

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

Frederic Henning
Finance Officer

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

Frank
Director

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

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

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.

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
				Staff Cost	DIRECT Project COST		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Natinal & Local Governance							
ACI Research		1,213,204	1,841,057	1,105,153	94,371	1,841,057	-
Anti Corruption Monitoring		2,088,201	4,835,752	377,838	4,312,755	4,835,752	-
Transparent Reg.PSDI		13,324,264	5,398,729	1,450,103	3,307,093	5,398,729	-
ACI Research & Teach. Mat.			-				-
Key Regional Public Service		9,321,040	2,908,491	1,409,773	1,353,559	2,908,491	-
ACT of Integrity Recg.		6,388,500	2,696,042	399,058	1,655,450	2,696,042	-
Private Sector & Civil Society Organisation							
ACI Evident Research & 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	10,066,382	-
Develop of PG to Influence SDO							-
PR Strategy Implemented to Prom Int		2,532,533	1,961,688	1,002,852	251,048	1,961,688	-
Acts of Int. and Best Practices		1,050,693	1,026,352	838,422		1,026,352	-
Enhancing demand for Local Accountability	EU		8,660,001	2,186,030	5,903,713	8,660,001	-
Exchange Programme - TI South Asian Chapters	FK	4,396,060	2,388,526	1,185,764	706,268	2,388,526	-
TOTAL PROGRAM COST		69,403,790	41,837,987	11,848,868	24,601,347	41,837,987	-
Administration Expenses		15,589,376	12,590,350	7,076,476	1,890,230	12,590,350	-
Total Expenses		84,993,166	54,428,337	18,925,345	26,491,577	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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