

**COLOURS OF COURAGE TRUST  
(GUARANTEE) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2019**



KPMG  
(Chartered Accountants)  
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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF COLOURS OF COURAGE TRUST (GUARANTEE) LIMITED

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of Colours of Courage Trust (Guarantee) Limited ("the Company"), which comprise the statement of financial position as at 31 March 2019 and the statement of income and expenditure, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities ("SLFRS for SMEs").

##### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Information

Management is responsible for the other information. These Financial statements do not comprise other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

#### Responsibilities of the management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SLFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

### **Report on Other Legal and Regulatory Requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, 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.

  
**CHARTERED ACCOUNTANTS**

Colombo, Sri Lanka

7 November 2019




**COLOURS OF COURAGE TRUST (GUARANTEE) LIMITED**  
**THE STATEMENT OF FINANCIAL POSITION**

*As at 31 March,*

|                                     | Note | 2019<br><u>Rs.</u> | 2018<br><u>Rs.</u> |
|-------------------------------------|------|--------------------|--------------------|
| <b>Assets</b>                       |      |                    |                    |
| <b>Current assets</b>               |      |                    |                    |
| Cash advances                       |      | 443,407            | 139,272            |
| Short term investments - Karapitiya |      | -                  | 168,758,574        |
| Cash and cash equivalents           | 2    | 629,634,816        | 389,045,941        |
|                                     |      | <u>630,078,223</u> | <u>557,943,787</u> |
| <b>Total assets</b>                 |      | <u>630,078,223</u> | <u>557,943,787</u> |
| <b>Funds and liabilities</b>        |      |                    |                    |
| <b>Funds</b>                        |      |                    |                    |
| Accumulated fund                    |      | 9,834,822          | 4,524,783          |
| Maharagama project fund             |      | 7,517,737          | 6,936,961          |
| Jaffna project fund                 |      | 53,033,787         | 50,376,032         |
| Karapitiya project fund             |      | 556,557,340        | 495,337,494        |
| <b>Total funds</b>                  |      | <u>626,943,686</u> | <u>557,175,270</u> |
| <b>Liabilities</b>                  |      |                    |                    |
| <b>Current liabilities</b>          |      |                    |                    |
| Income tax payable                  | 3    | 3,134,537          | 768,517            |
|                                     |      | <u>3,134,537</u>   | <u>768,517</u>     |
| <b>Total liabilities</b>            |      | <u>3,134,537</u>   | <u>768,517</u>     |
| <b>Total funds and liabilities</b>  |      | <u>630,078,223</u> | <u>557,943,787</u> |

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

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

  
 .....  
 Mrs. Rasika Srilal  
 (Accountant)

The Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs .

Approved and signed for and on behalf of the Board of Directors;

  
 .....  
 Director

  
 .....  
 Director

7 November 2019  
 Colombo

**COLOURS OF COURAGE TRUST (GUARANTEE) LIMITED**  
**STATEMENT OF INCOME AND EXPENDITURE**

*For the year ended 31 March,*

|  | Note | 2019<br>Rs.         | 2018<br>Rs.        |
|--|------|---------------------|--------------------|
| <b>Income</b>                                  |      |                     |                    |
| A & E contribution to the trust                |      | 7,774,164           | 8,726,512          |
| Tranferred from Maharagama project fund        | 4.1  | 27,353              | 46,411             |
| Tranferred from Jaffna project fund            | 5.1  | 2,406,023           | 4,565,451          |
| Tranferred from Karapitiya project fund        | 6.1  | 15,242,515          | 4,524,217          |
| <b>Total income</b>                            |      | <b>25,450,055</b>   | <b>17,862,591</b>  |
| <b>Expenses</b>                                |      |                     |                    |
| Expenses incurred from Maharagama project fund | 4.2  | -                   | -                  |
| Expenses incurred from Jaffna project fund     | 5.2  | (2,189,536)         | (4,166,576)        |
| Expenses incurred from Karapitiya project fund | 6.2  | (11,381,766)        | (86,188)           |
| Administration expenses                        | 7    | (2,398,822)         | (4,201,729)        |
| <b>Total expenses</b>                          |      | <b>(15,970,124)</b> | <b>(8,454,493)</b> |
| <b>Surplus before income tax expenses</b>      |      | <b>9,479,931</b>    | <b>9,408,098</b>   |
| <b>Income tax expense</b>                      |      |                     |                    |
| <b>Tax on projects</b>                         |      |                     |                    |
| Maharagama project fund                        | 4.2  | (27,353)            | (46,411)           |
| Jaffna project fund                            | 5.2  | (216,487)           | (398,875)          |
| Karapitiya project fund                        | 6.2  | (3,860,749)         | (4,438,029)        |
|  |      | (4,104,589)         | (4,883,315)        |
| Tax on general contribution                    |      | (65,303)            | -                  |
| <b>Total income tax expense</b>                | 3.1  | <b>(4,169,892)</b>  | <b>(4,883,315)</b> |
| <b>Surplus for the year</b>                    |      | <b>5,310,039</b>    | <b>4,524,783</b>   |

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

**COLOURS OF COURAGE TRUST (GUARANTEE) LIMITED**  
**STATEMENT OF CHANGES IN FUNDS**

*For the year ended 31 March ,*

|                                      | Maharagama<br>project fund | Jaffna project<br>fund   | Karapitiya<br>project fund | Accumulated<br>fund     | Total                     |
|--------------------------------------|----------------------------|--------------------------|----------------------------|-------------------------|---------------------------|
|                                      | <u>Rs.</u>                 | <u>Rs.</u>               | <u>Rs.</u>                 | <u>Rs.</u>              | <u>Rs.</u>                |
| Balance as at 01 April 2017          | 6,519,259                  | 50,602,746               | 367,781,126                | -                       | 424,903,131               |
| Surplus for the year                 | -                          | -                        | -                          | 4,524,783               | 4,524,783                 |
| Donations received during the year   | -                          | -                        | 95,735,454                 | -                       | 95,735,454                |
| Interest income                      | 464,113                    | 4,338,737                | 36,345,131                 | -                       | 41,147,981                |
| Utilization of funds during the year | -                          | (4,166,576)              | (86,188)                   | -                       | (4,252,764)               |
| Tax expense for the year             | (46,411)                   | (398,875)                | (4,438,029)                | -                       | (4,883,315)               |
| <b>Balance as at 31 March 2018</b>   | <b><u>6,936,961</u></b>    | <b><u>50,376,032</u></b> | <b><u>495,337,494</u></b>  | <b><u>4,524,783</u></b> | <b><u>557,175,270</u></b> |
| Surplus for the year                 | -                          | -                        | -                          | 5,310,039               | 5,310,039                 |
| Donations received during the year   | -                          | 100,000                  | 33,718,969                 | -                       | 33,818,969                |
| Interest income                      | 608,129                    | 4,963,778                | 42,743,392                 | -                       | 48,315,299                |
| Utilization of funds during the year | -                          | (2,189,536)              | (11,381,766)               | -                       | (13,571,302)              |
| Tax expense for the year             | (27,353)                   | (216,487)                | (3,860,749)                | -                       | (4,104,589)               |
| <b>Balance as at 31 March 2019</b>   | <b><u>7,517,737</u></b>    | <b><u>53,033,787</u></b> | <b><u>556,557,340</u></b>  | <b><u>9,834,822</u></b> | <b><u>626,943,686</u></b> |

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.