiya Sabhas (PS).

The criteria in selecting the three institutions out of a total of 20 in the district, was based on three key factors. The number of citizens coming to these institutions to obtain numerous services, the leadership qualities of the institutions, and their locations being away from

major cities were considered. During the first year of the project, the focus was in enhancing the knowledge of the staff on good governance principles and building their capacities. During the year under review, which was the second year, there was more emphasis on empowering

the citizens to engage with the councils and participate in their activities and utilize the openings available for tax payers.

During the year, three citizens' committees were set up in the three local bodies and three citizens mobilisation programmes were conducted. Public galleries were opened in Ambalangoda UC and Yakkalamulla PS for the citizens to follow the proceedings. Citizens' workshops were organised to create awareness of topics related to local governance such as participatory budgeting, anti-corruption and citizens' participation techniques in the affairs of the institutions.

Following training programmes for the elected members and officials serving in these institutions, several positive steps were taken to improve the efficiency of the councils. An information officer was appointed to the Yakkalamulla PS thereby streamlining a system to provide necessary information to the tax payers, the media and the general public.

Also at the Yakkalamulla PS, arrangements were made for certain official documents to be made available for public scrutiny. These include final accounts, the annual budget and the PS minutes. An ongoing grievance redress system was fine tuned in the same PS.

Workshops were conducted in the following topics:

- Right to Information
- Financial Accountability
- Improving council activities
- Citizens' Participation & Rights
- Ways & means of overcoming Corruption

Study tours to Wariyapola PS & Balangoda UC, both of which had won local governance awards proved extremely useful for the elected members and officials.

Having identified the media as a valuable link, TISL arranged to train provincial journalist in the district. Twenty two journalists have been trained.

Follow up training workshops were held for the officials and elected members on action plans prepared in consultation with them.

A booklet on best practices pitched at the level of urban councils and an internal audit manual are under preparation.





Enhancing good governance

A ten-month programme to strengthen the participatory governance of Lankapura and Aliyadivembu Pradesheeya Sabhas (PS) was completed during the year 2012.

As the first step, TISL used a participatory methodology to collect the baseline data relating to the two Sabhas by discussing with the relevant stakeholders, reviewing documents, and holding semi structural interviews. These helped to identify the relationship between the Participatory Governance Forum (PGF), their capacity and involvement, attitudes in community involvement and citizens' participation.

Based on the information gathered, training workshops were conducted for elected members and PGF members where TISL highlighted the areas on how the PS can obtain citizens' participation/

involvement, methods to promote the participation and the advantages of involving PGF in promoting good governance in local governance. A presentation on corruption mitigation was followed by a discussion.

At the final session of the training programme, the participants developed an action plan identifying the gaps and areas to further enhance citizen participation in local governance. Activities, persons responsible and a time frame were included in the action plans.

Two handbooks – one on local governance institution and available grievance

redressing mechanisms and the other detailing community monitoring tools to monitor and participate in constructions carried out by the PS were developed.

TISL obtained expert knowledge from the Sri Lanka Institute of Local Governance (SILG) and resource persons in the local governance sector in conducting the programme.

The financial support came from the USAID SuRG Project to “strengthen institutional capacity to mitigate corruption and enhance good governance”.



The Handbook and Resource Book on Investigative Journalism (IJ) developed jointly by TISL and Friedrich Ebert Stiftung (FES) were formally launched in March 2012.



Training Investigative Journalists

- Two publications launched
- Workshops in three districts
- Network of IJ journalists formed

To mark the event a panel discussion on Investigative Journalism was held with experienced journalists Amal Jayasinghe and Victor Ivan, and University don Rohan Lakshman Piyadasa participating as panellists.

The Sri Lanka Press Institute (SLPI) was a partner at the event which was attended by representatives of the Editors' Guild and leading media organizations.

Using the two publications – the first of their kind in Sri Lanka – TISL continued its programme of training

provincial journalists in Investigative Journalism (IJ). Eighty journalists - 62 Sinhala and 18 Tamil - were trained at four successful programmes in Ampara, Anuradhapura and Polonnaruwa districts during the year.

Topics discussed at the workshops covered issues relating to investigative reporting, bribery, corruption & good governance, and right to information. Particular attention was paid to the measures that should be taken towards the safety of journalists in unearthing corruption issues.

Stating that until now they were conventional journalists, the participants said that with the experience gained at the training workshops, they were confident and motivated to work as IJ practitioners in the future. They found the resource material at the training very helpful. Meanwhile, networks of journalists were formed during the year under review. They have agreed to actively participate and support future projects organised by TISL.



Discussing topical issues

Sambhashana, the outreach programme begun in 2011 continued during the year. The programme was aimed at stimulating public discussion on vital issues of governance and anti-corruption.

Topical national issues were discussed with a representative gathering present. Knowledgeable panellists were selected to lead the discussions. Among the panellists were parliamentarians – both from the government and opposition, academics, professionals, trade unionists, social activists and those representing the community.

The year began with a lively discussion following the release of the Parliamentary Committee on Public Enterprises (COPE). Among other subjects were the 'Rupee Crisis', 'Insider trading in the Stock Market', 'Z Score & Crisis in Education', and 'Rule of Law – What Next?'

For the first time a 'Sambhashana' programme was held in the outstations when a well-attended discussion was held in Anuradhapura.

The subject of discussion was 'Land Issues' relating to the distribution and occupation of state lands.

Wide publicity was given by the electronic and print media for these discussions since they dealt with vital issues of governance that have an impact on the daily life of people.

TISL also released Position Papers related to these issues.

'Shelter for Integrity' opened

In furtherance of TISL's mission of 'building a nation that upholds integrity', the 'Shelter for Integrity' – a Center for Legal Advice against Corruption was opened in April 2012.

The Center provides the public with the opportunity of seeking legal advice free of charge when faced with an incident of corruption while obtaining a service from a State institution.

The Center mediates between the State institution and the complainant in order to find lasting solutions to the grievances of the public and strengthen the governance and service delivery of State institutions.

A large number of these complaints related concerns regarding mismanagement of land deeds, non-issuance of permits, illegal sale of State land, and unlawful occupation of land. In these instances, clients are advised of appropriate avenues to rectify irregularities and seek redress.

The Shelter for Integrity has received positive feedback from government agencies which appreciate and support its work. Moreover, following referral by TISL, State bodies, including the Human Rights Commission, Child Protection Authority and Railway Department, have initiated investigations regarding corruption-related complaints.

TISL believes that the Center will empower citizens to make and pursue corruption related complaints and bring about a change in their attitude towards corruption and realize that corruption is not insurmountable. The Center is able to support State institutions through evidence, solutions and capacity building their own initiatives to eliminate corruption and enhance principles of good governance.

At the opening of the Center, the Additional Secretary to the Ministry of Public Administration, Padma Siriwardena promised to extend the fullest cooperation of the Ministry to make it a success.

Complaints ranging from fraud, bribery and blackmail to corruption and malpractice in the workplace are made regularly to the Center. By the end of the year, over 500 complaints had been received and more than 40% of them had been successfully resolved.

Opening of



Colombo Office



Batticaloa Office



Matara Office

Promoting integrity among youth

TISL is part of a regional project to promote integrity among the youth. Initiated by Transparency International, the Youth Integrity Project (YIP) aims to promote integrity in young people, and enable and inspire them to fight corruption. In addition, as the general public awareness of corruption issues increases, so do expectations for accountability.

Representatives from TI chapters in Fiji, Indonesia, Korea, Sri Lanka and Vietnam along with the Centre for Development Studies in Vietnam were present at the launch in Negombo. The World Bank has assured support to TISL for the project.

The first stage of the project was to conduct a survey to measure the attitudes and experiences of young people and to establish a baseline for youth perceptions, attitudes and behaviours towards integrity and corruption. The survey covered all nine provinces of the country.

More than 1,000 youth answered the face-to-face survey, with an additional 1,000 adults used as a control group. All respondents were logged according to their gender, rural or urban residency, education and other demographic data. Both youth and adult respondents were randomly sampled and urban and rural populations were proportionately represented.



UNCAC review process discussed

A National Consultation Workshop was organised by TISL to discuss the review process of the United Nation's Convention on Anti-Corruption (UNCAC). It coincided with the UN Anti-Corruption Day - 9 December.



A representative gathering comprising professionals, academics, public officials and civil society representatives participated in the National Consultation Workshop on UNCAC held on 9 December.

In his keynote address, Senior Minister and Chairman of the Parliamentary Committee on Public Enterprises (COPE), Hon D E W Gunasekera said that the subject of anti-corruption is topical, urgent and important. He stressed that it needs a collective effort nationally and globally.

Referring to Sri Lanka's Commission on Investigating Allegations of Bribery or Corruption (CIABOC), he said that "to say the least it is competent only in so far as bribery is concerned.

We do not know what it has done in the sphere of corruption during its long existence. In my view, going after individual cases of corruption will achieve nothing. The evil of corruption is systemic or structural. It is necessary to strike at the root of this evil – the politicization of corruption and criminalization of politics."

A lively discussion followed the Minister's address and presentations by former Chairman, Ceylon Chamber of Commerce - Chandra Jayaratne and Attorney-at-Law J C Weliamuna.. The moderator was TISL Executive Director, S Ranugge.

Sri Lanka became a party to the Convention following its ratification on 31 March 2004. For the past eight years, the Government was obliged to implement anti-corruption measures affecting their laws, institutions and practices. According to the review cycle of the mechanism for the review of implementation, Sri Lanka was required to submit its self-assessment reports prepared with wider consultation of stake holders, civil societies and the general public by end September 2012. The Government still has not published any information on the review.



Persons of integrity recognised

The winner was P J Sanath Fernando – Deputy Customs Superintendent, Special Task Vigilant Division (STVD). Special Mention awards went to Achala Upendra Pussella, investigative journalist from Amparta and the community organisation in Ratnapura – Guruthwa Praja Jala Sanvidhanaya.

They received the awards from the chief guest – the respected retired senior public official, Bradman Weerakoon at the presentation ceremony held for the ninth consecutive year, at the BMICH.

Delivering the welcome address, TISL Executive Director S Ranugge described corruption as a crime and an enemy of the poor. “It retards the nation’s progress. It ruins the value system of our society. Public resources meant for the benefits of our people are used by some people in authority for their personal gains.” He added that while corruption is happening all over the world, the scale may be different from country to country.

A senior officer in the Customs Department won the National Integrity Award (NIA) 2012 while a regional journalist and an outstation community organisation gained recognition being the winners of Special Mention awards.

Founder of TISL, attorney-at-law Aritha Wickremanayake was the guest of honour.

Every year third party nominations are received about courageous persons who, often at the risk of their lives, expose corruption.

Twenty three nominations were received in 2012 - 20 in Sinhala, 5 in English and 3 in Tamil.

Every year, an independent panel of judges select the winners.

The 2012 NIA panel comprised former Public Administration Ministry Secretary - D Dissanayake, Management Consultant - Deepal Sooriyaarachchi, former District Secretary- Ms Jayantha Bulumulla, Retired District Judge - S H N Jameel and Senior Journalist- V Balasingham.



Winner P J Sanath Fernando



Welcoming chief guest Bradman Weerakoon and guest of honour Ariththa Wickremanayake



Special Mention award winners

Our Publications

INTEGRITY - Newsletter

Manual on land issues
[Idam Kdam Denamuthukam]

TISL Position Papers

Handbooks on
Grievance redressing mechanisms and
Community monitoring tools



Board of Directors

M.D.A. HAROLD - CHAIRMAN

Chairman of TISL since December 2004. A former Deputy Auditor General he has been in public service for 40 years. He is a Fellow of the Institute of Public Financial and Development Accountancy and a senior member of the Association of the Accounting Technicians of Sri Lanka. He holds Diplomas in Accountancy from Ceylon Technical College, and Public Financial Management from the Sri Lanka Institute of Development Administration (SLIDA).

V. K. NANAYAKKARA

Former Secretary to the Prime Minister and Secretary to the Ministry of Education, he was later Director of the Hector Kobbekaduwa Agrarian Research Institute. At the time of his retirement, he was a Class I officer of the Sri Lanka Administrative Service.

TASSIE SENEVIRATNE

A retired Senior Superintendent of Police with 37 years of experience as a Law Enforcement Officer. He was the Convenor SASA NET 2002/03 in the Campaign against Proliferation of Small Arms in South Asia (South Asia Partnership). He was also Director of Investigations in the Programme for the Protection of Public Resources implemented by the Institute of Human Rights & TISL.

NELUM GAMAGE

An Attorney-at-Law currently serving as a consultant to the Legal Aid Commission of Sri Lanka. She had served the government of Sri Lanka for over 30 years prior to retiring as the Additional Secretary, Ministry of Justice and Legal Reforms. Her service in the Bribery Commissioner's Department since 1975 culminated with her becoming the first female Bribery Commissioner (1989-94) and later served as the Director-General of the Commission to Investigate Allegations of Bribery and Corruption (1994-97).

S.K. LIYANAGE

Winner of the National Integrity Award 2007 when he was recognized for his tireless efforts in fighting corruption. He holds a Bachelor of Arts degree from the Kelaniya University and a LLB from the Open University of Sri Lanka. A Class I Officer of the Sri Lanka Administrative Service, he retired as the Additional Secretary to the Ministry of Provincial Council and Local Government. He is well reputed as an investigator in the public service in Sri Lanka.

Financial Statements

BW/DLRS/ESP

**AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF
TRANSPARENCY INTERNATIONAL SRI LANKA (GUARANTEE) LIMITED**

We have audited the accompanying financial statements of Transparency International Sri Lanka (Guarantee) Limited, which comprise the Statement Of Financial Position as at 31 December 2012, and the Statement of Financial Activities, Statement of Changes in Accumulated Funds and cash flow statement for the year 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 the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka. This responsibility includes designing, implementing and maintaining internal controls 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.

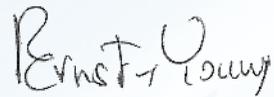
We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, So far as appears from our examination, the Organisation has maintained proper accounting records for the year ended 31 December 2012 and the financial statements presents fairly in all material respects, the Organisation's state of affairs as at 31 December 2012 and its financial activities and cash flows for the year then ended in accordance with the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka.

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.



17 April 2013
Colombo

Balance Sheet

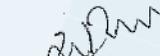
As at 31 December 2012

ASSETS	Note	2012	2011
		Rs.	Rs.
Non-Current Assets			Restated
Property, Plant & Equipment	4	1,269,547	2,444,489
		1,269,547	2,444,489
Current Assets			
Short Term Deposits	5	2,912,025	2,633,033
Receivables	6	2,740,628	2,112,347
Cash & Bank Balances	16	29,475,664	28,014,024
		35,128,317	32,759,404
Total Assets		36,397,864	35,203,893
FUNDING & LIABILITIES			
Accumulated Funds			
Restricted Funds	7	23,954,143	23,727,806
Unrestricted Funds	8	8,942,246	3,394,252
Capital Grants	9	348,596	4,420,941
Total Accumulated Funds		33,244,985	31,542,999
Non-Current Liabilities			
Retirement Benefit Liability	10	1,612,000	1,653,724
		1,612,000	1,653,724
Current Liabilities			
Income Tax Payable		154,625	156,276
Creditors	11	679,012	1,211,048
Bank Overdraft	16	707,241	639,846
		1,540,879	2,007,170
Total Accumulated Funds and Liabilities		36,397,864	35,203,893


Finance Officer

The Management is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Organization by;


Director


Director

The accounting policies and notes on pages 32 through 44 form an integral of the finance statements.
17 April 2013
Colombo

Statement of Financial Activities

Year ended 31 December 2012

	Note	2012	2011
		Rs.	Rs.
Incoming Resources	3	54,171,026	54,117,446
Project Expenditure	12	(41,837,987)	(34,159,097)
Net Surplus on Projects		12,333,040	19,958,349
Revenue Earned from Other Activities	14	6,211,222	963,691
Administrative Expenses	15	(12,590,350)	(19,709,100)
Net Surplus / (Deficit) Before Tax		5,953,911	1,212,940
Income Tax (Expenses) / Reversal	13	(405,917)	(249,249)
Net Surplus / (Deficit) After Tax		5,547,994	963,691

Statement of Changes in Accumulated Funds

Year ended 31 December 2012

	Restricted Funds	Unrestricted Funds (Restated)	Transparency International Secretariat	Capital Grants (Restated)	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 January 2011 (Restated)	16,602,298	2,430,561	-	3,904,080	22,936,939
Balance Transferred to Equity (Restated-Note 13)	-	-	-	-	-
Funds Transferred from Transparency International Secretariat to Restricted Funds	-	-	-	-	-
Funds Received During the Year	60,922,584	-	-	-	60,922,584
Funds Transferred to Statement of Financial Activities	(54,117,446)	-	-	-	(54,117,446)
Accrued Interest	320,370	-	-	-	320,370
Returned to Donor	-	-	-	-	-
Capitalize during the Year	-	-	-	516,861	516,861
Net Surplus / (Deficit) for the Year	-	963,691	-	-	963,691
Funds Transferred from Transparency International Secretariat to Restricted Funds	-	-	-	-	-
Balance as at 31 December 2011	23,727,806	3,394,252	-	4,420,941	31,542,999
Funds Received During the Year	54,027,633	-	-	-	54,027,633
Funds Transferred to Statement of Financial Activities	(54,171,026)	-	-	(4,072,345)	(58,243,371)
Accrued Interest	369,730	-	-	-	369,730
Returned to Donor	-	-	-	-	-
Capitalised During the year	-	-	-	-	-
Net Surplus / (Deficit) for the Year	-	5,547,994	-	-	5,547,994
Balance as at 31 December 2012	23,954,143	8,942,246	-	348,596	33,244,985

The accounting policies and notes on pages 32 through 44 form an integral part of the financial statements.

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Cash Flow Statement

Year ended 31 December 2012

	Note	2012	2011
Cash Flows from Operating Activities		Rs.	Rs.
Net Surplus/(Deficit) before Taxation		5,953,911	1,212,940
Adjustments for			
Depreciation	4	1,174,942	1,674,690
Provision for Gratuity	10	(41,724)	385,645
(Profit)/Loss on sale of Property, Plant & Equipment		-	2,295
Amortization	9	(4,072,345)	-
Interest Income	13	(1,446,995)	(823,640)
Net cash flow before Working Capital Changes		1,567,789	2,451,930
(Increase)/ Decrease in Receivables	6	(628,281)	141,066
Increase/(Decrease) in Creditors	11	(532,036)	(247,922)
Cash Generated from Operations		407,473	2,345,074
Payment of Taxes		(407,569)	(249,249)
Net Cash from Project Activities		(96)	2,095,825
Cash Flows from/(Used in) Investing Activities			
Proceeds from sale of Property, Plant & Equipment		-	50,000
Proceeds from/(Investment on) Short Term Deposits		(278,992)	(144,049)
Interest Income	13	1,446,996	822,972
Interest Income- Restrcted Fund	7.1	369,730	-
Net Cash from/(used in) Investing Activities		1,537,734	728,923
Cash Flows from/(Used in) Financing Activities			
Cash received from Donors not used		(143,392)	6,805,138
Net Cash from/(used in) Financing Activities		(143,392)	6,805,138
Net Increase/(Decrease) in Cash and Cash Equivalents		1,394,245	9,629,886
Cash and Cash Equivalents at the beginning of the year	16	27,374,178	17,744,292
Cash and Cash Equivalents at the end of the year	16	28,768,423	27,374,178

The accounting policies and notes on pages 32 through 44 form an integral part of the financial statements.

Notes to the Financial Statements

Year ended 31 December 2012

1. BACKGROUND INFORMATION

1.1 General

Transparency International Sri Lanka (Guarantee) Limited was incorporated on 23 March 2004 under the Companies Act No. 17 of 1982 as a limited company. It was re-registered on 07 May 2009 under the Companies Act No. 7 of 2007 as a company limited by guarantee.

Transparency International Sri Lanka is domiciled in the Democratic Republic of Sri Lanka. The registered office and the principal place of the Company is located at No. 06, 37th Lane, Off Queens Road, Colombo 03. Its programs are carried out throughout the country.

1.2 Principle activities of the organization

Transparency International Sri Lanka (Guarantee) Limited (TISL) is a National chapter of Transparency International (TI), the leading global movement against corruption. TI raises awareness of the damaging effects of corruption and works with partners in government, business and civil society to develop and implement effective measures to tackle it. TI has an international secretariat in Berlin, Germany, and more than 90 Chapters worldwide.

Transparency International Sri Lanka (Guarantee) Limited (TISL) commenced active operations at the end of 2002 and has since built a strong institution arduously fighting corruption in Sri Lanka. It functions as a self-financing autonomous Chapter of TI with its own strategic directions and priorities.

1.3 Date of Authorization for Issue

The Financial Statements of Transparency International Sri Lanka (Guarantee) Limited, for the year ended 31 December 2012 was authorized for issue in accordance with a resolution of the board of directors on 17 April 2013.

Notes to the Financial Statements

Year ended 31 December 2012

2. BASIS OF PREPARATION

2.1 General Policies

2.1.1 Basis of Preparation

The Financial Statements have been prepared on a historical cost basis. The Financial Statements are presented in Sri Lankan Rupees. The Preparation and Presentation of these financial statements is in compliance with the Companies Act No. 07 of 2007.

2.1.2 Statement of compliance

The Financial Statements of Transparency International Sri Lanka have been prepared in accordance with the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka.

2.1.3 Comparative Information

Previous year's figures and phrases have been re-arranged wherever necessary to confirm to the current presentation.

2.1.4 Translation of Foreign Currency

The Financial Statements are presented in Sri Lanka Rupees, which is the Trust'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 and 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.

Any resulting exchange gains and losses are accounted for in the statement of financial activities except for gains or losses relating to items adjusted through the Accumulated Fund which are reflected therein.

2.1.5 Taxation

Current Taxes

Board of Directors of the Organization is of the view that it does not come under the definition of a Non-Governmental Organizations (NGOs) as being a limited by Guarantee Company. Accordingly the grants and donations received by TISL are not liable for income tax. Interest Income is taxed at 28%.

Notes to the Financial Statements

Year ended 31 December 2012

2.2 Accounting for the Receipts & Utilization of Funds

2.2.1 Funds

a) Unrestricted Funds

Unrestricted Funds are those that are available for use by the organization at the discretion of the board, in furtherance of the general objectives of the organization and which are not designated for any specific purpose.

Contributions received from the general public are recognized in the statement of Financial Activities on a cash basis.

b) Restricted Funds

Where grants are received for use in an identified project or activity, such funds are held in a Restricted Fund account and transferred to the Statement of Financial Activities Account to match with expenses incurred in respect of that identified project. Unutilized funds are held in their respective fund accounts and included under Accumulated Fund in the Balance Sheet until such time as they are required.

Funds collected through a fund raising activity for any specific or defined purpose are also included under this category.

Where approved grant expenditure exceeds the income received and there is a certainty that the balance will be received such amounts recognized through debtors in the Balance Sheet.

The activities for which these Restricted Funds may and are being used are identified in the notes to the Financial Statements.

c) Endowment Funds

Where assets are received as an endowment which are not exhausted, only the income earned from such assets may be recognized and used as income

d) Investment income and other gains realized from funds available under each of the categories are allocated to the appropriate funds, unless the relevant agreement or minute provides otherwise.

2.2.2 Grants and Subsidies

Grants and subsidies related to assets are deferred in the Balance Sheet and recognized as income over the life of depreciable asset by way of a reduced depreciation charge in the Statement of Financial Activities over the useful life of the asset.

Notes to the Financial Statements

Year ended 31 December 2012

2.3 Valuation of Assets and their Measurement Bases

2.3.1 Receivables

Receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables.

2.3.2 Cash & Cash Equivalents

Cash and cash equivalents are defined as cash in hand, short term investments readily convertible to identified amounts of cash and which are not subject to any significant risk of change in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts.

2.3.3 Property Plant & Equipment

2.3.3.1 Cost and Valuation

Property, Plant & Equipment is stated at cost excluding the cost of day to day servicing less accumulated depreciation and accumulated impairment in value.

Property, Plant and Equipment is purchased as a part of a project is capitalised at the completion of projects at cost less accumulated depreciation and accumulated impairment is in value.

2.3.3.2 Depreciation

Depreciation is provided for on all assets on the straight line basis and is calculated on the cost or revalued amount of all Property, Plant and Equipment less any terminal value in order to write off such amounts over the estimated useful lives of such assets. Depreciation is provided on assets commencing from the month assets are available for use. Where project assets are subsequently transferred to property, plant & equipment a corresponding amount is credited to capital grant account. Depreciation charged on these assets are set off against the amortization of this capital grant.

2.3.3.3 Investments

Fixed Deposits and other interest bearing securities held for resale in the near future to benefit from short term market movements are accounted for at cost plus the relevant proportion of the discounts or premium.

2.3.3.4 Donated Asset

When Property, Plant and Equipment is purchased as a part of a project through restricted funds until the conclusion of the project or if on conclusion of the project, the assets is not handed over to the beneficiary or returned to the original donor the cost of the asset is included in a memorandum inventory of property, plant and equipment identified as such in the financial statements. Depreciation is not provided on such assets.

Notes to the Financial Statements

Year ended 31 December 2012

2.4 Liability and Provisions

2.4.1 Retirement Benefit obligations

(a) Defined Benefit Plan- Gratuity

Retirement Gratuity is a Defined Benefit Plan. The organization is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried in the Balance Sheet that is based on a half months salary as of the last month of the financial year for all employees for each completed year of service commencing from the first year of service. The difference between the provision that is brought forward at the beginning of the year and the provision that is required to be carried forward at the end of the year is adjusted through the Statement of Financial Activities.

This provision is not externally funded. However in accordance with the payment of Gratuity Act No 12 of 1983, this liability arises only on the completion of five years of continued service of any employee.

(b) Defined Contribution Plans

All employees are eligible to contribute to the Employees Provident Fund and the Employees Trust Fund in accordance with the relevant statutes and regulations. The organization contributes 12% and 3% of the gross emolument of the employees to the Employees Provident Fund and to the Employees Trust Fund respectively.

2.5 Statement of Income

2.5.1 Income Recognition

(a) Incoming Resources

Income realized from restricted funds is recognized in the Statement of Financial Activities only when there is a certainty that all conditions for receipt of funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statement of Financial Activities. Unutilized funds are carried forward as such in the Balance Sheet.

All other income is recognized when the organization is legally entitled to the use of such funds and the amount can be quantified.

(b) Revenue Earned from Other Activities

Interest earned is recognized on an accrual basis.

Revenue earned on services rendered is recognized in the accounting period in which the services are rendered.

Other income is recognized on an accrual basis.

2.5.2 Expenditure Recognition

(a) Expenses in carrying out the projects and other activities of the organization are recognised in the statement of Financial Activities during the year in which they are incurred. Other expenses incurred in administering and running the organization and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the statement of financial activities.

(b) For the purpose of presentation, of the statements of financial activities, the Management is of the opinion that the function of expenses method, presents fairly the elements of the Organisation's performance, and hence such a presentation method is adopted.

Notes to the Financial Statements

Year ended 31 December 2012

3.	INCOMING RESOURCES			2012	2011
				Rs.	Rs.
	Restricted Funding			54,171,026	54,117,446
				54,171,026	54,117,446

4.	PROPERTY, PLANT & EQUIPMENT	Balance As at	Additions	Disposals	Balance As at
4.1	Gross Carrying Amounts	01.01.2012			31.12.2012
	At Cost	Rs.	Rs.	Rs.	Rs.
	Furniture & Fittings	1,628,936	-	-	1,628,936
	Office Equipment	4,600,135	-	-	4,600,135
	Computer	2,807,810	-	-	2,807,810
	Motor Vehicle	407,940	-	-	407,940
		9,444,821	-	-	9,444,821
	Total Gross Carrying Amount	9,444,821	-	-	9,444,821

4.2	Depreciation	As at 01.01.2012	Charge for the Year	Disposals	As at 31.12.2012
	At Cost	Rs.	Rs.	Rs.	Rs.
	Furniture & Fittings	1,167,340	221,949	-	1,389,289
	Office Equipment	3,461,847	533,872	-	3,995,719
	Computer	2,175,300	317,136	-	2,492,436
	Motor Vehicle	195,845	101,985	-	297,830
		7,000,332	1,174,942	-	8,175,274
	Total Depreciation	7,000,332	1,174,942	-	8,175,274

4.3	Net Book Values	As at 01.01.2012			As at 31.12.2012
		Rs.	Rs.	Rs.	Rs.
	Total Carrying Value of Property, Plant & Equipment	2,444,489			1,269,547

4.4	During the financial period, the Company has not acquired Property, Plant & Equipment and capitalised Property, Plant & Equipment which has been categorised under "Project Assets Not Included in the Balance Sheet."
4.5	Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of Rs.5,344,578 (2011 -Rs. 4,921,106/-).

Notes to the Financial Statements

Year ended 31 December 2012

4.6	The useful lives of the assets are estimated as follows;		2012	2011
	Furniture & Fittings		Over 4 Years	Over 4 Years
	Office Equipment		Over 4 Years	Over 4 Years
	Computer		Over 4 Years	Over 4 Years
	Motor Vehicle		Over 4 Years	Over 4 Years

4.7	Project Assets not Included in Balance Sheet	Balance As at	Additions During the year	Capitalised During the year	Balance As at
	At Cost	01.01.2012			31.12.2012
	Furniture & Fittings	169,575	152,152	-	321,727
	Office Equipment		722,100	-	722,100
	Computer	55,000	676,264	-	731,264
	Air Conditioners	-	-	-	-
		224,575	1,550,516	-	1,775,091

5.	SHORT TERM DEPOSITS		2012	2011
			Rs.	Rs.
	Fixed Deposits		2,912,025	2,633,033
			2,912,025	2,633,033

6.	RECEIVABLES		2012	2011
			Rs.	Rs.
	Deposits & Prepayments		1,348,716	44,000
	Advances		26,646	1,766,958
	Other Receivables		743,066	301,389
	FK-Exchange Programme - TI South Asian Chapters		622,200	-
			2,740,628	2,112,347

7.	RESTRICTED FUNDS		2012	2011
			Rs.	Rs.
	Balance as at Beginning of the Year		23,727,806	16,602,298
			23,727,806	16,602,298
	Fund Transferred from Transparency International Secretariat		-	-
	Funds Received During the Year (7.1)		54,027,633	60,922,584
	Accrued Interest		369,730	320,370
	Transfer to Statement of Financial Activities (7.1)		(54,171,026)	(54,117,446)
	Returned to Donor		-	-
	Balance at End of the Year		23,954,143	23,727,806

Notes to the Financial Statements

Year ended 31 December 2012

7. RESTRICTED FUNDS (Contd...)

7.1 Movements in Restricted Funds - 1 January to 31st December 2012

Name of Donor Organisation	Project	Project Budget 2011	(A) Balance Brought forward	(B) Transferred from TI Secretariat	(C) Received/ during the year	(D) Interest Accrued	E=(A)+(B) + (C)+(D) Total available in current Year	(F) Transferred to statement of financial activities for Project Cost	(G) Transferred to statement of financial activities for Administrative and Tax Expense	(H)=(F)+(G) Total Transferred to statement of financial activities	(I) Surplus Returned to Donor / Transferred to/(from) Co-donor	(J)=(E)-(H)-(I) Balance carried forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
SIDA / MFA	From Co-donors	46,746,529	5,305,330	-	32,453,136	219,881	37,978,347	20,491,363	-	20,491,363	-	17,486,984
FES	Investigative Journalism Workshop	1,656,296	(14,311)	-	618,300	-	603,989	1,003,351	-	1,003,351	-	(399,362)
TI Secretariat	3 Position Paper Translations	55,587	55,087	-	-	-	55,087	-	-	-	-	55,087
TI Secretariat	Security Grant 2010 - Enhance Security Measures	960,000	12,284	-	-	-	12,284	-	-	-	-	12,284
Stromme Foundation	Civil Society for Accountable Governance	895,550	98,188	-	-	-	98,188	-	-	-	-	98,188
TI Secretariat	National Integrity Study	1,049,096	361,038	-	-	-	361,038	-	-	-	-	361,038
FK	Exchange Programme - TI South Asian Chapters	1,402,031	293,330	-	622,200	-	915,530	-	-	-	-	915,530
FK-2010/11	Exchange Programme - TI South Asian Chapters	2,091,900	1,938,153	-	2,452,888	-	4,391,041	2,389,025	-	2,389,025	-	2,002,016
TI Secretariat	Seed Funding - Website , Newsletter & Annual Report	919,900	(275,515)	-	-	-	(275,515)	-	-	-	-	(275,515)
Helvetas Sri Lanka - Ampara	Public Officials Capacity Development	12,500	12,500	-	-	-	12,500	-	-	-	-	12,500
Helvetas Kalmunai	Public Officials Capacity Development	23,549	23,548	-	-	-	23,548	-	-	-	-	23,548
SAHR	Parliament Watch	584,000	(223,055)	-	583,500	-	360,445	540,067	-	540,067	-	(179,622)
NED Washington D C USA	Kurunegala Capacity Building Project-2 DS Divisions	4,206,542	1,016,801	-	4,924,209	10,962	5,951,971	5,684,579	-	5,684,579	-	267,392
Royal Netherlands Embassy	Governance Report 2010	2,416,060	343,747	-	-	-	343,747	-	-	-	-	343,747
European Union	Enhancing Demand for Accountability in Local Governance- Anurdhapura, Polonnaruwa and Ampara Districts	15,535,677	6,777,974	-	-	138,887	6,916,861	8,660,001	-	8,660,001	-	(1,743,140)
PTF	Financial Accountability in 2 Pradeshiya Sabhas-Badulla	3,956,146	474,328	-	558,505	-	1,032,833	2,766,618	-	2,766,618	-	(1,733,785)
Federation of Chambers of Commerce	FCCISL Seminar-Regional Chamber Awareness Seminar	37,111	37,111	-	-	-	37,111	-	-	-	-	37,111
TI Secretariat	Global Corruption Report	483,000	(183,944)	-	-	-	(183,944)	-	-	-	-	(183,944)
CHRI	Right to Information	172,110	(17,300)	-	-	-	(17,300)	-	-	-	-	(17,300)
ARD		3,969,228	(27,955)	-	1,495,460	-	1,467,505	3,097,267	-	3,097,267	-	(1,629,762)
TIS - ALAC		26,217,450	5,978,468	-	6,972,582	-	12,951,050	7,188,532	-	7,188,532	-	5,762,518
SAFMA		40,000	(40,000)	-	-	-	(40,000)	-	-	-	-	(40,000)
TI Secretariat		-	1,782,000	-	-	-	1,782,000	-	-	-	-	1,782,000
YIP	Youth Programme	-	-	-	3,346,853	-	3,346,853	2,350,223	-	2,350,223	-	996,630
Interest Income		1,500,000	-	-	-	-	-	-	-	-	-	-
TOTAL		114,930,262	23,727,807	-	54,027,633	369,730	78,125,169	54,171,026	-	54,171,026	-	23,954,143

Notes to the Financial Statements

Year ended 31 December 2012

8. UNRESTRICTED FUNDS	2012	2011
	Rs.	Rs.
Balance as at the Beginning of the Year	3,394,252	2,430,561
Transferred from Restricted Funds	-	-
Net Surplus / (Deficit) for the Year	5,547,994	963,691
Balance as at the End of the Year	8,942,246	3,394,252
9. CAPITAL GRANTS	2012	2011
	Rs.	Rs.
Balance as at the Beginning of the Year	4,420,941	3,904,080
Transfer to Statement of Income & Expenditure	(4,072,345)	-
Capitalise During the Year	-	516,861
Balance as at the End of the Year	348,596	4,420,941
10. RETIREMENT BENEFIT LIABILITY	2012	2011
	Rs.	Rs.
Retirement Benefits Obligation-Gratuity		
As at 1 January 2012	1,653,724	1,589,111
Charge for the Year	(41,724)	385,645
Payments Made During the Year	-	(321,032)
As at 31 December 2012	1,612,000	1,653,724
11. CREDITORS	2012	2011
	Rs.	Rs.
Accrued Expenses	376,182	952,994
Other Payables	302,830	258,054
	679,012	1,211,048
12. PROJECT EXPENDITURE	2012	2011
	Rs.	Rs.
Staff (12.1)	11,848,868	11,665,283
Direct Cost (12.1)	24,601,347	17,603,118
Indirect Cost (12.1)	5,387,771	4,890,696
	41,837,987	34,159,097
13. INCOME TAX EXPENSES	2012	2011
	Rs.	Rs.
Current Income Tax		
Current Tax Expense on Ordinary Activities for the Year	405,917	249,249
Under/(Over) Provision of Income Taxes in respect of Prior Year	-	-
	405,917	249,249

Notes to the Financial Statements

Year ended 31 December 2012

Activity/Project	Donor Organization	Project Budget Year 2011	Transferred From Restricted Fund		Total Amount Expended		Total Expenses	Net Surplus / Deficit
			Rs.	Rs.	Staff Cost	DIRECT Project COST		
Natinal & Local Governance								
ACI Research		1,213,204	1,841,057	1,105,153	94,371	641,533	1,841,057	-
Anti Corruption Monitoring		2,088,201	4,835,752	377,838	4,312,755	145,160	4,835,752	-
Transparent Reg.PSDI		13,324,264	5,398,729	1,450,103	3,307,093	641,533	5,398,729	-
ACI Research & Teach. Mat.			-					-
Key Regional Public Service		9,321,040	2,908,491	1,409,773	1,353,559	145,160	2,908,491	-
ACT of Integrity Recg.		6,388,500	2,696,042	399,058	1,655,450	641,534	2,696,042	-
Private Sector & Civil Society Organisation								
ACI Evident Reserch & Integrity								-
ACI Dimensions in CSO's		1,055,492	54,967	-	54,967	-	54,967	-
ACT of Integrity & Best Practice								-
Citizenry								
Public Space for Corruption and Integrity		28,033,804	10,066,382	1,893,876	6,962,124	1,210,382	10,066,382	-
Develop of PG to Influence SDSO								-
PR Strategy Implemented to Prom Int		2,532,533	1,961,688	1,002,852	251,048	707,788	1,961,688	-
Acts of Int. and Best Practices		1,050,693	1,026,352	838,422		187,930	1,026,352	-
Enhancing demand for Local Accountability	EU		8,660,001	2,186,030	5,903,713	570,258	8,660,001	-
Exchange Programme - TI South Asian Chapters	FK	4,396,060	2,388,526	1,185,764	706,268	496,494	2,388,526	-
TOTAL PROGRAM COST		69,403,790	41,837,987	11,848,868	24,601,347	5,387,771	41,837,987	-
Administration Expenses		15,589,376	12,590,350	7,076,476	1,890,230	3,623,644	12,590,350	-
Total Expenses		84,993,166	54,428,337	18,925,345	26,491,577	9,011,415	54,428,337	-

12. PROJECT EXPENDITURE (Contd..)

12.1 Project Activity Summary For the year ended 31st December 2012

Notes to the Financial Statements

Year ended 31 December 2012

14.	SHORT TERM DEPOSITS	2012	2011
		Rs.	Rs.
	Sundry Income	1,500	8,969
	Interest Income	1,446,995	822,972
	Partition Sales	-	128,000
	Resoure Persanal Income	-	3,750
	Old Newspaper Sale	4,794	-
	Exchange Gain/(Loss)	37,318	-
	Income From FK- Exchange Programme - TI South Asian Chapters	622,200	-
	Resourse Personnel Income	26,070	-
	Amortization- Capital Grant	4,072,345	-
		6,211,222	963,691

Notes to the Financial Statements

Year ended 31 December 2012

15.	ADMINISTRATIVE EXPENSES	2012	2011
		Rs.	Rs.
	Salaries	7,076,476	11,232,693
	Consultancy Fees	11,967	52,000
	Audit Fee	181,489	156,128
	Staff Welfare	87,280	221,565
	Gratuity	(41,724)	385,645
	Travelling	42,331	60,362
	Foreign Travel	-	14,750
	Insurance -Business Guard	79,071	100,608
	Printing and Stationery	45,852	420,917
	Postage, Stamps and Courier Charges	11,891	3,822
	Telephone/Internet charges	133,637	130,168
	Water Rates	3,707	10,826
	Electricity	496,181	454,493
	Office Rent	1,078,440	1,682,396
	Equipment Maintenance	125,759	90,476
	Office Maintenance	67,254	677,282
	Security	320,804	547,733
	IT Maintenance	62,567	350,207
	Translation and Typesetting	-	98,250
	Vehicle Maintenance	19,767	4,813
	Fuel	8,132	52,211
	Depreciation	507,869	632,293
	Bank Charges	79,225	175,816
	Loss on Disposal of Assets	-	2,295
	PAYE + EPF Surcharge	10,822	8,719
	Memberships	6,450	108,528
	IACC Registration	-	55,000
	Secretarial fees	-	14,548
	Miscellaneous Expenses	5,105	92,403
	Office Reallocation	-	994,190
	Recruitment	-	32,618
	Janatorial Charges	108,189	-
	Infra.tech.& Equipment	791,050	-
	Board Meeting Expenses	35,037	-
	Mid Year Evaluation	72,393	-
	Organisation Structure and System	194,048	-
	Governance Quality and Strure	134,644	-
	Information Sharing Sysytem	597,439	-
	Communication Strategy	141,111	142,500
	Resource Mobilization	14,802	-
	Financial System & Control	17,136	587,360
	AGM Expenses	-	67,345
	Provision For Bad debts	64,150	-
	News Papers	-	48,140
		12,590,350	19,709,100

Notes to the Financial Statements

Year ended 31 December 2012

16.	CASH & BANK BALANCES	2012	2011
	Favorable Balances	Rs.	Rs.
	Balance at Bank	29,449,034	27,985,217
	Cash in Hand	26,630	28,807
		29,475,664	28,014,024

	Unfavorable Balances		
	Balance at Bank	(707,241)	(639,846)
		28,768,423	27,374,178

17.	CAPITAL COMMITMENTS		
	There are no capital commitments as at 31 December 2012.		

18.	CONTINGENT LIABILITIES		
	There are no contingent liabilities as at 31 December 2012.		

19.	EVENTS OCCURRING AFTER THE BALANCE SHEET DATE		
	There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the financial statements.		

20.	RELATED PARTY DISCLOSURES		

20.1	Transactions with Key Management Personnel of the organization	2012	2011
	The key management personnel are the members of the executive committee being responsible for Project management, General management and implementation of policy decisions. None of these key personnel are members of the board of directors of TISL. No member of the board of directors receives any salary or other compensation.		
		Rs.	Rs.
a)	Key Management Personnel Compensation		
	Short - term employee benefits	4,584,340	7,568,448

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