

VOICE AREA FEDERATION (GUARANTEE) LIMITED

FINANCIAL STATEMENTS

30 JUNE 2017

APAG/ENDP/AD

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF VOICE AREA FEDERATION (GUARANTEE) LIMITED**

Report on the Financial Statements

We have audited the accompanying Financial Statements of Voice Area Federation (Guarantee) Limited ("the Company") which comprises the Statement of Financial Position as at 30 June 2017 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 Notes set out on pages 07 to 16.

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 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 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 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.

(Contd...2/)



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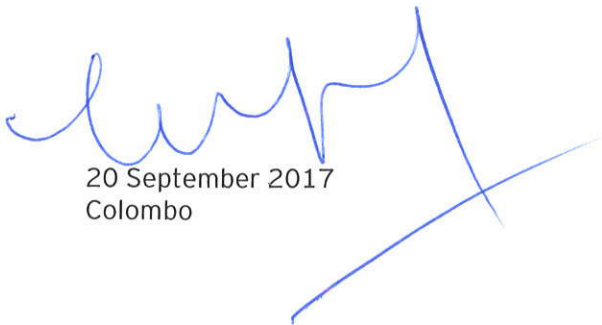
Opinion

In our opinion, the Financial Statements give a true and fair view of the Financial Position of the Company as at 30 June 2017 and its Financial Performance and its 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 Institute of Chartered Accountants of Sri Lanka.

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.



20 September 2017
Colombo

Voice Area Federation (Gaurantee) Limited

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

ASSETS	Note	2017 Rs.	2016 Rs.
Non Current Assets			
Property, Plant and Equipment	5	<u>6,662,179</u>	<u>6,661,465</u>
		6,662,179	6,661,465
Current Assets			
Receivables	6	225,237	122,042
Cash in Hand and at Bank	15	<u>13,101,384</u>	<u>9,787,680</u>
		13,326,621	9,909,722
Total Assets		<u><u>19,988,800</u></u>	<u><u>16,571,187</u></u>
RESERVES AND LIABILITIES			
Accumulated Reserves			
Unrestricted Funds	8	5,001,054	6,922,135
Restricted Funds	9	<u>5,677,549</u>	<u>2,117,423</u>
		10,678,603	9,039,558
Non Current Liabilities			
Retirement Benefit Liability	10	<u>9,084,600</u>	<u>7,326,000</u>
		9,084,600	7,326,000
Current Liabilities			
Payables	7	200,899	63,262
Current Portion of Interest Bearing Loans and Borrowings	11	-	142,367
NGO Tax Payable	16.2	<u>24,698</u>	-
		225,597	205,629
Total Reserves and Liabilities		<u><u>19,988,800</u></u>	<u><u>16,571,187</u></u>

These Financial Statements are in compliance with the requirements of the Companies Act No.7 of 2007.


.....
Finance Officer

The Board of Directors is 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 16 form an integral part of the Financial Statements.



Voice Area Federation (Gaurantee) Limited

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2017

	Note	2017 Rs.	2016 Rs.
Incoming Resources	4	79,146,499	52,102,687
OPERATING EXPENDITURE			
Project Expenditure	13.1	(70,166,554)	(41,434,238)
Administration Expenditure	13.2	<u>(10,603,605)</u>	<u>(9,353,152)</u>
Net Surplus / (Deficit) on Operating Activities		(1,623,660)	1,315,297
Revenue Earned from Other Activities	12	<u>421,188</u>	<u>472,663</u>
Net Surplus / (Deficit) Before Taxation		(1,202,472)	1,787,960
Income Tax Expenses	14.1	(718,609)	(478,542)
Net Surplus / (Deficit) for the Year		<u>(1,921,081)</u>	<u>1,309,417</u>
Other Comprehensive Income		-	-
Total Comprehensive Income / (Loss) for the Year		<u><u>(1,921,081)</u></u>	<u><u>1,309,417</u></u>

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.



Voice Area Federation (Gaurantee) Limited
STATEMENT OF CHANGES IN RESERVES
Year Ended 30 June 2017

	Unrestricted Funds Rs.	Restricted Funds Rs.	Result for the Year Rs.	Total Rs.
Balance as at 01 July 2016	5,612,718	55,321	-	5,668,039
Total Comprehensive Income for the Year	-	-	1,309,417	1,309,417
Balance Before Transfer to Reserves	5,612,718	55,321	1,309,417	6,977,456
Allocation of Results to Reserves	1,309,417	-	(1,309,417)	-
Funds Received During the Year	44,803,906	9,372,855	-	54,176,761
Adjustment Made During the Year	-	(11,972)	-	(11,972)
Funds Transferred to Statement of Comprehensive Income	(44,803,906)	(7,298,781)	-	(52,102,687)
Balance as at 30 June 2016	6,922,135	2,117,423	-	9,039,558
Total Comprehensive Income/(Loss) for the Year	-	-	(1,921,081)	(1,921,081)
Balance Before Transfer to Reserves	6,922,135	2,117,423	(1,921,081)	7,118,476
Allocation of Results to Reserves	(1,921,081)	-	1,921,081	-
Funds Received During the Year	44,939,528	37,767,097	-	82,706,625
Funds Transferred to Statement of Comprehensive Income	(44,939,528)	(34,206,971)	-	(79,146,499)
Balance as at 30 June 2017	<u>5,001,054</u>	<u>5,677,549</u>	<u>-</u>	<u>10,678,603</u>

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.



Voice Area Federation (Gaurantee) Limited

STATEMENT OF CASH FLOWS

Year Ended 30 June 2017

	Note	2017 Rs.	2016 Rs.
Cash Flows From Project Activities			
Net Surplus/(Deficit) Before Taxation		(1,202,472)	1,787,960
Adjustments			
Depreciation	5.2	2,218,735	1,875,873
Land and Building Write Off		-	513,540
Provision for Retirement Benefit Liabilities	10	1,758,600	919,000
Interest Income	12	(364,188)	(293,218)
Operating Profit Before Working Capital Changes		<u>2,410,675</u>	<u>4,803,155</u>
(Increase)/ Decrease in Receivables		(103,194)	14,674
Increase / (Decrease) in Payables		162,334	(106,623)
Cash Generated From Operations		<u>2,469,815</u>	<u>4,711,206</u>
Payment of Taxes	14.2	(718,609)	(478,542)
Net Cash Flows From Operating Activities		<u>1,751,206</u>	<u>4,232,664</u>
Cash Flows (Used in) Investing Activities			
Purchase of Plant & Equipment	5	(2,219,450)	(1,722,282)
Interest Income	12	364,188	293,218
Net Cash (Used in) Investing Activities		<u>(1,855,262)</u>	<u>(1,429,064)</u>
Cash Flows From Financing Activities			
Restricted Fund Unspent Balance		3,560,127	2,062,102
Bank Loan	11	(142,367)	(1,282,633)
Net Cash Flows From Financing Activities		<u>3,417,760</u>	<u>779,469</u>
Net Increase In Cash and Cash Equivalents		3,313,704	3,583,069
Cash and Cash Equivalents at the Beginning of the Year	15	9,787,680	6,204,611
Cash and Cash Equivalents at the End of the Year	15	<u>13,101,384</u>	<u>9,787,680</u>

The accounting policies and notes on pages 07 through 16 form an integral part of the Financial Statements.



1. CORPORATE INFORMATION

1.1 General

Voice Area Federation (Guarantee) Limited was incorporated under the Companies Act No. 07 of 2007 and also registered with the Department of Social Services and has been established under the Social Services Act No 31 of 1980 amended by Act No 08 of 1998; Voluntary Social Services through Non-Governmental Organizations. Voice Area Federation (Guarantee) Limited is a Non-Government Organization domiciled in Sri Lanka. The registered office and the principal place of operation are situated in No 144, Kurunegala Road, Puttalam, Sri Lanka.

1.2 Principle Activities and Nature of Operation of the Company

During the period, principal activities of the Voice Area Federation (Guarantee) Limited were described as follows:

- Flood Recovery
- Children Aged 6-14 in Educated & Confident
- Skilled and Youths in the Aged 15-24 yrs. are Skilled & Involved
- EU Project
- Safe & Secure Infant & Young Children
- Designated Fund for Children (DFC)
- KOICA Project
- Community Based Child Rehabilitation
- Non Sponsorship Program (NSP)
- Effective Sponsor Relations Management
- Capacity Building
- KOICA Project II
- Safety Net
- Emergency Response Grant

1.3 Date of Authorization for Issue

The Financial Statements of Voice Area Federation (Guarantee) for the year ended 30 June 2017 was authorized by the Board of Directors on 20 September 2017.



2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position as at 30 June 2017 and the Statement of Comprehensive Income, the Statement of Changes in Reserves and the Statement of Cash Flows for the year then ended, and a Summary of Significant Accounting Policies and Other explanatory notes of Voice Area Federation (Guarantee) Limited have been prepared 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 Institute of Chartered Accountants of Sri Lanka..

2.2 Basis of Measurement and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees have been prepared on a historical cost basis, except otherwise indicated.

2.3 Comparative Information

The accounting policies adopted by the Company are unless otherwise stated is consistent with those used in the previous year. The previous year's figures and policies have been re-arranged wherever necessary to conform to the current year's presentation.

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 POLICIES

3.1 Foreign Currency Translation

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 reporting date. All differences are taken the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd...)

3.2 Receivables

Receivables are stated at the cost less impairment (if any).

3.3 Cash and Cash Equivalents

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

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.

3.4 Property, Plant and Equipment

Plant and Equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is provided on straight line basis at the following rates per annum, in order to write off the cost of such assets over their estimated useful lives.

Furniture and Fittings	20%
Office Equipment	20%
Computer Equipment	20%
Motor Vehicles	20%

An item of Plant & Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (Calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the assets derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis.

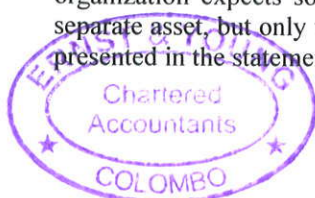
3.5 Grant Assets

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

3.6 Liability and Provisions

3.6.1 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.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd...)

3.6 Liability and Provisions (Contd....)

3.6.2 Retirement Benefit Obligations

a) Retirement Benefit Liability - Gratuity

Gratuity is a Defined Benefit Plan. The Company is liable to pay gratuity in terms of the Act No.12 of 1983, In order to meet this liability, a provision is carried forward in the Statement of Financial Position, equivalent to an amount calculated based on a half month's salary of the last month of the financial year of all employees for each completed year of service, commencing after the first year of service. The resulting difference between brought forward provision at the beginning of a year and the carried forward provision at the end of a year is dealt with in the Statement of Comprehensive Income.

b) Compensation

Compensation provision is carried forward in the Statement of Financial Position equivalent to an amount calculated based on the salary of the last month of the financial year for all employees for each completed years of service, commencing after the first year of service as follows. The basis of calculation is as follows.

No. of Years of Service Completed	No. of Months Per Year
1-5 Yrs	2.5
6-14 Yrs	2
15-19 Yrs	1.5
20-24 Yrs	1
25-34 Yrs	0.5

No amount is excess of Rs.1,250,000 shall be paid to any employee as compensation computed according to the above formula.

c) Defined Contribution Plan- Employees Provident Fund & Employee Trust Fund

Employees are eligible for Employees' Provident Fund and Employees' Trust Fund Contribution in line with respective statutes and regulations. The Company contributes 15% and 3% of gross emoluments of employee to Employees' Provident Fund and Employees' Trust Fund respectively.

3.6.3 Financial Liabilities

The Company's financial liabilities are included in current and non-current liabilities as Lease Creditors.

a) Recognition and Measurement

Initial measurement of financial liabilities is based on their fair value, but adjusted in respect of any transaction costs that are incremental and directly attributable to the acquisition or issue of the instrument.

b) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd...)

3.6 Liability and Provisions (Contd....)

3.6.3 Financial Liabilities (Contd....)

c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.7 Taxation

Current Taxes

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

As per the Inland Revenue Act No. 10 of 2006 and subsequently amendments there to, all Non-Governmental Organizations are liable to Income Tax on 3% of all funds received at the rate of 28%. Other income is subject to the tax rate of 28%.

3.8 Funds

a) Unrestricted Funds

Unrestricted funds are those that are available for use by the Company at the discretion of the board of directors, in furtherance of the general objectives of the Company and which are not designated for any specific purpose. Funds collected through a fund raising activity for any specific or defined purpose are also included under this category.

Contributions received from general public are recognized in the Statement of Comprehensive Income on a cash basis.

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

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 project. Unutilized funds are held in their respective fund account and included under Reserves in the Statement of Financial Position until such time as they are required.

Where approved grant expenditure exceeds the income received and there is a certainty that the balance will be received such amount is recognized as receivables 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.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd...)

c) Designated Funds

Restricted funds designated by the management to a specific purpose are identified as designated funds. The activities for which funds may be used are identified in the Financial Statements.

3.9 Statement of Comprehensive Income

a) Income Recognition

Income realized from restricted funds is recognized in the Statement of Comprehensive Income only when there is a certainty that all of the 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.

Net gains and losses of a revenue nature on the disposal of plant & equipment and other non-current asset including investments have been accounted in the Statement of Comprehensive Income, having deducted from proceeds on disposal, the carrying amount of the assets and related expenses.

Gifts and donations received in kind are recognized at fair value at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the Company at the point of such sale. Items not sold or distributed are inventories but not recognized in the Financial Statements.

c) Expenditure Recognition

Expenses in carrying out the projects and other activities of the Company are recognized in the Statement of Comprehensive Income during the period in which they are incurred. Other expenses incurred in administrating and running the Company and in restoring and maintaining the Plant & Equipment to perform at expected levels are accounted for on accrual basis to the Statement of Comprehensive Income.

The Company has adopted the "Function of expense" method to present fairly the elements of the Company's activities in its Statement of Comprehensive Income.



Voice Area Federation (Gaurantee) Limited
NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

4. INCOMING RESOURCES	2017 Rs.	2016 Rs.
Restricted Funds	34,206,971	44,803,906
Unrestricted Funds	44,939,528	7,298,781
	<u>79,146,499</u>	<u>52,102,687</u>

5. PROPERTY, PLANT & EQUIPMENT

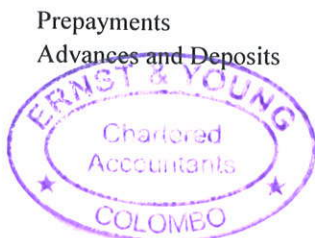
5.1 At Cost	Balance as at 01.07.2016 Rs.	Additions Rs.	Disposals Rs.	Balance as at 30.06.2017 Rs.
Furniture and Fittings	1,835,637	218,460	-	2,054,097
Office Equipment	4,121,571	289,790	-	4,411,361
Computer Equipment	4,033,811	448,800	-	4,482,611
Motor Vehicles	5,659,210	1,262,400	-	6,921,610
	<u>15,650,229</u>	<u>2,219,450</u>	<u>-</u>	<u>17,869,679</u>

5.2 Accumulated Depreciation	Balance as at 01.07.2016 Rs.	Charge for the Year Rs.	Disposals Rs.	Balance as at 30.06.2017 Rs.
Furniture and Fittings	1,835,637	109,010	-	1,944,647
Office Equipment	2,765,855	454,620	-	3,220,475
Computer Equipment	2,798,320	524,788	-	3,323,108
Motor Vehicles	1,588,952	1,130,318	-	2,719,270
	<u>8,988,764</u>	<u>2,218,735</u>	<u>-</u>	<u>11,207,499</u>

5.3 Net Book Value	2017 Rs.	2016 Rs.
Furniture and Fittings	109,450	-
Office Equipment	1,190,886	1,355,716
Computer Equipment	1,159,503	1,235,491
Motor Vehicles	4,202,340	4,070,258
	<u>6,662,179</u>	<u>6,661,465</u>

5.4 During the year the Company acquired Plant Equipment to the aggregate value of Rs.2,219,450/- (2016 - Rs. 1,722,282/-). Cash payments made amounted to Rs.2,219,450/- (2016 - Rs.1,722,282/-).

6. RECEIVABLES	2017 Rs.	2016 Rs.
Prepayments	189,237	104,080
Advances and Deposits	36,000	17,962
	<u>225,237</u>	<u>122,042</u>



Voice Area Federation (Gaurantee) Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

7. PAYABLES	2017 Rs.	2016 Rs.
Sundry Creditors including Accrued Expenses	200,899	63,262
	<u>200,899</u>	<u>63,262</u>
8. UNRESTRICTED FUNDS	2017 Rs.	2016 Rs.
Balance at the Beginning of the Year	6,922,135	5,612,718
Funds Received During the Year	44,939,528	44,803,906
Funds Transferred to Statement of Comprehensive Income	(44,939,528)	(44,803,906)
Total Comprehensive Income for the Year	(1,921,081)	1,309,417
Balance at the End of the Year	<u>5,001,054</u>	<u>6,922,135</u>
9. RESTRICTED FUNDS	2017 Rs.	2016 Rs.
Balance at the Beginning of the Year	2,117,423	55,321
Adjustment Made During the Year	-	(11,972)
Funds Received During the Year	37,767,097	9,372,855
Funds Transferred to Statement of Comprehensive Income	(34,206,971)	(7,298,781)
Balance at the End of the Year	<u>5,677,549</u>	<u>2,117,423</u>
10. RETIREMENT BENEFIT LIABILITY	2017 Rs.	2016 Rs.
10.1 Gratuity		
Balance at the Beginning of the Year	1,361,750	981,850
Charge for the Year	370,600	379,900
	<u>1,732,350</u>	<u>1,361,750</u>
Payment Made During the Year	-	-
Balance at the End of the Year	<u>1,732,350</u>	<u>1,361,750</u>
10.2 Compensation		
Balance at the Beginning of the Year	5,964,250	5,425,150
Charge for the Year	1,388,000	539,100
	<u>7,352,250</u>	<u>5,964,250</u>
Payment Made During the Year	-	-
Balance at the End of the Year	<u>7,352,250</u>	<u>5,964,250</u>
Total Retirement Benefit Liability	<u>9,084,600</u>	<u>7,326,000</u>
11. INTEREST BEARING LOANS AND BORROWINGS	2017 Rs.	2016 Rs.
Capital Amount	142,367	1,425,000
Payments Made During the Year	(142,367)	(1,282,633)
	<u>-</u>	<u>142,367</u>



Voice Area Federation (Gaurantee) Limited
 NOTES TO THE FINANCIAL STATEMENTS
 Year ended 30 June 2017

12. REVENUE EARNED FROM OTHER ACTIVITIES	2017 Rs.	2016 Rs.
Interest Income from Savings Accounts	364,188	293,218
Expenses Borne by Child Fund	57,000	50,600
Miscellaneous Income- Staff Insurance Claim	-	128,845
	421,188	472,663

13. OPERATING EXPENDITURE

13.1 Project Expenditure	2017 Rs.	2016 Rs.
<u>Summary</u>		
Flood Recovery	17,244,927	-
Children Aged 6-14 in Educated & Confident	15,986,670	13,840,790
Skilled and Youths in the Aged 15-24 yrs. are Skilled & Involved	7,349,081	5,120,917
EU Project	6,378,780	349,156
Safe & Secure Infant & Young Children	6,032,622	6,615,233
Designated Fund for Children (DFC)	5,637,141	5,214,972
KOICA Project	2,404,103	796,928
Community Based Child Rehabilitation	2,382,969	3,803,405
Non Sponsorship Program (NSP)	1,938,445	899,724
Effective Sponsor Relations Management	1,841,664	3,018,219
Capacity Building	1,771,972	1,736,894
KOICA Project II	603,575	-
Safety net	594,605	-
Emergency Response Grant	-	38,000
	70,166,554	41,434,238

13.2 Administration Expenditure	2017 Rs.	2016 Rs.
Salaries Regular Staff	3,265,350	2,317,920
Depreciation - Motor Vehicles	1,130,318	958,424
Rent Expense	611,462	571,846
ETF/EPF Payment	547,074	387,472
Maintenance - Vehicles	542,279	699,936
Depreciation - Office Equipment	526,136	429,362
Depreciation - Computer Equipment	524,788	432,576
Gratuity and Compensation	398,013	143,047
Fuel	367,364	346,184
Maintenance - Equipment	363,549	289,198
Telephones, Cable and Internet	352,257	308,278
Utilities Expenses	345,489	274,634
Salaries - Overtime	218,500	73,699
Conferences and Meetings	174,716	216,724
Meals and Accommodations	173,775	109,602
Maintenance - Building	143,715	147,730
Professional Services	127,250	7,500
Other Travel Cost	108,546	105,652
Office Supplies	108,005	108,694
Thirteenth Month	99,815	158,728
Contracted Services	87,185	194,916
Insurance - Medical/Dental	79,251	43,436
Insurance - Vehicles	76,546	178,444
Audit Fees	62,700	57,000
Transport	56,398	20,536
Depreciation - Furniture & Fittings	37,494	47,911
Bank and Other Service Charges	27,350	26,651
Miscellaneous Expenses	24,975	136,538
Postage and Freight	22,415	8,575
Bank Loan Interest Payment	890	30,799
Depreciation - Buildings	-	7,600
Land and Building Write Off	-	513,540
	10,603,605	9,353,152

Voice Area Federation (Gaurantee) Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2017

14. NGO TAX

As per the Inland Revenue act No. 10 of 2006 and subsequently amendments there to, all Non Government Organizations are liable for Income tax 3% of all grants received during the year and are taxable at 28%. Other Income is subject to the tax rate of 28%.

14.1 Tax Expenses

	2017 Rs.	2016 Rs.
NGO Tax Charged for 2016/2017	718,609	478,542
Total Grants Received for the Year	82,706,625	54,176,761
Grants Liabile for Income Tax	82,706,625	54,176,761
Deemed Profit at 3% of Grants Liabile for Income Tax	2,481,199	1,625,303
Tax at 28%	694,736	455,085
NGO Tax Charged for 2016/2017	694,736	455,085
Withholding Tax on Interest Income	23,873	23,457
Total Tax Expenses	718,609	478,542

14.2 Tax Payable

	2017 Rs.	2016 Rs.
Balance at the Beginning of the Year	-	-
Tax Expenses	718,609	478,518
WHT Paid on Saving Account Interest	(23,873)	(23,457)
Tax Paid During the Year	(670,038)	(455,061)
NGO Tax Payable	24,698	-

15. CASH IN HAND AND AT BANK

	2017 Rs.	2016 Rs.
Current Account	2,797,692	1,841,835
Savings Account	10,303,692	7,945,845
	13,101,384	9,787,680

16. COMMITMENTS AND CONTINGENT LIABILITIES

There are no significant capital commitments or contingent liabilities as at 30 June 2017.

17. EVENTS OCCURRING AFTER THE REPORTING DATE

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

18. RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel of the Company

The Key Management Personnel of the Company are the Board of Directors and Federation Manager.

	2017 Rs.	2016 Rs.
Short Term Benefits	1,411,126	1,172,650
Post Employment Benefits	178,794	166,320
Termination Benefits	67,375	1,596,500
	1,657,295	2,935,470



Voice Area Federation (Gaurantee) Limited
PROJECT SUMMARY ACTIVITY
Year ended 30 June 2017

PROJECT ACTIVITY SUMMARY

Description	Unrestricted Funds						Restricted Funds						Total				
	Community Development Activities						Other Restricted Funds										
	Safe & Secure Infant & Young Children	Children Aged 6-14 in Educated & Confident	Skilled and Youth in the Aged 15-24 yrs. are Skilled & Involved	Community Based Child Rehabilitation	Capacity Building	Safety Net Program	Effective Sponsor Relations Management	Program Support Expenses	Sub Total	Designated Fund for Children (DFC)	Non Sponsorship Program (NSP)	KOICA Project		KOICA Project II	EU Project	Emergency Response Grant	Flood Recovery Project
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Balance as at 01 July 2016																	
Amount Received During the Year																	
Total Fund Received for the Period																	
Total Amount Expended																	
Other Supplies and Materials	926,277	1,960,604	690,110	124,361	206,583	37,380	107,486	-	4,052,801	-	894,909	-	-	651,104	-	13,706,676	20,427,595
Salaries Regular Staff	1,516,467	2,334,144	1,204,324	314,322	-	67,500	958,901	3,265,350	9,661,008	-	266,500	135,000	-	618,000	-	926,167	11,606,675
Contracted Services	1,026,710	1,939,630	900,575	719,669	203,067	79,720	10,000	87,185	4,876,836	-	73,525	177,135	-	1,334,472	-	663,443	7,504,411
Other Travel Cost	711,293	1,459,462	746,193	531,852	414,223	-	398,128	108,546	4,449,417	-	126,070	64,324	-	1,121,508	-	28,500	5,798,819
Designated Funds to Children Payment										5,637,141							5,637,141
Conferences and Meetings	198,418	1,195,341	337,476	40,840	467,027	-	90,735	174,716	2,504,553	-	191,706	68,240	-	782,335	-	687,826	4,238,000
Transport for Training	202,468	1,038,246	783,271	-	40,260	-	-	-	2,064,245	-	125,476	56,982	-	475,054	-	117,605	2,839,362
Meals and Accommodation	168,085	443,652	639,441	-	178,767	-	470	-	1,430,415	-	262,920	42,812	-	726,045	-	323,151	2,785,343
ETP/EPF Payment	258,633	345,039	239,103	53,001	-	8,505	75,978	547,074	1,527,333	-	34,020	17,010	-	111,240	-	159,465	1,849,068
Training Expense - Combined		1,763,457							1,763,457								1,763,457
Gratuity and Compensation	305,538	265,538	305,538	305,538	-	-	-	398,013	1,580,165	-	52,500	-	-	125,938	-	-	1,758,602
Educational Supplies	-	1,478,980	-	-	-	-	-	-	1,478,980	-	-	-	-	-	-	-	1,478,980
Depreciation - Motor Vehicles	-	-	-	-	-	4,000	-	-	1,130,318	-	-	-	-	-	-	-	1,130,318
Telephones, Cable and Internet	74,268	194,421	99,440	77,331	37,476	-	-	352,257	902,709	-	99,972	1,172	-	52,502	-	44,501	1,000,884
Trainer's Fee	167,750	148,000	240,000	800,498	99,745	-	-	-	655,495	-	-	-	-	-	-	135,000	890,467
Training Facilities	-	626,078	-	-	-	-	-	-	800,498	-	-	-	-	-	-	13,500	813,998
Professional Services	117,930	222,356	122,421	-	-	-	-	-	462,707	-	198,495	1,720	-	4,905	-	74,795	753,328
Training Materials	-	-	-	-	-	-	-	-	542,279	-	-	-	-	68,948	-	-	742,622
Rent Expense	-	-	-	-	-	-	-	-	611,462	-	-	-	-	21,875	-	-	680,410
Maintenance - Vehicles	-	-	-	-	-	-	-	-	518,831	-	-	-	-	-	-	-	518,831
Printing Materials	72,110	250,521	99,815	-	59,750	-	136,450	99,815	499,075	-	-	-	-	50,375	-	-	556,431
Thirteenth Month	99,815	99,815	99,815	99,815	-	-	-	-	397,500	-	-	-	-	-	-	-	397,500
Depreciation - Office Equipment	-	-	-	-	-	-	-	-	173,775	-	-	1,580	-	-	-	-	175,355
Depreciation - Computer Equipment	-	-	-	-	-	-	-	-	456,499	-	-	-	-	-	-	-	456,499
Fuel	-	-	-	-	-	397,500	-	-	394,611	-	-	-	-	-	-	-	394,611
Emergency Supplies	-	-	-	-	-	-	-	-	363,549	-	-	-	-	-	-	-	363,549
Meals and Accommodations	44,750	116,155	36,745	78,840	65,074	-	-	79,251	456,499	-	-	-	-	-	-	-	605,000
Insurance - Medical/Dental	78,840	78,840	78,840	78,840	-	-	-	-	345,489	-	-	-	-	-	-	-	345,489
Building Materials	-	-	-	-	-	-	-	-	56,398	-	-	-	-	-	-	-	56,398
Maintenance - Equipment	-	-	-	-	-	-	-	-	108,005	-	-	-	-	-	-	-	108,005
Utilities Expenses	-	-	-	-	-	-	-	-	218,500	-	-	-	-	-	-	-	218,500
Transport	5,000	36,395	25,291	-	-	-	-	-	143,715	-	-	-	-	-	-	-	143,715
Office Supplies	-	-	-	-	-	-	-	-	76,546	-	-	-	-	-	-	-	76,546
Salaries - Overtime	-	-	-	-	-	-	-	-	62,700	-	-	-	-	-	-	-	62,700
Maintenance - Building	-	-	-	-	-	-	-	-	58,270	-	-	-	-	-	-	-	58,270
Insurance - Vehicles	-	-	-	-	-	-	-	-	27,069	-	-	-	-	-	-	-	27,069
Audit Fees	-	-	-	-	-	-	-	-	37,494	-	-	-	-	-	-	-	37,494
Nutrition Supplies	58,270	-	-	-	-	-	-	-	27,350	-	-	-	-	-	-	-	27,350
Health and Medical Supplies	-	-	-	-	-	-	-	-	24,975	-	-	-	-	-	-	-	24,975
Depreciation - Furniture & Fittings	-	-	-	-	-	-	-	-	22,415	-	-	-	-	-	-	-	22,415
Bank and Other Service Charges	-	-	-	-	-	-	-	-	10,331	-	-	-	-	-	-	-	10,331
Vehicles - Expensed	-	-	-	-	-	-	-	-	890	-	-	-	-	-	-	-	890
Miscellaneous Expenses	-	-	-	-	-	-	-	-	10,603,603	-	-	-	-	-	-	-	10,603,603
Postage and Freight	-	-	-	-	-	-	-	-	594,605	-	-	-	-	-	-	-	594,605
Occupancy	-	-	-	-	-	-	-	-	1,841,664	-	-	-	-	-	-	-	1,841,664
Equipment - Expensed	-	-	-	-	-	-	-	-	2,382,969	-	-	-	-	-	-	-	2,382,969
Bank Loan Interest Payment	-	-	-	-	-	-	-	-	1,771,972	-	-	-	-	-	-	-	1,771,972
Total	6,032,622	15,986,670	7,349,081	2,382,969	1,771,972	594,605	1,841,664	10,603,603	46,563,188	5,637,141	1,938,445	2,404,103	603,575	6,378,780	-	17,244,927	80,770,158
Net (Deficit) on Operating Activities									(1,623,660)								(1,623,660)
Balance as at 30 June 2017									3,898		241,206	132,270	1,781,225	2,216,768	500	1,301,682	1,936,468

