

**TRANSPARENCY INTERNATIONAL SRI LANKA  
(GUARANTEE) LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**



Building a better  
working world

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BW/ENDP/AD

**INDEPENDENT AUDITOR'S REPORT  
TRANSPARENCY INTERNATIONAL SRI LANKA (GUARANTEE) LIMITED**

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of Transparency International Sri Lanka (Guarantee) Limited ("the company"), which comprise the Statement of Financial Position as at 31 December 2016, and the Statement of Comprehensive Income, Statement of Changes in Reserves and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

***Board's Responsibility for the Financial Statements***

The Board of Directors ("the board") is responsible for the preparation of these Financial Statements that give a true and fair view in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka, and for such internal controls as Board determines is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

(Contd...2/)

Partners: W R H Fernando FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W K B S P Fernando FCA FCMA  
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamawa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA  
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunga FCA N M Sulaiman ACA ACMA B E Wijesuriya FCA FCMA

Principal T P M Ruberu FCMA FCCA

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### Report on Other Legal and Regulatory Requirements

As required by Section 163(2) of the Companies Act No. 7 of 2007, we state the following:

- a) The basis of opinion and Scope and Limitations of the audit are as stated above.
- b) In our opinion :
  - We have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company, and
  - The Financial Statements of the Company, comply with the requirements of Section 151 of the Companies Act No. 07 of 2007.

16 June 2017  
Colombo

*Resist Gun*

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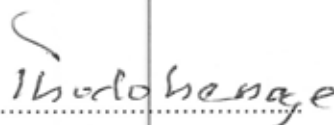
Transparency International Sri Lanka (Guarantee) Limited

STATEMENT OF FINANCIAL POSITION

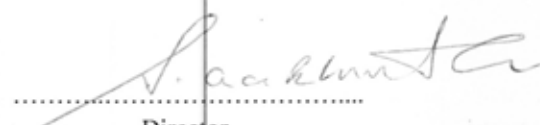
As at 31 December 2016

ASSETS	Note	2016 Rs.	2015 Rs.
<b>Non-Current Assets</b>			
Plant and Equipment	5	240,685	94,212
		<u>240,685</u>	<u>94,212</u>
<b>Current Assets</b>			
Advances, Deposits and Other Receivables	7.1	5,788,178	6,841,455
Advances Given to Partner Organizations	7.2	5,113,652	4,319,250
Short Term Deposits	6	3,863,780	3,596,140
Cash & Bank Balances	17	87,334,602	98,904,010
		<u>102,100,212</u>	<u>113,660,855</u>
<b>Total Assets</b>		<u>102,340,897</u>	<u>113,755,067</u>
<b>FUNDING &amp; LIABILITIES</b>			
<b>Accumulated Funds</b>			
Restricted Funds	8	78,762,833	95,780,272
Unrestricted Funds	9	13,365,079	11,729,401
Capital Grants	10	348,596	348,596
		<u>92,476,508</u>	<u>107,858,269</u>
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligation	11	2,246,149	1,845,496
		<u>2,246,149</u>	<u>1,845,496</u>
<b>Current Liabilities</b>			
Creditors	12	6,743,652	3,557,572
Income Tax Payable		874,588	493,731
		<u>7,618,240</u>	<u>4,051,302</u>
<b>Total Funding and Liabilities</b>		<u>102,340,897</u>	<u>113,755,067</u>

I certify that the financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

  
 Finance Manager

The Board of Directors are responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the Board by;

  
 Director

  
 Director

The accounting policies and notes on pages 07 through 17 form an integral part of the financial statements.



## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2016

	Note	2016 Rs.	2015 Rs.
Incoming Resources	4	78,328,711	132,515,911
<b>OPERATING EXPENDITURE</b>			
Project Expenses	13	(70,845,495)	(118,016,340)
Administrative Expenses	16	(10,868,170)	(15,483,674)
Total Operating Expenditure		<u>(81,713,665)</u>	<u>(133,500,014)</u>
<b>Net (Deficit) on Operating Activities</b>		(3,384,954)	(984,103)
Revenue Earned from Other Activities	15	6,586,681	3,131,600
<b>Net Surplus Before Tax</b>		<u>3,201,727</u>	<u>2,147,498</u>
Income Tax Expenses	14	(1,566,049)	(849,070)
<b>Net Surplus After Tax</b>		<u>1,635,678</u>	<u>1,298,428</u>
Total Comprehensive Income for the Year		<u><u>1,635,678</u></u>	<u><u>1,298,428</u></u>

The accounting policies and notes on pages 07 through 17 form an integral part of the financial statements.



Transparency International Sri Lanka (Guarantee) Limited

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2016

	Restricted Funds Rs.	Unrestricted Funds Rs.	Capital Grants Rs.	Result for the Year Rs.	Total Rs.
<b>Balance as at 01 January 2015</b>	23,301,071	12,396,052	348,596	-	36,045,719
Net Surplus for the Year	-	-	-	1,298,428	1,298,428
<b>Balance Before Transfer to Reserves</b>	23,301,071	12,396,052	348,596	1,298,428	37,344,147
Total Comprehensive Income for the Year	-	1,298,428	-	(1,298,428)	-
Funds Received During the Year	204,821,464	-	-	-	204,821,465
Transfer From / (To) Reserves	173,648	(173,648)	-	-	-
Adjustments Made During the Year	-	(1,791,430)	-	-	(1,791,430)
Funds Transferred to Statement of Comprehensive Income	(132,515,911)	-	-	-	(132,515,911)
<b>Balance as at 31 December 2015</b>	95,780,272	11,729,401	348,596	-	107,858,269
Net Surplus for the Year	-	-	-	1,635,678	1,635,678
<b>Balance Before Transfer to Reserves</b>	95,780,272	11,729,401	348,596	1,635,678	109,493,947
Total Comprehensive Income for the Year	-	1,635,678	-	(1,635,678)	-
Funds Received During the Year	63,405,213	-	-	-	63,405,213
Return to Donor	(1,649,301)	-	-	-	(1,649,301)
Adjustment Made During the Year	(444,640)	-	-	-	(444,640)
Funds Transferred to Statement of Comprehensive Income	(78,328,711)	-	-	-	(78,328,711)
<b>Balance as at 31 December 2016</b>	<u>78,762,833</u>	<u>13,365,079</u>	<u>348,596</u>	<u>-</u>	<u>92,476,508</u>

The accounting policies and notes on pages 07 through 17 form an integral part of the financial statements.



**CASH FLOW STATEMENT**

Year ended 31 December 2016

	Note	2016 Rs.	2015 Rs.
<b>Cash Flows From/(Used in) Operating Activities</b>			
Net Surplus Before Taxation		3,201,727	2,147,498
Adjustments for			
Depreciation	5.2	70,711	29,423
Provision for Gratuity	11	400,653	608,008
Interest Income	15	(5,647,735)	(3,030,513)
Net Cash Out Flow before Working Capital Changes		(1,974,646)	(245,586)
(Increase) / Decrease in Receivables	7	258,877	(6,935,462)
Increase / (Decrease) in Creditors	12	3,186,080	385,583
Cash Generated (Used in) Operations		1,470,311	(6,795,465)
Payment of Taxes		(1,185,192)	(579,640)
Net Cash From (Used in) Project Activities		285,119	(7,375,105)
<b>Cash Flows From Investing Activities</b>			
Purchase of Property, Plant & Equipment	5	(217,184)	(12,700)
Investment on Short Term Deposits		(267,640)	(163,947)
Interest Income	15	5,647,735	3,030,513
Net Cash From Investing Activities		5,162,911	2,853,866
<b>Cash Flows From/(Used in) Financing Activities</b>			
Funds received from Donors unutilized/(over utilized)		(17,017,438)	70,514,123
Net Cash From / (Used in) Financing Activities		(17,017,438)	70,514,123
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		(11,569,408)	65,992,884
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	17	98,904,010	32,911,126
<b>Cash and Cash Equivalents at the End of the Year</b>	17	87,334,602	98,904,010

The accounting policies and notes on pages 07 through 17 form an integral part of the financial statements.



**1. CORPORATE 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. 5/1 Elibank Road, Colombo 05. Its programs are carried out throughout the country.

**1.2 Principle activities of the Company**

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 the Company, for the year ended 31 December 2016 was authorized for issue in accordance with a resolution of the Board of Directors on 16 June 2017.





**2. BASIS OF PREPARATION**

**2.1 Basis of Preparation**

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.

The Financial Statements are presented in Sri Lanka Rupees and have been prepared on a historical cost basis.

**2.2 Comparative Information**

The accounting policies have been consistently applied by the company are unless otherwise stated is consistent with those used in the previous year.

**2.3 Changes in Accounting Policies and Disclosures**

The Accounting policies have been consistently applied, unless otherwise stated, and are consistent with those used in previous years, except for the changes in accounting policies specified by the Sri Lanka Statement of Recommended Practice (SoRP) for Non-Governmental Organisations (NGOs) issued by the Institute of Chartered Accountants of Sri Lanka.

**2.4 Going Concern**

The Financial Statements of the Company have been prepared on the assumption that the Company would be able to continue its operations in the foreseeable future.

**2.5 Use of Estimates and Judgements**

The presentation of Financial Statements in conformity with Sri Lanka Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of Accounting Policies and the reporting amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgemental decisions.

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICITES**

**3.1 Translation of Foreign Currency**

The Financial Statements are presented in Sri Lanka Rupees, which is the Company'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 Statement of Financial Position 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 Comprehensive Income except for gains or losses relating to items adjusted through the Accumulated Fund which are reflected therein.



**3.2 Taxation**

**Current Taxes**

Board of Directors of the Company is of the view that it does not come under the definition of a Non-Governmental Organization's (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%.

**3.3 Accounting for the Receipts & Utilization of Funds**

**3.3.1 Funds**

**a) Unrestricted Funds**

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

Surplus funds are transferred to unrestricted funds in terms of the relevant donor agreements or with subsequent approval of the donor.

Contributions received from general public are recognized in the Statement of Comprehensive Income 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 Comprehensive Income 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 Statement of Financial Position 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 Statement of Financial Position.

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

**c) 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.**

**3.3.2 Grants and Subsidies**

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

**3.4 Receivables**

Advances, Deposits and Other Receivables are stated at cost less impairment (if any).



**3.5 Cash and 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 Statement of Cash Flow, cash and cash equivalents consist of cash in hand and bank deposits, net of outstanding bank overdrafts.

**3.6 Valuation of Assets and their Measurement bases**

**3.6.1 Plant & Equipment**

**a) Cost**

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

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.

**b) Depreciation**

Depreciation is provided for on all assets on the straight line basis and is calculated on the cost or revalued amount of all 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 year assets are available for use. Where project assets are subsequently transferred to Plant and Equipment a corresponding amount is credited to capital grant account. Depreciation charged on these assets is set off against the amortization of this capital grant.

**c) Donated Asset**

When 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 are not handed over to the beneficiary or returned to the original donor the cost of the assets are included in a memorandum inventory of plant and equipment identified as such in the Financial Statements. Depreciation is not provided on such assets.

**3.7 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.

**3.8 Liability and Provisions**

**3.8.1 Retirement Benefit Obligations**

**(a) Provisions**

Provision are recognized when the organization has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resource embodying economic benefit will be required to settle the obligation and the reliable estimate can be made to the amount of the obligation. When the organization expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial activities net of any reimbursement.



**(b) Defined Benefit Plan- Gratuity**

Retirement Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried in the Statement of Financial Position 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 Comprehensive Income.

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.

**(c) 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 Company contributes 12% and 3% of the gross emolument of the employees to the Employees Provident Fund and to the Employees Trust Fund respectively.

**3.9 Statement of Comprehensive Income**

**3.9.1 Income Recognition**

**(a) Incoming Resources**

Income realized from restricted funds is recognized in the Statement of Comprehensive Income 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 Comprehensive Income. Unutilized funds are carried forward as such in the Statement of Financial Position.

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

**3.9.2 Expenditure Recognition**

**(a)** Expenses in carrying out the projects and other activities of the Company are recognised in the Statement of Comprehensive Income during the year in which they are incurred. Other expenses incurred in administering and running the Company and in restoring and maintaining the plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the Statement of Comprehensive Income.

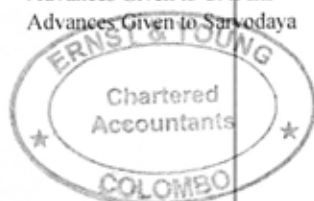
**(b)** For the purpose of presentation, of the Statements of Comprehensive Income, the Management is of the opinion that the function of expenses method, presents fairly the elements of the Company's performance, and hence such a presentation method is adopted.



NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

4. INCOMING RESOURCES		2016	2015
		Rs.	Rs.
Restricted Funding		78,328,711	132,515,911
		<u>78,328,711</u>	<u>132,515,911</u>
5. PLANT AND EQUIPMENT		Balance as at	Balance as at
		01.01.2016	31.12.2016
5.1 Gross Carrying Amounts		Rs.	Rs.
At Cost		Rs.	Rs.
Furniture and Fittings		1,652,921	1,652,921
Office Equipment		4,299,176	4,456,860
Computers		2,237,005	2,296,505
Motor Vehicles		78,000	78,000
<b>Total Gross Carrying Amount</b>		<u>8,267,102</u>	<u>8,484,286</u>
5.2 Depreciation		Charge for the year	Disposals
		Rs.	Rs.
At Cost		Rs.	Rs.
Furniture and Fittings		1,606,936	1,621,923
Office Equipment		4,273,179	4,323,503
Computers		2,214,775	2,220,175
Motor Vehicles		78,000	78,000
<b>Total Depreciation</b>		<u>8,172,890</u>	<u>8,243,601</u>
5.3 Net Book Values		Balance as at	Balance as at
		01.01.2016	31.12.2016
		Rs.	Rs.
<b>Total Carrying Value of Plant and Equipment</b>		<u>94,212</u>	<u>240,685</u>
5.4 During the financial year, the Company acquired Plant & Equipment to the aggregate value of Rs.217,184 (2015 Rs. 12,700/-). Cash payment amounted to Rs. 217,184/- was incurred during the year (2015 - Rs. 12,700/-).			
5.5 The useful lives of the assets are estimated as follows:			
Furniture & Fittings		Over 4 Years	Over 4 Years
Office Equipment		Over 4 Years	Over 4 Years
Computers		Over 4 Years	Over 4 Years
Motor Vehicles		Over 4 Years	Over 4 Years
6. SHORT TERM DEPOSITS		2016	2015
		Rs.	Rs.
Fixed Deposits		3,863,780	3,596,140
		<u>3,863,780</u>	<u>3,596,140</u>
7. ADVANCES, DEPOSITS AND OTHER RECEIVABLES		2016	2015
		Rs.	Rs.
7.1 Advances, Deposits and Other Receivables			
Advances		1,665,131	1,276,500
Deposits and Prepayments		2,602,382	4,642,973
Other Receivables		1,520,665	921,983
		<u>5,788,178</u>	<u>6,841,455</u>
7.2 Advances Given to Partner Organizations			
Advances Given to PAFFEREL		595,516	4,319,250
Advances Given to CAFEE		1,918,136	-
Advances Given to Sarvodaya		2,600,000	-
		<u>5,113,652</u>	<u>4,319,250</u>



Transparency International Sri Lanka (Guarantee) Limited  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year ended 31 December 2016

8. RESTRICTED FUNDS

	2016 Rs.	2015 Rs.
Balance at the Beginning of the Year	95,780,272	23,301,071
Funds Received During the Year	63,405,213	204,821,464
Funds Transferred to Statement of Comprehensive Income	(78,328,711)	(132,515,911)
Return to Donor	-	-
Transfer From / (To) Reserves	173,648	-
Adjustment Made During the Year	(444,640)	-
Balance at the End of the Year	<u>78,762,833</u>	<u>95,780,272</u>

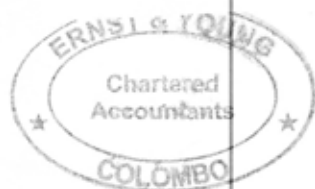
8.1 Movements in Restricted Funds - 1 January to 31 December 2016

Name of Donor Organization	Project	Budget for the Year	(A) Balance Brought Forward	(B) Received During the Year	C=(A)+(B) Total Available in Current Year	(D) Transferred to Statement of Comprehensive Income for Project Cost	(E) Reclassification of Donor Projects	(E) Adjustment Made During the Year	(F) Return to Donor	(G)=(C)-(E)+(F) Balance Carried Forward
Ministry of Foreign Affairs MFA Norway	Strong Democracy through Anti Corruption, Open & Inclusive Governance	29,221,553	5,593,959	17,299,750	22,893,709	14,201,333	(765,132)	-	-	7,927,244
FK-2013/14	Exchange Programme - TI South Asian Chapters	4,934,579	3,045,560	-	3,045,560	-	-	-	(1,649,301)	1,396,259
European Union	Election Monitoring	175,200,000	84,810,971	-	84,810,971	38,734,728	-	(105,255)	-	45,970,988
NED Washington DC USA	YIP Project	5,400,000	3,412,294	4,817,130	8,229,424	7,898,999	-	-	-	330,425
Transparency International Secretariat	Advocacy of Legal Advice center	13,187,100	2,160,383	-	2,160,383	127,888	(2,032,495)	-	-	(0)
Diakonia Sri Lanka	Promoting Principals of Democracy	2,639,644	-	6,911,321	6,911,321	4,247,006	-	-	-	2,664,315
Inter News	Inter News	4,932,158	(3,096,518)	3,613,582	517,064	376	-	278,157	-	794,845
Transparency International Secretariat	Effective & Accountable Governance	-	-	2,373,509	2,373,509	1,889,019	-	-	-	484,490
Solidarity Centre	Coalition against corruption	3,395,200	(763,918)	2,393,550	1,629,632	1,629,632	-	-	-	(0)
United States Agency for International Development (USAID)	Facilitating Civil Society Engagement in the Development and Monitoring of the Open Government Partnership 2 year Action Plan	6,425,365	-	2,800,000	2,800,000	1,466,082	-	-	-	1,333,918
Transparency International Secretariat	Supporting Accountable Governance through strengthened Anti Corruption Mechanisms	6,425,365	-	2,421,771	2,421,771	2,014,898	2,032,495	-	-	2,439,368
Friedrich Neumann Foundation for Freedom (FNF)	Empowered Citizens Demand Transparent and Accountable Governance Processes	13,714,825	-	1,600,000	1,600,000	2,365,132	765,132	-	-	-
Foundation Open Society Institute (OSI)	Kick-Starting Civil Society Consultation on Sri Lanka's OGP National Action Plan	2,345,000	-	2,619,865	2,619,865	2,581,658	-	-	-	38,207
NAFSCO	ODE Land Rights Project	635,000	-	635,000	635,000	323,959	-	-	-	311,041
Foundation Open Society Institute (OSI)	Strengthening Democracy by Supporting Political Representation & Freedom of Expression	635,000	-	8,181,879	8,181,879	174,420	-	-	-	8,007,459
Common Wealth	Promoting Civic state Engagement to support effective implementation of the Right to information Act in Sri Lanka	79,500,000	-	4,807,588	4,807,588	130,133	-	-	-	4,677,455
The Asia Foundation	Sub National Governance Programme	11,625,075	-	2,239,551	2,239,551	52,500	-	-	-	2,187,051
Transparency International Secretariat	Enabling Impact	3,732,585	-	690,719	690,719	490,948	-	-	-	199,771
Rectification Reserve	Rectification Reserve	-	617,542	-	617,542	-	-	(617,542)	-	(0)
Accountants		363,938,449	95,780,272	63,405,213	159,185,485	78,328,711	-	(444,640)	(1,649,301)	78,762,833

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

9. UNRESTRICTED FUNDS	2016 Rs.	2015 Rs.
Balance at the Beginning of the Year	11,729,401	12,396,052
Transfer to Restricted Funds	-	(173,648)
Adjustments Made During the Year	-	(1,791,430)
Total Comprehensive Income for the Year	1,635,678	1,298,428
Balance at the End of the Year	<u>13,365,079</u>	<u>11,729,401</u>
10. CAPITAL GRANTS	2016 Rs.	2015 Rs.
Balance at the Beginning of the Year	348,596	348,596
Transfer to Statement of Income & Expenditure- Amortization	-	-
Capitalize During the Year	-	-
Balance at the End of the Year	<u>348,596</u>	<u>348,596</u>
11. RETIREMENT BENEFIT LIABILITY	2016 Rs.	2015 Rs.
<b>Retirement Benefits Obligation-Gratuity</b>		
Balance at the Beginning of the Year	1,845,496	1,237,488
Charge for the Year	553,668	608,008
Payment Made During the Year	(153,015)	-
Balance at the End of the Year	<u>2,246,149</u>	<u>1,845,496</u>
12. CREDITORS	2016 Rs.	2015 Rs.
Other Payables	5,047,029	37,957
Project Liability	940,222	502,906
Accrued Expenses	603,386	1,791,709
Gratuity Payable	153,015	-
Liability on Litigation	-	1,225,000
	<u>6,743,652</u>	<u>3,557,572</u>
13. PROJECT EXPENSES	2016 Rs.	2015 Rs.
Staff Cost (13.1)	24,968,415	13,057,139
Direct Project Cost (13.1)	40,605,550	103,210,928
Indirect Project Cost (13.1)	5,271,530	1,748,273
	<u>70,845,495</u>	<u>118,016,340</u>





NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

15. REVENUE EARNED FROM OTHER ACTIVITIES	2016 Rs.	2015 Rs.
Sundry Income	298,246	46,910
Interest Income	5,647,735	3,030,513
Amounts Write Off	640,700	54,177
	<u>6,586,681</u>	<u>3,131,600</u>
16. ADMINISTRATIVE EXPENSES	2016 Rs.	2015 Rs.
Salaries	6,870,684	7,684,641
Exgratia Payment	700,000	-
Gratuity	553,668	294,628
Office Rent	357,500	831,802
Insurance	354,605	464,217
Audit Fees	323,690	205,456
Annual Leave Payment	201,891	-
Security	180,225	634,193
Janitorial Charges	155,750	246,300
Telephone/Internet charges	144,426	381,651
Staff Welfare	133,851	263,452
Secretarial Fees	107,375	48,038
Equipment Maintenance	106,720	21,450
Consultancy Charges	80,000	164,931
Bank Charges	73,308	36,854
Depreciation	70,711	29,423
Board Meeting Expenses	60,900	90,587
Printing and Stationery	59,852	118,400
Travelling	58,713	138,900
Recruitment cost	51,668	5,935
Legal Charges	41,211	40,500
News Papers	37,685	27,960
EFC Subscription Charges	28,203	-
PAYE Tax	26,695	
AGM Expenses	20,525	292,466
Accounting Package Maintenance	16,983	-
IT Maintenance	16,955	311,955
Vehicle Maintenance	10,755	5,780
Web Maintenance	8,761	21,568
Miscellaneous Expenses	5,320	-
Postage , Stamps and Courier charges	4,378	60,485
Rates	4,052	-
Office Maintenance	1,110	18,565
Water Rates	-	22,157
Electricity	-	241,181
Fuel	-	3,150
Office Reallocation	-	1,461,139
Planning Meeting	-	52,910
Professional charges	-	38,000
Litigation	-	1,225,000
	<u>10,868,170</u>	<u>15,483,674</u>





NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

17. CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS

Components of Cash and Cash Equivalents

	2016 Rs.	2015 Rs.
<b>17.1 Favorable Cash &amp; Cash Equivalents Balance</b>		
Balance at Bank	88,420,190	103,741,502
Cash in Hand	128,399	79,520
	<u>88,548,589</u>	<u>103,821,022</u>
<b>17.2 Unfavorable Cash &amp; Cash Equivalent Balances</b>		
Balance at Bank	(1,213,987)	(4,917,012)
	<u>(1,213,987)</u>	<u>(4,917,012)</u>
	<u>87,334,602</u>	<u>98,904,010</u>

18. CAPITAL COMMITMENTS

There are no capital commitments as at 31 December 2016.

19. CONTINGENT LIABILITIES

The Company does not have significant contingent liabilities as at the 31 December 2016.

20. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCE POSITION DATE

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the Financial Statements.

21. RELATED PARTY DISCLOSURES

21.1 Transactions with Key Management Personnel of the Company

The key management personnel are the members of the senior management 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 the Company. No member of the Board of Directors receives any salary or other compensation.

a) Key Management Personnel Compensation

Short - Term Employee Benefits

	2016 Rs.	2015 Rs.
	5,506,200	4,342,742
	<u>5,506,200</u>	<u>4,342,742</u>

