

FINANCIAL STATEMENT

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

We have audited the accompanying financial statements of Transparency International Sri Lanka (Guaranteed) Limited, ("the Company"), which comprise the statement of financial position as at 31 December 2014, 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 Governance ("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 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.

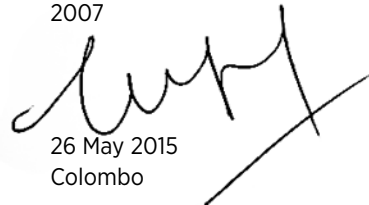
Opinion

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 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.

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



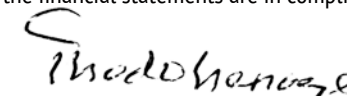
26 May 2015
Colombo

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2014

ASSETS	Note	2014	2013
		Rs.	Rs.
Non-Current Assets			
Property, Plant & Equipment	5	110,935	265,330
		110,935	265,330
Current Assets			
Receivables	7	4,225,243	4,218,584
Short Term Deposits	6	3,432,193	3,227,007
Cash & Bank Balances	17	32,911,126	37,800,668
		40,568,562	45,246,259
Total Assets		40,679,497	45,511,589
FUNDING & LIABILITIES			
Accumulated Funds			
Restricted Funds	8	23,301,071	31,604,559
Unrestricted Funds	9	12,396,052	10,410,653
Capital Grants	10	348,596	348,596
		36,045,719	42,363,808
Non-Current Liabilities			
Retirement Benefit Liability	11	1,237,488	1,020,350
		1,237,488	1,020,350
Current Liabilities			
Creditors	12	3,171,989	1,717,965
Income Tax Payable		224,301	409,466
		3,396,290	2,127,431
Total Funding and Liabilities		40,679,497	45,511,589

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

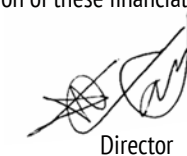


Finance Officer

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 7 through 20 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2014

	Note	2014	2013
		Rs.	Rs.
Incoming Resources	4	77,508,933	58,300,878
OPERATING EXPENDITURE			
Project Expenditure	13	(66,688,387)	(41,885,315)
Administrative Expenses	16	(10,841,645)	(16,415,563)
Total Operating Expenditure		(77,530,032)	(58,300,878)
Net Deficit on Operating Activities		(21,099)	0
Revenue Earned from Other Activities	15	2,860,280	2,751,062
Net Surplus Before Tax		2,839,181	2,751,062
Income Tax Expenses	14	(454,420)	(665,113)
Net Surplus After Tax		2,384,761	2,085,949
Total Comprehensive Income for the Year		2,384,761	2,085,949

The accounting policies and notes on pages 7 through 20 form an integral part of the financial statements.

STATEMENT OF CHANGES IN RESERVES

Year ended 31 December 2014

	Restricted Funds	Unrestricted Funds	Capital Grants	Results for the year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 January 2013	23,954,143	8,942,246	348,596	-	33,244,985
Net Surplus for the Year	-	-	-	2,085,949	2,085,949
Balance Before Transfer to Reserves	23,954,143	8,942,246	348,596	2,085,949	35,330,934
Total Comprehensive Income for the Year	-	2,085,949	-	(2,085,949)	-
Funds Received During the Year	65,928,728	-	-	-	65,928,728
Funds Transferred to Statement of Financial Activities	(58,300,878)	-	-	-	(58,300,878)
Transfer From / (To) Reserves	617,542	(617,542)	-	-	-
Accrued Interest	1,121,334	-	-	-	1,121,334
Returned to Donor	(1,716,312)	-	-	-	(1,716,312)
Balance as at 31 December 2013	31,604,559	10,410,653	348,596	-	42,363,808
Net Surplus for the Year	-	-	-	2,384,761	2,384,761
Balance Before Transfer to Reserves	31,604,559	10,410,653	348,596	2,384,761	44,748,570
Total Comprehensive Income for the Year	-	2,384,761	-	(2,384,761)	-
Funds Received During the Year	68,367,255	-	-	-	68,367,255
Transfer From / (To) Reserves	399,362	(399,362)	-	-	-
Interest Income During the Year	438,828	-	-	-	438,828
Funds Transferred to Statement of Comprehensive Income	(77,508,933)	-	-	-	(77,508,933)
Balance as at 31 December 2014	23,301,071	12,396,052	348,596	-	36,045,719

The accounting policies and notes on pages 7 through 20 form an integral part of the financial statements.

CASH FLOW STATEMENT

Year ended 31 December 2014

	Note	2014	2013
Cash Flows from Operating Activities		Rs.	Rs.
Net Surplus before Taxation		2,839,181	2,751,062
Adjustments for			
Depreciation	5.2	232,865	1,047,058
Provision for Gratuity	11	313,388	369,571
Loss on Sale of Property, Plant & Equipment		-	(254,000)
Interest Income	15	(1,621,930)	(1,254,071)
Net cash flow before Working Capital Changes		1,763,505	2,659,620
Increase in Receivables	7	(6,659)	(1,477,956)
Increase in Creditors	12	1,454,024	1,038,953
Cash Generated from Operations		3,210,869	2,220,617
Payment of Taxes		(639,585)	(410,274)
Gratuity Paid		(96,250)	(961,221)
Net Cash from Project Activities		2,475,034	1,810,343
Cash Flows from/(Used in) Investing Activities			
Purchase of Property, Plant & Equipment	5	(78,470)	(42,840)
Proceeds from Sale of Property, Plant & Equipment		-	254,000
Investment on Short Term Deposits		(205,186)	(314,982)
Interest Income	15	1,621,930	1,254,071
Net Cash from/(used in) Investing Activities		1,338,274	1,150,249
Cash Flows from/(Used in) Financing Activities			
Funds received from Donors unutilized		(8,702,850)	7,650,417
Transfer From		-	(617,542)
Net Cash from/(used in) Financing Activities		(8,702,850)	7,032,875
Net Increase/(Decrease) in Cash and Cash Equivalents		(4,889,542)	9,032,246
Cash and Cash Equivalents at the Beginning of the Year	17	37,800,668	28,768,423
Cash and Cash Equivalents at the End of the Year	17	32,911,126	37,800,668

The accounting policies and notes on pages 7 through 20 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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. 183/5, High-level Road, Colombo 06.

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 Company for the year ended 31 December 2014 was authorized for issue in accordance with a resolution of the board of directors on 26 May 2015.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

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 for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

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

2.3 Comparative Information

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The previous year's figures and policies have been re arranged wherever necessary to confirm the current year's presentation.

2.4 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 for Not-for-Profit Organizations (Including Non-Governmental Organization) (SL SoRP-NPO's [including NGO's]) issued by the Chartered Accountants of Sri Lanka.

2.5 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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Company (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 the subsequent approval of the Donor.

Surplus funds are transferred for 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 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

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

3.5 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 Statement of Cash Flows, 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 Property Plant & Equipment

a) 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.

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 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 year 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 is set off against the amortization of this capital grant.

d) 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.

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) 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.

(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 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.

All other income is recognized when the Company 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.

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 property, plant and equipment to perform at expected levels are accounted for on an accrual basis and charged to the 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 2014

4. INCOMING RESOURCES	2014	2013
	Rs.	Rs.
Restricted Funding	77,508,933	58,300,878
	77,508,933	58,300,878

5. PROPERTY, PLANT & EQUIPMENT	Balance As at	Additions	Disposals	Balance As at
5.1 Gross Carrying Amounts	01.01.2014			31.12.2014
At Cost	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	1,595,311	44,910	-	1,640,221
Office Equipments	4,293,196	5,980	-	4,299,176
Computers	2,209,425	27,580	-	2,237,005
Motor Vehicle	78,000	-	-	78,000
	8,175,932	78,470	-	8,254,402
Total Gross Carrying Amount	8,175,932	78,470	-	8,254,402

5.2 Depreciation	As at 01.01.2014	Charge for the Year	Disposals	As at 31.12.2014
At Cost	Rs.	Rs.	Rs.	Rs.
Furniture & Fittings	1,577,515	17,601	-	1,595,116
Office Equipments	4,148,869	112,107	-	4,260,976
Computers	2,114,343	95,033	-	2,209,376
Motor Vehicle	69,875	8,124	-	78,000
	7,910,602	232,865	-	8,143,467
Total Depreciation	7,910,602	232,865	-	8,143,467

5.3 Net Book Values	As at 01.01.2014			As at 31.12.2014
	Rs.	Rs.	Rs.	Rs.
Total Carrying Value of Property, Plant & Equipment	265,330			110,935

5.4 During the financial period, the Company has acquired Property, Plant & Equipment amounting Rs.78,470/- (2013 Rs.42,840/-).

5.5 The useful lives of the assets are estimated as follows;	2014	2013
Furniture & Fittings	Over 4 Years	Over 4 Years
Office Equipments	Over 4 Years	Over 4 Years
Computers	Over 4 Years	Over 4 Years
Motor Vehicle	Over 4 Years	Over 4 Years

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

6. SHORT TERM DEPOSITS	2014	2013
	Rs.	Rs.
Fixed Deposits	3,432,193	3,227,007
	3,432,193	3,227,007

7. RECEIVABLES	2014	2013
	Rs.	Rs.
Deposits & Prepayments	1,345,247	2,235,944
Advances	951,780	1,229,682
Other Receivables	1,928,216	752,958
	4,225,243	4,218,584

8. RESTRICTED FUNDS	2014	2013
	Rs.	Rs.
Balance as at Beginning of the Year	31,604,559	23,954,143
	31,604,559	23,954,143
Funds Received During the Year	68,367,255	65,928,728
Interest Income During the Year	438,828	1,121,334
Funds Transferred to Statement of Comprehensive Income	(77,508,933)	(58,300,878)
Transfer from Unrestricted Fund	399,362	617,542
Returned to Donor	-	(1,716,312)
Balance as at 31 December 2013	23,301,071	31,604,559

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

8. RESTRICTED FUNDS (Contd...)

8.1 Movements in Restricted Funds - 1 January to 31 December 2014

Name of Donor Organisation	Project	Budget for the Year	Balance Brought forward	Received/ during the year	Total available in current Year	Transferred to statement of Comprehensive Income for Project Cost	Transferred to statement of financial activities for Administrative	Total Transferred to statement of Comprehensive Income	Reclassification of Reserves	Balance carried forward
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ministry of Foreign Affairs	From Co-donors	29,221,553	9,519,109	14,751,884	24,270,993	17,457,583	1,402,008	16,055,575		8,215,418
FES	Investigative Journalism workshop		(399,362)		(399,362)			-	399,362	-
FK-2013/14	Exchange Programme - TI South Asian Chapters	2,108,397	2,108,397	7,647,762	9,756,160	4,831,581		4,831,581		4,924,579
NED Washington D C USA	Galle Capacity Building Project-2 DS Divisions	3,668,520	1,987,878	3,862,553	5,850,431	3,752,407		3,752,407		2,098,024
NED Washington D C USA	YIP Project	5,400,000		1,918,938	1,918,938	4,802,076		4,802,076		(2,883,138)
TI Secretariat	Advocacy of Legal Advice center	12,813,778	9,813,778	8,167,466	17,981,244	8,232,972	438,828	7,794,144		10,187,100
Taiwan Foundation	Governance Report	-		384,300	384,300	714,615		714,615		(330,315)
TI Secretariat	Youth Programme	1,119,223	1,119,223	1,256,819	2,376,042	3,239,652	(863,611)	4,103,263		(1,727,222)
TMMF Korea	Advocacy of Legal Advice center	438,828	438,828		438,828			-		438,828
TI Secretariat	National Integrity Context and System Analysis	4,420,593	4,420,593	1,392,271	5,812,864	3,349,674		3,349,674		2,463,190
TIS -Sustainability Grant	Sustainability Grant	-		4,174,342	4,174,342	4,288,489		4,288,489		(114,147)
SIDA	PPPR	-			-			-		-
DIAKONIA	Promoting Principals of Democracy	-		8,990,406	8,990,406	9,415,577		9,415,577		(425,171)
Inter News	Inter News	4,932,158	1,263,064	2,821,641	4,084,705	5,883,408		5,883,408		(1,798,703)
British High Commission	Protection of Public Property (election Monitoring)				-	891,278		891,278		(891,278)
Rectification of Reserves			617,542		617,542			-	-	617,542
German Embassy	Protection of Public Property (election Monitoring)	2,425,000		2,425,000	2,425,000	829,089		829,089		1,595,911
Swiss Embassy	Protection of Public Property (election Monitoring)	6,320,462	715,508	4,926,011	5,641,519	6,437,758		6,437,758		(796,239)
Spice		5,136,830		1,840,000	1,840,000	897,876		897,876		942,124
TIS - YIP 2	Building Young Change - YIP	2,520,000		1,215,750	1,215,750	416,438		416,438		799,312
TIS - NIS	Public sector integrity	3,360,000		1,592,112	1,592,112	125,000		125,000		1,467,112
Helvetas	Helping citizens to Strength Governance	1,500,000		1,000,000	1,000,000	1,943,459	(538,397)	2,481,856		(1,481,856)
Total for ongoing Project		85,385,343	31,604,559	68,367,255	99,971,812	77,508,933	438,828	77,070,105	399,362	23,301,071

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

9. UNRESTRICTED FUNDS	2014	2013
	Rs.	Rs.
Balance as at Beginning of the Year	10,410,653	8,942,246
Transfer to Reserves	(399,362)	(617,542)
Total Comprehensive Income for the Year	2,384,761	2,085,949
Balance as at End of the Year	12,396,052	10,410,653

10. CAPITAL GRANTS	2014	2013
	Rs.	Rs.
Balance as at Beginning of the Year	348,596	348,596
Transfer to Statement of Income & Expenditure- Amortization	-	-
Capitalize During the Year	-	-
Balance as at End of the Year	348,596	348,596

11. RETIREMENT BENEFIT LIABILITY	2014	2013
Retirement Benefits Obligation-Gratuity	Rs.	Rs.
Balance as at Beginning of the Year	1,020,350	1,612,000
Charge for the Year	313,388	369,571
Payments Made During the Year	(96,250)	(784,324)
Adjustments Made During the Year	-	(176,897)
Balance as at End of the Year	1,237,488	1,020,350

12. CREDITORS	2014	2013
	Rs.	Rs.
Accrued Expenses	1,307,095	691,832
Other Payables	1,864,894	1,026,133
	3,171,989	1,717,965

13. PROJECT EXPENSES	2014	2013
	Rs.	Rs.
Staff (13.1)	13,943,421	10,535,236
Direct Cost (13.1)	49,271,145	28,463,448
Indirect Cost (13.1)	3,473,821	2,886,631
	66,688,387	41,885,315

14. INCOME TAX EXPENSES	2014	2013
Current Income Tax	Rs.	Rs.
Current Tax Expense on Ordinary Activities for the Year	454,420	665,113
	454,420	665,113

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

13. PROJECT EXPENDITURE (Contd..)

(..Project Activity Summary For the year ended 31st December 2013 (Contd)

Activity/Project	Donor Organization	Project Budget Year 2014	Transferred From Restricted Fund	Total Amount Expended			Total Expenses
				Staff Cost	Direct Project COST	Indirect Project COST	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
National & Local Governance							
Women And Corruption	MFA	900,000	756,337	20,419	585,068	150,850	
Galle District Programme NED	NED	3,752,407	3,775,720	795,261	2,845,054	152,500	
Youth Program	NED 2	5,715,000	4,770,910	644,501	4,120,453	24,955	
Sambashana	MFA	1,068,000	482,521	-	215,270	267,252	
News Letter	MFA	500,000	484,043	37,000	465,293	31,987	
Engaging Young People YIP	TIS	9,165,836	1,969,900	696,277	1,235,260	35,628	
Governance Report	MFA	1,020,000	1,048,365	33,000	783,915	231,450	
Develop Resource Material ALAC	TIS	18,500,000	10,264,009	3,040,204	7,027,794	196,670	
NICSA	TIS	2,084,000	4,216,774	930,004	2,936,770	-	
Internews	Internews	-	5,880,451	812,915	5,119,236	-	
Develop Resource Material	DIAKONIA	-	8,343,032	2,359,826	5,268,214	809,753	
Fund raising Project	TIS	-	4,392,619	1,633,032	2,759,587	-	
Mapping, Identifying (Coalition)	MFA	250,000	265,707	15,000	131,479	119,228	
Study on Private Sector	MFA	200,000	181,508	-	181,508	-	
NIA	MFA	2,300,000	2,257,289	3,560	2,221,338	117,691	
RTI and Whistle blow	MFA	350,000	450,517	368,530	-	31,987	
Engaging with the Public Sector	MFA	150,000	120,469	-	3,901	116,588	
Building Young Change - YIP	TIS	2,520,000	1,873,343	576,400	1,296,423	520	
Protection of Public Property (election Monitoring)	SWISS/BHC/GER	15,926,318	9,349,078	-	9,556,424	-	
Shelter for Integrity and Participant	SPICE	5,136,816	932,332	337,172	551,705	-	
Exchange Programme - TI South Asian Chapters	FK	3,492,500	4,853,656	1,640,321	1,966,453	1,186,762	
TOTAL PROGRAM COST		73,030,877	66,668,583	13,943,421	49,271,145	3,473,821	66,688,387
Administration Expenses		16,855,847	10,841,645	5,649,982	5,191,663	-	10,841,645
Total Expenses		16,855,847	77,510,228	19,593,403	54,462,808	-	77,530,032

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

15. REVENUE EARNED FROM OTHER ACTIVITIES	2014	2013
	Rs.	Rs.
Sundry Income	1,000	69,010
Interest Income	1,621,930	1,254,071
Profit on Sale of Asset	-	254,000
Amounts Write Off	-	989,584
Recourse Personnel Income	-	7,500
Administration Income - FK	1,237,350	-
Gratuity Adjustment made During the Year	-	176,897
	2,860,280	2,751,062

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

16. ADMINISTRATIVE EXPENSES	2014	2013
	Rs.	Rs.
Salaries	5,649,982	7,965,887
Consultancy Fees	-	78,368
Audit Fee	152,160	182,491
Staff Welfare	133,435	163,579
Gratuity	313,388	369,571
Travelling	79,842	58,323
Insurance -Business Guard	574,548	760,297
Printing and Stationery	151,785	99,208
Postage, Stamps and Courier Charges	17,565	2,309
Telephone / Internet Charges	245,320	305,983
Water Rates	16,300	68,019
Electricity	287,239	689,864
Office Rent	827,700	1,644,560
Equipment Maintenance	63,085	267,937
Office Maintenance	30,296	188,648
Security	490,941	701,185
IT Maintenance	34,107	42,958
Vehicle Maintenance	16,984	16,003
Fuel	15,480	28,185
Depreciation	232,900	929,396
Bank Charges	15,132	66,558
PAYE, EPF Surcharge	-	695
Secretarial Fees	92,765	33,116
Miscellaneous Expenses	-	5,201
Office Reallocation	3,155	1,214,330
Janitorial Charges	143,264	202,245
Board Meeting Expenses	19,635	54,220
AGM Expenses	397,750	276,427
Amount written off	532,225	-
Planning Meetings	175,427	-
Accounting Package Maintenance	17,136	-
Accidental Expenses	75,693	-
Legal Expenses	3,840	-
News Paper	4,370	-
Web Maintenance	21,261	-
Recruitment Cost	6,935	-
	10,841,645	16,415,563

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

17.	CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	2014	2013
	Components of Cash and Cash Equivalents	Rs.	Rs.
	Favorable Cash & Cash Equivalents Balance		
	Balance at Bank	32,857,026	37,774,038
	Cash in Hand	54,100	26,630
		32,911,126	37,800,668
18.	CAPITAL COMMITMENTS		
	There are no capital commitments as at 31 December 2014		
19.	CONTINGENT LIABILITIES		
	The Company does not have significant contingent liabilities as at the 31 December 2014.		
20.	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.		
21.	RELATED PARTY DISCLOSURES		
21.1	Transactions with Key Management Personnel of the Organization		
	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 TISL. No member of the board of directors receives any salary or other compensation.		
		2014	2013
a)	Key Management Personnel Compensation	Rs.	Rs.
	Short - Term Employee Benefit	5,685,720	4,329,903