

S P M CORPORATE ACCOUNTANTS
CHARTERED ACCOUNTANTS

MARGA INSTITUTE

***FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH 2023.***

S P M CORPORATE ACCOUNTANTS
CHARTERED ACCOUNTANTS

NO.1043 , MARADANA ROAD, BORELLA, COLOMBO 08, SRI LANKA.
TEL : +94 11 7533633, +94 11 7533580,
E - Mail: info@sumudubpo.com

Head Office:

No. 88/3B, Justice Akbar Mawatha, Colombo 02

Tel/Fax : +94 (11) 230 5656

Email : spm@sltnet.lk Web : spmaccountants.lk

INDEPENDENT AUDITOR'S REPORT

To the Proprietor of **MARGA INSTITUTE**,

We have audited the accompanying financial statements of Marga Institute which comprise the statement of financial position as at 31st March 2023 and the related statements of comprehensive income for the year then ended 31st March 2023.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards for Small and Medium-Sized Entities (SLFRS for SMEs). Our responsibility is to express an opinion on these financial statements based on our audit. We have also verified the compliance with the accounting and financial reporting.

We conducted our audits in accordance with the Sri Lanka Auditing Standards and Sri Lanka Auditing Practice Statements. Those Standards and practice statements require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements and about whether **MARGA INSTITUTE** has complied with the relevant Accounting Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion:

- The financial statements give a true and fair view of the financial position of the entity as at 31st March 2023, and of the results of its operations for the year then ended.
- The Marga Institute was, in all material respects, in compliance with the accounting and financial reporting matters of the Sri Lanka Financial Reporting Standards.

Spm Corporate Accountants
S. P. M. Corporate Accountants
Chartered Accountants
Colombo.

18th September 2023



Corporate Office

1043, Maradana Road, Borella, Colombo 08. Tel: +94 (11) 2 678 990 +94 (11) 2 678 666 Email: shohantax@sltnet.lk

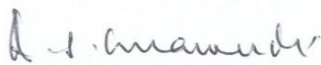
MARGA INSTITUTE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2023.

	<u>NOTE</u>	<u>2022/23</u> <u>Rs.</u>	<u>2021/22</u> <u>Rs.</u>
OPERATING INCOME			
Income	12	29,661,152	39,250,611
Direct Cost	13.1	23,063,515	23,930,706
Gross Operating Expenditure		23,063,515	23,930,706
Net Surplus Of Operating Activities		6,597,637	15,319,905
In direct Project Expenses	13.2	6,674,886	5,345,460
Other Income	14	9,624,001	5,278,920
Surplus Of OUSL Post Graduate Diploma	15	-	-
Surplus Of Publication	16	(65,620)	114,488
		9,558,381	5,393,409
Administration Expenses	17	8,091,540	6,246,306
		(5,208,046)	(6,198,357)
		1,389,591	9,121,547
Net Surplus Before Taxation		1,389,591	9,121,547
Income Tax		-	-
Surplus For The Year		1,389,591	9,121,547

MARGA INSTITUTE
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST MARCH 2023

<u>ASSETS</u>	<u>NOTE</u>	<u>31.03.23</u> <u>Rs.</u>	<u>31.03.22</u> <u>Rs.</u>
<u>NON CURRENT ASSETS</u>			
Property, Plant & Equipment	01	58,576,135	58,378,234
Investments	02	35,000,000	35,000,000
		<u>93,576,135</u>	<u>93,378,234</u>
<u>CURRENT ASSETS</u>			
Inventory	03	1,494,305	1,570,975
Trade and Other Receivables	04	26,069,544	17,935,198
Taxation	05	973,903	973,903
Cash & Cash Equivalents	06	259,414	509,134
		<u>28,797,166</u>	<u>20,989,210</u>
TOTAL ASSETS		<u><u>122,373,301</u></u>	<u><u>114,367,444</u></u>
<u>RESERVES & LIABILITIES</u>			
<u>Accumulated Reserves</u>			
Unrestricted Funds	07	95,613,406	94,223,814
Total Accumulated Reserves		<u>95,613,406</u>	<u>94,223,814</u>
<u>NON CURRENT LIABILITIES</u>			
Retirement benefit obligation	08	2,319,250	1,757,500
Total Non Current Liabilities		<u>2,319,250</u>	<u>1,757,500</u>
<u>CURRENT LIABILITIES</u>			
Trade & Other Payables	09	23,979,519	17,497,845
Accounts Payable	10	461,125	533,986
Bank Overdraft	11	-	354,298
		<u>24,440,644</u>	<u>18,386,129</u>
		<u><u>122,373,301</u></u>	<u><u>114,367,444</u></u>

The Board of Directors of responsible for preparing and presenting these Financial Statements.



Chairman

18th September 2023



Executive Vice Chairman

MARGA INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH 2023

	<u>2022/23</u> Rs.	<u>2021/22</u> Rs.
OPERATING ACTIVITIES		
Surplus/(Deficit) for the year before tax	1,389,591	9,121,547
Gratuity Provision	561,750	383,050
Deficit before working Capital Changes	<u>1,951,341</u>	<u>9,504,597</u>
(Increase)/ Decrease In Inventories	76,670	(20,909)
(Increase)/ Decrease In Trade & Other Receivables	(8,134,346)	(7,403,446)
Increase/ (Decrease) In Account Payable	(72,861)	96,239
Increase/ (Decrease) In Trade & Other Payables	6,481,674	1,884,931
Gratuity Paid	-	(750,000)
	<u>(1,648,863)</u>	<u>(6,193,185)</u>
Net Cash Absorbed in Operating Activities	302,478.46	3,311,412
INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(197,900)	(350,781)
Movement in Investments		
Net Cash Generated From Investing Activities	<u>(197,900)</u>	<u>(350,781)</u>
Decrease in cash and cash equivalents	104,578	2,960,631
Cash And Cash Equivalents At The Beginning of The Year	154,836	(2,805,795)
Cash And Cash Equivalents At The End of The Year	<u>259,414</u>	<u>154,836</u>
CASH AND CASH EQUIVALENTS		
Hatton National Bank PLC		
A/C No 104010127822	27,000	420,280
Hatton National Bank PLC		
A/C No 104020125414	11,433	11,433
Bank Of Ceylon		
A/C No 80536096	4,550	4,712
Petty Cash	29,075	29,075
BOC 0000407119 Publication	88,212	(354,298)
BOC 0000407239 OUSL	99,145	43,634
At the end of the year	<u>259,414</u>	<u>154,836</u>

MARGA INSTITUTE
NOTES TO ACCOUNTS.
FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 01 - PROPERTY, PLANT & EQUIPMENT

	<u>As at</u> <u>01-04-22</u>	<u>Additions</u>	<u>Disposals</u>	<u>As at</u> <u>31-03-23</u>
<u>COST & VALUATION</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Land & Buildings	53,472,191	-	-	53,472,191
Library Books	2,365,650	-	-	2,365,650
Office Equipment	8,115,799	39,900	-	8,155,699
Furniture & Fittings	3,517,441	-	-	3,517,441
Motor Vehicles	3,250,000	-	-	3,250,000
Computer Equipment & Accessories	3,997,540	158,000	-	4,155,540
Other Equipment	353,555	-	-	353,555
	<u>75,072,175</u>	<u>197,900</u>	<u>-</u>	<u>75,270,076</u>
<u>LESS : DEPRECIATION</u>				
Land & Buildings	-			-
Library Books	2,348,151			2,348,151
Office Equipment	7,701,330			7,701,330
Furniture & Fittings	2,888,347			2,888,347
Motor Vehicles	67,709		-	67,709
Computer Equipment & Accessories	3,397,925			3,397,925
Other Equipment	290,479			290,479
	<u>16,693,941</u>	<u>-</u>	<u>-</u>	<u>16,693,941</u>
<u>NET BOOK VALUE</u>				
Land & Buildings	53,472,191			53,472,191
Library Books	17,499			17,499
Office Equipment	414,469			454,369
Furniture & Fittings	629,094			629,094
Motor Vehicles	3,182,291			3,182,291
Computer Equipment & Accessories	599,615			757,615
Other Equipment	63,076			63,076
Total Net Book Value	<u><u>58,378,235</u></u>			<u><u>58,576,135</u></u>

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023

	<u>31.03.23</u> Rs.	<u>31.03.22</u> Rs.
<u>NOTE 02 - INVESTMENTS</u>		
Central Finance Company PLC	15,000,000	15,000,000
Bank of Ceylon	15,000,000	15,000,000
Merchant Bank	5,000,000	5,000,000
	<u>35,000,000</u>	<u>35,000,000</u>
<u>NOTE 03 - INVENTORIES</u>		
Inventories		
Publication	1,357,598	1,471,537
Stationery	136,708	99,438
	<u>1,494,305</u>	<u>1,570,975</u>
<u>NOTE 04 - TRADE & OTHER RECEIVABLES</u>		
<u>Trade Debtors</u>		
Publication Debtors	158,139	158,139
<u>Other Receivables</u>		
Prepayments - Insurance	73,242	25,315
Annual Rate Pre- Payment	45,525	47,250
Pre-Payment for Ongoing Project	25,465,662	17,209,172
<u>Due From Staff</u>		
Special Loan	126,976	280,322
Festival Advance	200,000	200,000
Refundable Deposit - BMICH	-	15,000
	<u>26,069,544</u>	<u>17,935,198</u>
<u>NOTE 05 - TAXATION</u>		
Balance at the beginning of the year	973,903	973,903
	<u>973,903</u>	<u>973,903</u>
Less: Payment made during the year		
Withholding Tax	-	-
Balance at the end of the year	<u>973,903</u>	<u>973,903</u>
<u>NOTE 06 - CASH & CASH EQUIVALENTS</u>		
<u>Current Accounts</u>		
Bank Of Ceylon		
A/C No 0000407239	99,145	43,634
A/C No 0000407119	88,212	-
Hatton National Bank PLC		
A/C No 104010127822	27,000	420,280
A/C No 104010059525		
Saving Account		
Hatton National Bank PLC		
A/C No 104020125414	11,433	11,433
Bank Of Ceylon		
A/C No 80536096	4,550	4,712
Petty Cash	29,075	29,075
	<u>259,414</u>	<u>509,134</u>

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023

NOTE 07 - UNRESTRICTED FUNDS

	<u>2022/23</u>	<u>2021/22</u>
	<u>Rs.</u>	<u>Rs.</u>
Accumulated Fund		
Balance at the beginning of the year	94,223,814	85,102,268
Add : Previous year Adjustment	-	-
Add : Surplus for the year	1,389,591	9,121,547
Balance at the end of the year	<u>95,613,406</u>	<u>94,223,814</u>

NOTE 08 - RETIREMENT BENEFIT OBLIGATION

Balance at the beginning of the year	1,757,500	2,124,450
Add : Provision for the year	561,750	383,050
Less : Payments made during the year	-	750,000
Balance at the end of the year	<u>2,319,250</u>	<u>1,757,500</u>

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023.

	<u>2022/23</u>	<u>2021/22</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>NOTE 09 - TRADE & OTHER PAYABLES</u>		
Refundable Deposits	1,020,000	1,020,000
Advance Received	22,451,519	15,969,845
Research Grant Payable	500,000	500,000
Advance on Classrooms	8,000	8,000
	<u>23,979,519</u>	<u>17,497,845</u>
<u>NOTE 10 - ACCOUNTS PAYABLE</u>		
Audit Fees	85,000	71,500
Accountancy Fees	48,500	42,500
EPF	2	159,277
ETF	1	23,892
Electricity	177,174	95,205
Internet & E-Mail	7,317	10,158
Janitorial Payable	45,000	5,000
News Papers	3,810	3,810
Security Fees	62,000	62,000
Telephone	16,908	24,752
Water	6,953	16,861
Overtime	8,460	19,032
	<u>461,125</u>	<u>533,986</u>
<u>NOTE 11 - BANK OVERDRAFT</u>		
BOC 0000407119 Publication	-	354,298
	<u>-</u>	<u>354,298</u>

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023.

NOTE 12 - DIRECT INCOME

		<u>2022/23</u>	<u>2021/22</u>
		<u>Rs.</u>	<u>Rs.</u>
Project Income	Refer the Annexure 1	29,661,152	39,250,611
		<u>29,661,152</u>	<u>39,250,611</u>

NOTE 13.1 - Direct Project Expenses

During the year direct project fee	Refer the Annexure 1	17,460,415	20,591,581
Salaries and Wages - EPF Registered		3,944,000	2,310,000
Contractual		1,060,000	877,500
EPF		472,080	105,300
ETF		117,020	26,325
Art work for Project		10,000	20,000
		<u>23,063,515</u>	<u>23,930,706</u>

NOTE 13.2 - In direct Project Expenses

Salaries		3,112,200	2,373,362
EPF Expenses		355,824	284,803
ETF Expenses		89,956	71,201
Salaries, Mr.A.Gunatillaka		2,191,875	1,753,125
Allowan., Mr. A. Gunatillaka		600,000	600,000
EPF, Mr. A. Gunathilaka		260,025	210,375
ETF, Mr. A. Gunathilaka		65,006	52,594
		<u>6,674,886</u>	<u>5,345,460</u>

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023.

	<u>2022/23</u>	<u>2021/22</u>
	<u>Rs.</u>	<u>Rs.</u>
<u>NOTE 14 - OTHER INCOME</u>		
Interest on Distress Loans	6,624	3,138
Interest on Investment	4,968,981	1,833,285
Hire of Auditorium	371,175	139,000
Hire of Classroom	-	19,250
Rent Income	2,659,350	2,859,105
Marga Coordination Fee	1,248,958	185,435
Refund of Project fee	100,000	-
Income on Photocopy	-	2,770
Transport Charges - GCF	223,630	-
Miscellaneous Income	23,500	-
MA Studentship	-	144,628
Other Income	21,783	12,310
Receipt In Advance Written Back	-	80,000
	<u>9,624,001</u>	<u>5,278,920</u>
<u>NOTE 15 - OUSL POST GRADUATE DIPLOMA</u>		
Course Fee Income	-	-
	<u>-</u>	<u>-</u>
<u>Less : Expenses</u>		
Lecture Fees	-	-
Hire of Equipment charges	-	-
Allowance - Ms.Anjali	-	-
	<u>-</u>	<u>-</u>
Surplus For the Year	<u>-</u>	<u>-</u>
<u>NOTE 16 - PUBLICATION</u>		
Sales	11,050	45,219
	<u>11,050</u>	<u>45,219</u>
<u>Less : Cost Of Sales</u>		
Inventories at the beginning of the year	1,570,975	1,501,706
<u>Add : Direct Expenses</u>		
Book Publishing	-	-
	<u>1,570,975</u>	<u>1,501,706</u>
Inventories at the end of the year	<u>(1,494,305)</u>	<u>(1,570,975)</u>
	<u>76,670</u>	<u>(69,269)</u>
Gross Profit/(Loss)	<u>(65,620)</u>	<u>114,488</u>

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2023.

NOTE 17 - ADMINISTRATIVE EXPENSES

	<u>2022/23</u>	<u>2021/22</u>
	<u>Rs.</u>	<u>Rs.</u>
Staff Salaries	1,333,800	1,017,155
EPF Expenses	152,496	122,059
ETF Expenses	38,124	30,515
Electricity	493,244	372,965
Water	51,860	27,513
Telephone	209,187	155,129
General Expenses	254,214	108,696
Accountancy Fees	48,500	42,500
Casual Wages	45,000	-
Consultancy fees - Dr.Godfrey	60,000	-
Annual Return Charges	8,000	-
Audit Fees	85,000	85,000
Bank Chargers	55,629	20,574
Computerized Accounting System	25,000	21,000
Consultancy Fees	25,000	660,000
Governing Council Meeting Expenses	10,000	-
Insurance	31,974	73,167
Internet & E-Mail	320,046	181,746
Janitorial Expenses	358,000	231,000
Building Maintenance	517,110	165,276
Equipment Maintenance	744,558	414,259
Vehicle Maintenance	93,077	91,417
Vice Chairperson	225,000	-
Chairman fees	345,000	-
Postage, Telex & Fax	16,353	1,505
Printing & Stationary	9,342	187,279
Rates & Taxes	58,425	56,700
Refreshment & Entertainment	175,858	14,356
Staff Allowances	-	210,000
Secretarial Fees	65,193	25,207
Security Fees	236,000	299,800
Staff Overtime	227,867	164,660
Staff Welfare & Training	149,792	34,865
Professional Fees	65,000	-
Travelling & Transport	193,613	87,189
Web Site Expenses	40,613	137,500
Gratuity Provision	561,750	383,050
Tax Consultancy fees	51,000	-
Ex-gratia	60,000	-
Stamp Duty	4,200	-
Fuel and Oil	382,644	212,853
Interest on Overdraft	128,949	115,120
Renovation Fee	17,000	492,850
WHT	11,576	-
Legal Fees	4,200	-
Extra Payment	88,570	-
Surcharges on ETF	13,778	3,402
	<u>8,091,540</u>	<u>6,246,306</u>