

APAG/KT/ADK/TIF

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CENTRE FOR POLICY ALTERNATIVES (GUARANTEE) LTD**

Report on the Financial Statements

We have audited the accompanying financial statements of Centre for Policy Alternatives (Guarantee) Ltd, ("the Company"), which comprise the statement of financial position as at 31 December 2014, and the statement comprehensive income, statement of changes in reserves and, statement of cash flow 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 ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organisation) (SL SoRP-NPO's [including NGO's]) issued by the Institute of 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 2014, and of its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (Including Non-Governmental Organisation) (SL SoRP-NPO's [including NGO's]) issued by the Institute of Chartered Accountants of Sri Lanka).

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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,
 - The financial statements of the Company, comply with the requirements of Section 151 of the Companies Act No. 7 of 2007



30 September 2015
Colombo

Centre for Policy Alternatives (Guarantee) Ltd

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 Rs.	2013 Rs.
ASSETS			
Non Current Assets			
Property Plant and Equipment	6	3,026,800	3,182,330
		<u>3,026,800</u>	<u>3,182,330</u>
Current Assets			
Receivables	7	17,644,913	13,961,196
Short Term Investments	8	-	11,704,503
Cash and Bank Balances	17	45,483,484	7,010,907
		<u>63,128,397</u>	<u>32,676,606</u>
Total Assets		<u><u>66,155,197</u></u>	<u><u>35,858,936</u></u>
FUNDING AND LIABILITIES			
Accumulated Funds			
Unrestricted Funds	10	(19,568,887)	(17,655,907)
Restricted Funds	11	60,881,092	25,092,416
Capital Reserve		11,545,205	11,524,095
		<u>52,857,409</u>	<u>18,960,604</u>
Non Current Liabilities			
Retirement Benefit Liability	12	8,782,230	7,203,750
		<u>8,782,230</u>	<u>7,203,750</u>
Current Liabilities			
Payables	9	2,211,818	4,810,297
Tax Payable		72,258	478,556
Bank Overdrafts	17	2,231,482	4,405,730
		<u>4,515,558</u>	<u>9,694,583</u>
Total Equity & Liabilities		<u><u>66,155,197</u></u>	<u><u>35,858,936</u></u>

These Financial Statements are in compliance with the requirements of the Companies Act No : 07 of 2007.

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Finance Manager

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by.

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Director

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Director

The accounting policies and notes on pages 7 through 19 form an integral part of the Financial Statements.



STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Notes	2014 Rs.	2013 Rs.
Incoming Resources	3	99,353,676	109,261,428
Project Expenditure	4		
Staff Costs		24,480,871	19,664,759
Other Direct Costs		43,611,512	49,275,715
Other Indirect Expenditure		28,246,328	27,538,543
Total Project Cost		96,338,711	96,479,017
Net Surplus on Projects		3,014,965	12,782,411
Revenue Earned from Other Activities	13	6,585,786	14,331,861
Administrative Expenses	14	(11,322,760)	(20,168,823)
		(1,722,009)	6,945,450
Finance Cost	15	(155,815)	(358,492)
Net Surplus/(Deficit) Before Tax		(1,877,824)	6,586,958
Income Tax Expenses	16	(35,156)	(428,397)
Net Surplus/(Deficit) for the Year		(1,912,980)	6,158,561
Other Comprehensive Income		-	-
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the Year		(1,912,980)	6,158,561

The accounting policies and notes on pages 7 through 19 form an integral part of the Financial Statements.

