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FINANCIAL STATEMENTS

OF

KARUNA TRUST

FOR THE YEAR ENDED

MARCH 31, 2013

B.V. FERNANDO & CO.
CHARTERED ACCOUNTANTS

NO. 70/B/8/SP, Y.M.B.A. OLD BUILDING,
BORELLA, COLOMBO 08, SR LANKA.

NOVEMBER 22, 2013

KARUNA TRUST

MARCH 31, 2013

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AUDITORS REPORT
TO THE MEMBERS OF KARUNA TRUST

We have examined the following Financial Statements of the Karuna Trust.

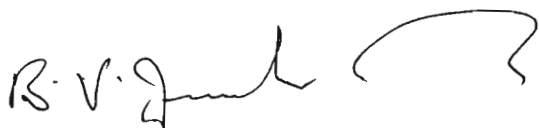
- a). Statement of financial activities for the year ended March 31, 2013
- b). Balance sheet as at March 31, 2013
- c). Statement of changes in accumulated fund for the year ended March 31, 2013
- d). Cash flow statement for the year ended March 31, 2013

These financial statements are the responsibility of the board of trustees of the Organization and our responsibility is to express an opinion on these financial statements, based on our audit.

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 a test basis, evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the Board, 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 purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

In our opinion, so far as appears from our examination, and to the best of our information and according to the explanations given to us, the said financial statements and notes thereto have been prepared and presented in accordance with the Sri Lanka Accounting Standards and give a true and fair view of the Organization's state of affairs as at March 31, 2013 and its financial activities and cash flows for the year then ended.

We further report that the Organization has maintained proper books of account and the financial statements referred to above are in agreement with such books of account.



CHARTERED ACCOUNTANTS.

Colombo
November 22, 2013



B.V. FERNANDO & CO.
CHARTERED ACCOUNTANTS

B.V. FERNANDO B.Com. (Cey), F.C.A.
 W.C. FERNANDO
 B.A. (Hons)Econ, B.Phil. (Hons), Econ, C.I.M.A., F.C.A.
 ATTORNEY-AT-LAW

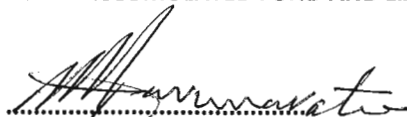
KARUNA TRUST
REGISTERED NO: L-82501
67, UDA INDUSTRIAL ESTATE, KATUWANA ROAD, HOMAGAMA
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED MARCH 31, 2013

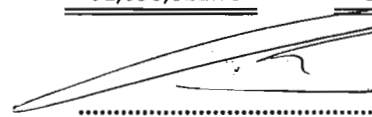
	2	0	1	3	2	0	1	2
	<u>Restricted Funds</u>			<u>Unrestricted Funds</u>		<u>Total</u>		
	<u>(Education and Scholarships)</u>			<u>(Common Funds)</u>		<u>Total</u>		
	<u>Rs.</u>			<u>Rs.</u>		<u>Rs.</u>		
<u>INCOMING RESOURCES</u>								
Funds transferred from respective fund accounts	3,805,911.21	-	-	3,805,911.21	-	-	590,050.00	-
<u>EXPENDITURE</u>								
Rambuka House project	300,000.00	-	-	300,000.00	-	-	-	-
ADIC Project	41,685.00	-	-	41,685.00	-	-	-	-
Thanabela School Library Project	196,938.30	-	-	196,938.30	-	-	-	-
Kandy Yatihalagala Project	287,500.00	-	-	287,500.00	-	-	-	-
Galle Kachchary	23,017.00	-	-	23,017.00	-	-	-	-
Hiniduma Project	601,290.80	-	-	601,290.80	-	-	-	-
Nariyakulama Project	140,000.00	-	-	140,000.00	-	-	-	-
Thammannakulama Project	125,000.00	-	-	125,000.00	-	-	-	-
Jack Fruit Project	54,612.50	-	-	54,612.50	-	-	-	-
Rambuka School Project	256,889.00	-	-	256,889.00	-	-	-	-
Thelejjavila IT Unit	750,845.00	-	-	750,845.00	-	-	-	-
Sports goods project	105,750.00	-	-	105,750.00	-	-	-	-
Scholarships	318,990.00	-	-	318,990.00	-	-	336,050.00	-
Stationery and dictionaries	317,500.00	-	-	317,500.00	-	-	-	-
Library Projects	250,190.00	-	-	250,190.00	-	-	-	-
Donation to war refugees	33,576.00	-	-	33,576.00	-	-	226,000.00	-
Divisional Secretary - Neluwa	-	-	-	-	-	-	15,000.00	-
Computer project	-	-	-	-	-	-	12,500.00	-
Other expenses -								
Bank charges	2,000.00	-	-	2,000.00	-	-	500.00	-
Overdraft interest	127.61	-	-	127.61	-	-	-	-
	<u>3,805,911.21</u>	<u>-</u>	<u>-</u>	<u>3,805,911.21</u>	<u>-</u>	<u>-</u>	<u>590,050.00</u>	<u>-</u>



KARUNA TRUST
REGISTERED NO: L-82501
67, UDA INDUSTRIAL ESTATE, KATUWANA ROAD, HOMAGAMA
BALANCE SHEET AS AT MARCH 31, 2013

	<u>Note</u>	<u>MARCH 31,</u>	
		<u>2013</u>	<u>2012</u>
		<u>Rs.</u>	<u>Rs.</u>
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Nissan motor car - WP KN 9725		8,500,000.00	8,500,000.00
<u>CURRENT ASSETS</u>			
Cash at banks	01	52,591,342.26	42,373,404.72
Cash in hand		4,680.53	4,611.29
TOTAL CURRENT ASSETS		<u>52,596,022.79</u>	<u>42,378,016.01</u>
TOTAL ASSETS		<u>61,096,022.79</u>	<u>50,878,016.01</u>
<u>FINANCED BY:</u>			
<u>ACCUMULATED FUND</u>			
Restricted Funds (Education and scholarships)	02	42,901,094.15	33,917,834.54
Unrestricted Funds (Common Funds)		16,244,420.09	16,244,420.09
TOTAL ACCUMULATED FUND		<u>59,145,514.24</u>	<u>50,162,254.63</u>
<u>CURRENT LIABILITIES</u>			
Accounts payable - Abans (Pvt) Ltd.		1,400.00	-
Temporary loan - Mr. M.W. Karunaratne		1,772,709.43	527,838.26
Provision for taxation		176,399.12	187,923.12
TOTAL CURRENT LIABILITIES		<u>1,950,508.55</u>	<u>715,761.38</u>
TOTAL ACCUMULATED FUND AND LIABILITIES		<u>61,096,022.79</u>	<u>50,878,016.01</u>


 TRUSTEE


 TRUSTEE

Colombo.
 November 22, 2013



KARUNA TRUST

REGISTERED NO: L-82501

67, UDA INDUSTRIAL ESTATE, KATUWANA ROAD, HOMAGAMA

STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED MARCH 31, 2013

	2 0 1 3			2 0 1 2
	Restricted Funds (Education and Scholarships)	Unrestricted Funds (Common Funds)	Total	Total
Note	Rs.	Rs.	Rs.	Rs.
Balance - beginning of the year	33,917,834.54	16,244,420.09	50,162,254.63	45,883,040.27
Add: Funds received during the year	9,462,990.32	-	9,462,990.32	3,038,995.24
Interest income	02:01 3,327,092.50	-	3,327,092.50	2,008,511.37
	<u>46,707,917.36</u>	<u>16,244,420.09</u>	<u>62,952,337.45</u>	<u>50,930,546.88</u>
Funds transferred to financial activities	3,805,911.21	-	3,805,911.21	590,050.00
Income tax	912.00	-	912.00	12,436.00
	<u>3,806,823.21</u>	<u>-</u>	<u>3,806,823.21</u>	<u>602,486.00</u>
Balance - end of the year	<u>42,901,094.15</u>	<u>16,244,420.09</u>	<u>59,145,514.24</u>	<u>50,328,060.88</u>



KARUNA TRUST
REGISTERED NO: L-82501
67, UDA INDUSTRIAL ESTATE, KATUWANA ROAD, HOMAGAMA
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>Rs.</u>	<u>Rs.</u>
Cash flow from project activities		
Funds received	9,462,990.32	3,038,995.24
Cash paid for project activities -		
Scholarship and other expenses	(3,805,911.21)	(390,050.00)
Income tax paid	(12,436.00)	(37,858.00)
Net cash flow from project activities	<u>5,644,643.11</u>	<u>2,611,087.24</u>
 Cash flow from investing activities	 <u>-</u>	 <u>-</u>
 Cash flow from financing activities		
Interest received	3,327,092.50	2,008,511.37
Recovery of temporary loan	1,244,871.17	15,075,209.01
Accounts payable	1,400.00	-
Cash flow from financing activities	<u>4,573,363.67</u>	<u>17,083,720.38</u>
Net increase in cash and cash equivalents	10,218,006.78	19,694,807.62
Cash and cash equivalents as at April 01, 2012	42,378,016.01	22,683,208.39
Cash and cash equivalents as at March 31, 2013 (Note A)	<u>52,596,022.79</u>	<u>42,378,016.01</u>

NOTE - A - CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2013

Cash at bank	52,591,342.26	42,373,404.72
Cash in hand	4,680.53	4,611.29
	<u>52,596,022.79</u>	<u>42,378,016.01</u>



KARUNA TRUST
REGISTERED NO: L-82501
67, UDA INDUSTRIAL ESTATE, KATUWANA ROAD, HOMAGAMA
NOTES TO BALANCE SHEET AS AT MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>NOTE - 01 - CASH AT BANKS</u>		
Fixed deposits -		
Bank of Ceylon - Homagama	32,000,000.00	500,000.00
ICICI Bank Limited	2,702,500.00	25,882,419.62
Commercial Bank of Ceylon PLC	17,500,000.00	15,300,000.00
Savings accounts -		
Bank of Ceylon - Homagama - A/c No: 7111444	178,185.78	451,544.28
Commercial Bank of Ceylon PLC - Battaramulla - A/c No: 8290016173	48,961.62	16,597.12
A/c No: 1750029929	161,694.86	222,843.70
	52,591,342.26	42,373,404.72
<u>NOTE - 02 - RESTRICTED FUNDS (EDUCATION AND SCHOLARSHIPS)</u>		
Balance - beginning of the year	33,917,834.54	29,472,813.93
Funds received during the year	9,462,990.32	3,038,995.24
Interest income (Note - 02:01)	3,327,092.50	2,008,511.37
	46,707,917.36	34,520,320.54
Less: Funds transferred to financial activities	3,805,911.21	590,050.00
Provision for taxation - Income tax	912.00	12,436.00
	3,806,823.21	602,486.00
Balance - end of the year	42,901,094.15	33,917,834.54
<u>NOTE - 02 :01 - INTEREST INCOME</u>		
Fixed deposits	3,323,294.00	1,967,057.22
Savings account	3,798.50	1,299.15
Temporary loan - Impressions Labels (Pvt) Limited	-	40,155.00
	3,327,092.50	2,008,511.37

