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A.C.M. Ifhaam ACA, ASCMA, BBA,LLB, Attorney-at-Law

### AUDITORS' REPORT

To the Members of MBA Alumni Association, University Of Colombo.

We have audited the Balance Sheet of MBA Alumni Association, University Of Colombo, as at March 31, 2010 and the related Statement of Income & Expenditure Statement for the Year then ended, together with notes thereto.

#### Respective Responsibilities of the Treasurer & the Auditors

The Treasurer is responsible for preparing and presenting these Financial Statements in accordance with the Sri Lanka Accounting Standards. Our responsibility is to express an opinion on these Financial Statements, based on our Audit.

#### Basis of Opinion

We conducted our audit in accordance with the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An audit includes examining, on test basis evidence supporting the amount and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the Executive Committee, evaluating the overall presentation of the financial statements, and determining whether the said financial statements are prepared and presented in accordance with the Sri Lanka Accounting Standards. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit. We therefore believe that our audit provides a reasonable basis of our opinion.

#### Opinion

In our opinion, so far as appears from our examination, the MBA Alumni Association, University Of Colombo has maintained proper books of account for the Year ended March 31,2010 and to the best of our information and according to the explanations given to us, the said Balance Sheet and related statements of Income and Expenditure and Notes thereto, which are in agreement with the said books and have been prepared and presented in accordance with the Sri Lanka Accounting Standards, give a true and fair view of the MBA Alumni Association, University Of Colombo state of affairs as at March 31,2010 and of its Income & Expenditure for the Year then ended.

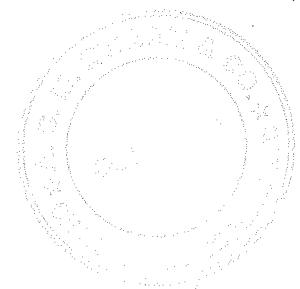


A.C.M.Ifhaam & Co,  
Chartered Accountants.  
May 31, 2010.

MBA ALUMNI ASSOCIATION , UNIVERSITY OF COLOMBO

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

	Notes	2009/2010 Rs.	2008/2009 Rs.
<b>INCOME</b>			
Income from Membership	01	168,300.00	81,300.00
(Shortfall)/Surplus from Activities	02	(76,085.99)	118,441.45
Other Income	03	223,830.02	268,849.00
		<u>316,044.03</u>	<u>468,590.45</u>
<b>EXPENDITURE</b>			
Administrative Expenses	04	(260,171.63)	(323,525.50)
Distribution Expenses	05	(36,262.30)	(47,738.50)
Other Operating Expenses	06	(12,480.57)	(6,612.08)
		<u>(308,914.50)</u>	<u>(377,876.08)</u>
<b>Income Over Expenditure Before Taxation</b>		<u><u>7,129.53</u></u>	<u><u>90,714.37</u></u>
Provision for taxation		-	-
<b>Income Over Expenditure After Taxation</b>		<u><u>7,129.53</u></u>	<u><u>90,714.37</u></u>



MBA ALUMNI ASSOCIATION , UNIVERSITY OF COLOMBO


BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2010


	Notes	31.03.2010 Rs.	31.03.2009 Rs.
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	07	11,168.00	29,686.00
Investments	08	1,922,375.57	1,700,382.77
<b>Total Non Current Assets</b>		<b>1,933,543.57</b>	<b>1,730,068.77</b>
<b>Current Assets</b>			
Advance Deposit & Prepayments	09	35,335.13	-
Accounts Receivable	10	70,342.30	342,842.30
Cash & Cash Equivalent	11	105,457.89	109,096.82
<b>Total Current Assets</b>		<b>211,135.32</b>	<b>451,939.12</b>
<b>Total Assets</b>		<b>2,144,678.89</b>	<b>2,182,007.89</b>
<b>EQUITY &amp; LIABILITY</b>			
<b>Accumulated Funds</b>			
	12	1,922,838.97	1,927,671.35
<b>Current Liabilities</b>			
Accounts Payable	13	70,749.30	500.00
Accrued Expense	14	151,090.62	149,590.62
Bank Overdraft	15	-	104,245.92
<b>Total Current Liabilities</b>		<b>221,839.92</b>	<b>254,336.54</b>
<b>Total Liabilities</b>		<b>2,144,678.89</b>	<b>2,182,007.89</b>

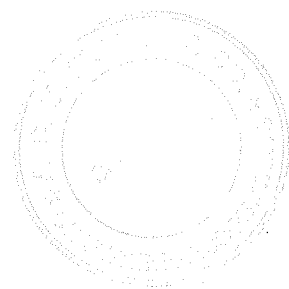
The notes annexed form an integral part of these Financial Statements.

The Executive Committee of Management of MBA Alumni Association, University of Colombo is responsible for the preparation and presentation of the Financial Statements.

Signed on behalf of the Executive Committee of Management of MBA Alumni Association,  
University Of Colombo.

  
.....  
**President**  
May 24,2010

  
.....  
**Treasurer**  
May 24,2010



**MBA ALUMNI ASSOCIATION, UNIVERSITY OF COLOMBO  
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010.**

**1. General Policies**

**1.1 Basis of Preparation**

These Financial Statements are Presented in Sri Lanka Rupees and have been Prepared on the historical cost basis.

These Financial Statements are prepared on the assumption that the association is a going concern, i.e. as continuing in operation for the future. It is therefore assumed that the association has neither the intention nor the necessity of liquidation or of curtailing materially the scale of its operations.

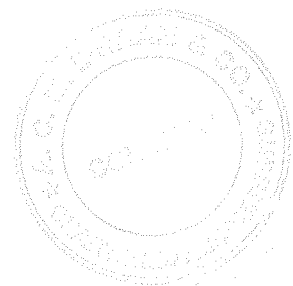
The accounting policies have been consistently applied as with those applied in the previous year.

**1.2 Post Balance Sheet Events**

All material events occurring after the Balance Sheet date are considered and where necessary, adjustments made in these Financial Statements.

**1.3 Taxation**

No Provision for income tax is made due to the fact that the Association is not deemed to carry on business in accordance with the provisions of the Inland Revenue Act No 10 of 2006.



MBA ALUMNI ASSOCIATION, UNIVERSITY OF COLOMBO  
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010.

2. Valuation of Assets

2.1 Receivables

Receivables are stated at the amounts they are estimated to realize inclusive of provision for bad and doubtful debts.

2.2 Property, Plant and Equipment

2.2.1 Cost/Valuation

Property, Plant and Equipment are recorded at cost (or valuation) less accumulated depreciation, which is provided for on the bases specified in 2.2.2 below.

The cost of property, Plant and Equipment is the cost of purchase or construction together with any incidental expenses thereon.

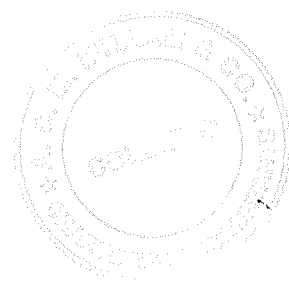
Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the business or to increase the earning capacity of the business has been treated as capital expenditure.

2.2.2 Depreciation

The provision for depreciation is calculated on the cost or valuation of all Property, Plant and Equipment other than freehold land, in order to write off such amounts over the estimated useful lives by equal installments as follows:

<u>Assets</u>	<u>Period</u>	<u>Percentage</u>
Furniture & Fittings	Over 05 Years	20%
Air conditioners	Over 04 Years	25%

Depreciation is provided when the assets are put into use until retirement / De-recognition.



**MBA ALUMNI ASSOCIATION, UNIVERSITY OF COLOMBO  
SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

**3. Income Statement**

**3.1 Income**

Income represents the amounts derived from the related projects/functions which fall within the associations ordinary activities.

**3.2 Income and Expenses**

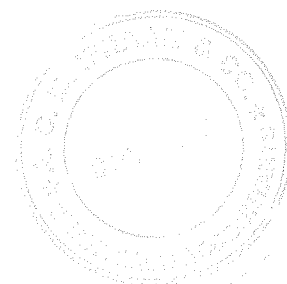
Income is accounted for on an accrual basis and matched with related expenditure. All expenditure incurred in the running of the association and in maintaining the Property Plant and Equipment in a state of efficiency has been charged to revenue in arriving at the Operational results for the year.



**MBA ALUMNI ASSOCIATION , UNIVERSITY OF COLOMBO**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

	2009/2010 Rs.	2008/2009 Rs.
<b>01. Income From Membership</b>		
Life Membership	168,000.00	81,000.00
Ordinary Membership / Subscription	300.00	300.00
	<u>168,300.00</u>	<u>81,300.00</u>
<b>02. (Shortfall) / Surplus from Activities</b>		
Annual Conference	-	272,402.50
Budget Seminar	-	114,240.00
Fellowship Dinner/ MBA Night	(103,436.59)	(101,402.00)
Brain Storming Session	(31,250.00)	(35,465.00)
Charity Event		(69,841.55)
Annual Trip	(31,599.40)	(40,756.00)
Marketing Seminar		(20,736.50)
Evening Seminar	29,200.00	-
Speech craft Participation Income	61,000.00	-
	<u>(76,085.99)</u>	<u>118,441.45</u>
<b>03. Other Income</b>		
Interest Income	223,830.02	268,849.00
	<u>223,830.02</u>	<u>268,849.00</u>
<b>04. Administrative Expenses</b>		
Audit Fee	11,500.00	10,000.00
Audit Fee Under Provision 2008/2009	1,000.00	-
AGM	165,691.63	232,087.50
EXCO Tea Expenses	25,595.00	22,463.00
Depreciation	18,518.00	19,405.00
Sponsorship from Tsunami Fund		10,000.00
Miscellaneous Expenses	12,867.00	29,570.00
Sponsorship Expenses	25,000.00	-
	<u>260,171.63</u>	<u>323,525.50</u>
<b>05. Distribution Expenses</b>		
News Letter Expenses	21,013.00	47,738.50
Web Page	15,249.30	-
	<u>36,262.30</u>	<u>47,738.50</u>
<b>06. Other Operating Expenses</b>		
Debit Tax	750.17	1,910.11
Bank Charges	4,150.00	2,200.00
O/D Interest	7,580.40	2,501.97
	<u>12,480.57</u>	<u>6,612.08</u>

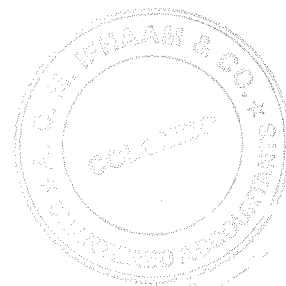


MBA ALUMNI ASSOCIATION , UNIVERSITY OF COLOMBO

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

07 Property, Plant & Equipment

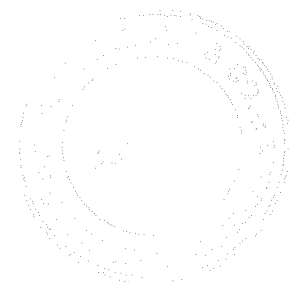
Cost		Balance as at 01.04.2009 Rs.	Additions During the year Rs.	Disposal During the year Rs.	Balance as at 31.03.2010 Rs.
Furniture & Fittings		41,185.00	-	-	41,185.00
Air conditioners		44,672.00	-	-	44,672.00
		<u>85,857.00</u>	<u>-</u>	<u>-</u>	<u>85,857.00</u>
Accumulated Depreciation	Rate	Balance as at 01.04.2009 Rs.	Charge for the Year Rs.	Charge on Disposals Rs.	Balance as at 31.03.2010 Rs.
Furniture & Fittings	20%	33,835.00	7,350.00	-	41,185.00
Air conditioners	25%	22,336.00	11,168.00	-	33,504.00
		<u>56,171.00</u>	<u>18,518.00</u>	<u>-</u>	<u>74,689.00</u>
Written Down Value		<u>29,686.00</u>			<u>11,168.00</u>





MBA ALUMNI ASSOCIATION , UNIVERSITY OF COLOMBO  
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

	31.03.2010	31.03.2009
	Rs.	Rs.
<b>08 Investments</b>		
Fixed Deposit HNB LD 0118409525	704,014.66	614,282.95
Fixed Deposit HNB LD 0515100006	917,013.75	818,400.46
Fixed Deposit HNB LD 0713600004	301,347.16	267,699.36
	<u>1,922,375.57</u>	<u>1,700,382.77</u>
<b>09 Advance Deposits &amp; Prepayments</b>		
Ground Reservation	12,500.00	-
Advance Payment - Charity Activities	20,835.13	-
Hall Reservation	2,000.00	-
	<u>35,335.13</u>	<u>-</u>
<b>10 Account Receivables</b>		
Annual Conference	-	340,000.00
Speech craft participation fee: Receivable	67,500.00	-
WHT Receivables	2,842.30	2,842.30
	<u>70,342.30</u>	<u>342,842.30</u>
<b>10.1 Annual Conference</b>		
SLT	-	250,000.00
Mobitel	-	30,000.00
PEO TV	-	30,000.00
Sampath Bank	-	10,000.00
My Beverages	-	20,000.00
	<u>-</u>	<u>340,000.00</u>



MBA ALUMNI ASSOCIATION , UNIVERSITY OF COLOMBO

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010

	31.03.2010	31.03.2009
	Rs.	Rs.
<b>11 Cash &amp; Cash Equivalent</b>		
Cash in Hand	1,591.70	1,351.83
Cash at Bank	11.1 103,866.19	107,744.99
	<u>105,457.89</u>	<u>109,096.82</u>
<b>11.1 Cash at Bank</b>		
HNB Current A/C 0050014223CU	101,369.11	-
HNB Tsunami Relief Fund A/C 0050372324CU	-	20,085.13
HNB Savings A/C 005-002355-9SA	2,497.08	87,659.86
	<u>103,866.19</u>	<u>107,744.99</u>
<b>12 Accumulated Funds</b>		
opening Balance	1,927,671.35	1,836,956.98
Less		
Payment Made during the year	(11,961.91)	-
<b>Addition</b>		
Income Over Expenditure	7,129.53	90,714.37
Closing Balance	<u>1,922,838.97</u>	<u>1,927,671.35</u>
<b>13 Accounts Payable</b>		
Web Page Maintenance Payable	15,249.30	-
Speech craft Exp. Payable	55,000.00	-
Marketing seminar payable	500.00	500.00
	<u>70,749.30</u>	<u>500.00</u>
<b>14 Accrued Expenses</b>		
Audit Fee	11,500.00	10,000.00
Income Tax Payable	139,590.62	139,590.62
	<u>151,090.62</u>	<u>149,590.62</u>
<b>15 Bank Overdraft</b>		
HNB Current A/C 0050014223CU	-	104,245.92
	<u>-</u>	<u>104,245.92</u>

