SUMUDU BPO (PVT) LTD.
ACCOUNTANTS, MANAGEMENT AND TAX CONSULTANTS

MARGA INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021.

SUMUDU BPO (PVT) LTD.
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S P M Corporate Accountants
(Chartered Accountants)

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MARGA INSTITUTE
INDEPENDENT AUDITOR'S REPORT

To the Members of Marga Institute

Report on the Financial Statements

We have audited the financial statements of Marga Institute which comprise the Statement of Financial Position as at 31st: March 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Finance Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Standard of Recommended Practice for NGO (SoRP for NGO s). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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 plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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 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.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2021 and the financial statements give a true and fair view of the Company's state of affairs as at 31st March 2021 and its deficit and cash flows for the year then ended in accordance with Sri Lanka Standard of Recommended Practice for NGO (SoRP for NGO s).

S.P.M. CORPORATE ACCOUNTANTS COLOMBO

S.P.M. Corporate Accountants.
Chartered Accountants.
Colombo.
22-September-21

MARGA INSTITUTE
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST MARCH 2021.

ASSETS	NOTE	31.03.21 Rs.	31.03.20 Rs.
NON CURRENT ASSETS			
Property, Plant & Equipment	01	58,027,453	57,736,088
Investments	02	35,000,000	35,000,000
		93,027,453	92,736,088
CURRENT ASSETS			
Inventory	03	1,550,066	1,463,599
Trade and Other Receivables	04	10,531,752	1,077,477
Taxation	05	973,903	973,903
Cash & Cash Equivalents	06	1,529,381	895,001
		14,585,101	4,409,980
TOTAL ASSETS		107,612,555	97,146,068
RESERVES & LIABILITIES			
Accumulated Reserves			
Unrestricted Funds	07	85,102,268	90,085,410
Total Accumulated Reserves		85,102,268	90,085,410
NON CURRENT LIABILITIES			
Retirement benefit obligation	08	2,124,450	1,730,638
Total Non Current Liabilities		2,124,450	1,730,638
CURRENT LIABILITIES			
Trade & Other Payables	09	15,612,915	1,942,736
Accounts Payable	10	437,747	1,051,030
Bank Overdraft	11	4,335,175	2,336,254
		20,385,837	5,330,020
		107,612,555	97,146,068

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

.....
Chairman

.....
CEO (Chief Executive Officer)

22nd September 2021

MARGA INSTITUTE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2021.

	NOTE	2020/21 Rs.	2019/20 Rs.
OPERATING INCOME			
Income	12	6,966,150	12,792,736
Direct Cost	13.1	4,230,942	7,777,140
Gross Operating Expenditure		4,230,942	7,777,140
Net Deficit Of Operating Activities		2,735,208	5,015,596
In direct Project Expenses	13.2	4,299,972	3,760,944
Other Income	14	4,952,055	6,783,163
Surplus Of OUSL Post Graduate Diploma	15	(159,809)	165,180
Surplus Of Publication	16	2,480	66,678
		4,794,726	7,015,021
Administration Expenses	17	8,213,104	8,166,849
		(7,718,350)	(4,912,772)
		(4,983,142)	102,824
Net Surplus Before Taxation		(4,983,142)	102,824
Income Tax		-	-
Surplus For The Year		(4,983,142)	102,824

MARGA INSTITUTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH 2021.

	2020/21 Rs.	2019/20 Rs.
OPERATING ACTIVITIES		
Deficit for the year before tax	(4,983,142)	102,825
Gratuity Provision	393,812	143,638
Depreciation	-	25,660
Deficit before working Capital Changes	(4,589,330)	272,122
(Increase)/ Decrease In Inventories	(86,467)	(21,237)
(Increase)/ Decrease In Trade & Other Receivables	(9,454,275)	101,058
Increase/ (Decrease) In Account Payable	(613,283)	507,142
Increase/ (Decrease) In Trade & Other Payables	13,670,179	(511,227)
Gratuity Paid	-	-
Withholding	-	(310,000)
Income Tax Paid	-	-
	3,516,154	(234,264)
Net Cash Absorbed in Operating Activities	(1,073,177)	37,858
INVESTING ACTIVITIES		
Purchase of Property,Plant and Equipment	(291,365)	(385,500)
Proceeds From Sale of Property, Plant and Equipment		
Movement in Investments		
Net Cash Generated From Investing Activities	(291,365)	(385,500)
Decrease in cash and cash equivalents	(1,364,542)	(347,642)
Cash And Cash Equivalents At The Beginning of The Year	(1,441,252)	(1,093,611)
Cash And Cash Equivalents At The End of The Year	(2,805,795)	(1,441,252)
CASH AND CASH EQUIVALENTS		
Hatton National Bank PLC A/C No 104010127822	1,451,654	820,126
Hatton National Bank PLC A/C No 104020125414	10,857	10,857
Bank Of Ceylon A/C No 80536096	5,000	5,000
Petty Cash	9,075	9,075
BOC 0000407119 Publication	(4,335,175)	(2,336,254)
BOC 0000407239 OUSL	52,795	49,944
At the end of the year	(2,805,795)	(1,441,252)

MARGA INSTITUTE
NOTES TO ACCOUNTS.
FOR THE YEAR ENDED 31ST MARCH 2021.

NOTE 01 - PROPERTY , PLANT & EQUIPMENT

COST & VALUATION	As at 01-04-20 Rs.	Additions Rs.	Disposals Rs.	As at 31-03-21 Rs.
Land & Buildings	53,472,191	-	-	53,472,191
Library Books	2,365,650	-	-	2,365,650
Office Equipment	8,115,799	-	-	8,115,799
Furniture & Fittings	3,119,441	270,000	-	3,389,441
Motor Vehicles	3,250,000	-	-	3,250,000
Computer Equipment & Accessories	3,784,290	6,500	-	3,790,790
Other Equipment	322,659	14,865	-	337,524
	74,430,030	291,365	-	74,721,395
LESS : DEPRECIATION				
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
	16,693,941	-	-	16,693,941
NET BOOK VALUE				
Land & Buildings	53,472,191			53,472,191
Library Books	17,499			17,499
Office Equipment	414,468			414,468
Furniture & Fittings	231,094			501,094
Motor Vehicles	3,182,291			3,182,291
Computer Equipment & Accessories	386,365			392,865
Other Equipment	32,180			47,045
Total Net Book Value	57,736,088			58,027,453

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021.

		31.03.21 Rs.	31.03.20 Rs.
NOTE 02 - INVESTMENTS			
Central Finance Company PLC		15,000,000	15,000,000
Bank of Ceylon		15,000,000	5,000,000
Merchant Bank		5,000,000	15,000,000
		35,000,000	35,000,000
NOTE 03 - INVENTORIES			
Inventories			
Publication		1,501,706	1,415,239
Stationery		48,360	48,360
		1,550,066	1,463,599
NOTE 04 - TRADE & OTHER RECEIVABLES			
Trade Debtors			
Publication Debtors		158,139	158,139
Other Receivables			
Prepayments - Insurance		25,315	25,315
Research Grant Receivable		-	776,773
Annual Rate Pre- Payment		47,250	47,250
Pre-Payment for Ongoing Project		9,971,052	-
Due From Staff			
Distress Loans		3,000	3,000
Special Loan		206,996	35,000
Festival Advance		120,000	
Salary Advance		-	32,000
		10,531,752	1,077,477
NOTE 05 - TAXATION			
Balance at the beginning of the year		973,903	663,904
		973,903	663,904
Less: Payment made during the year			
Withholding Tax		-	310,000
Balance at the end of the year		973,903	973,903
NOTE 06 - CASH & CASH EQUIVALENTS			
Current Accounts			
Bank Of Ceylon			
A/C No 0000407239		52,795	49,944
Hatton National Bank PLC			
A/C No 104010127822	Rec. 50 Bank charegs	1,451,654	820,126
A/C No 104010059525			-
Saving Account			
Hatton National Bank PLC			
A/C No 104020125414	Interest ??	10,857	10,857
Bank Of Ceylon			
A/C No 80536096	Interest ??	5,000	5,000
Petty Cash		9,075	9,075
		1,529,381	895,001

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021.

NOTE 07 - UNRESTRICTED FUNDS	2020/21 Rs.	2019/20 Rs.
Accumulated Fund		
Balance at the beginning of the year	90,085,410	89,982,586
Add : Previous year Adjustment		
Add : Surplus for the year	(4,983,142)	102,824
Balance at the end of the year	85,102,268	90,085,410

NOTE 08 - RETIREMENT BENEFIT OBLIGATION		
Balance at the beginning of the year	1,730,638	1,587,000
Add : Provision for the year	393,812	143,638
Less : Payments made during the year	-	-
Balance at the end of the year	2,124,450	1,730,638

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021.

		2020/21	2019/20
		Rs.	Rs.
NOTE 09 - TRADE & OTHER PAYABLES			
Refundable Deposits		1,020,000	239,736
Advance Received	Refer the Annexure 1	13,666,688	-
Research Grant Payable		918,227	1,695,000
Advance on Classrooms		8,000	8,000
		15,612,915	1,942,736
NOTE 10 - ACCOUNTS PAYABLE			
Salary Contral		-	396,531
Audit Fees		57,500	57,500
Accountancy fees		30,500	37,500
EPF		90,714	164,910
ETF		13,607	24,737
Electricity		55,354	154,763
Internet & E-Mail		7,500	4,983
Janitorial Payable		30,000	88,200
News Papers		3,810	3,810
Security Fees		55,800	49,600
Telephone		26,966	27,739
Water		3,589	-
Overtime		35,697	14,046
Consultancy Fees		15,950	15,950
Travelling & Transport Payable		10,761	10,761
		437,747	1,051,030
NOTE 11 - BANK OVERDRAFT			
BOC 0000407119 Publication		4,335,175	2,336,254
		4,335,175	2,336,254

MARGA INSTITUTE

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2021.

		2020/21	2019/20
NOTE 12 - DIRECT INCOME		Rs.	Rs.
Project Income	Refer the Annexure 1	6,966,150	12,792,736
		6,966,150	12,792,736
NOTE 13.1 - Direct Project Expenses			
During the year direct project fee	Refer the Annexure 1	4,230,942	7,777,140
		4,230,942	7,777,140
NOTE 13.2 - In direct Project Expenses			
Salaries		1,766,824	1,777,995
EPF Expenses		212,019	213,359
ETF Expenses		53,005	53,340
Consultancy Fees - Mr.A.Guna:		1,537,500	1,275,000
Allowan. -Mr. Amar Gunatilleke		500,000	250,000
EPF-Mr.Amar Gunathilaka		184,500	153,000
ETF-Mr.Amar Gunathilaka		46,125	38,250
		4,299,972	3,760,944

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021.

	2020/21 Rs.	2019/20 Rs.
NOTE 14 - OTHER INCOME		
Interest on Distress Loans	3,278	641
Interest on Investment	2,936,387	3,786,025
Interest on Saving Account	-	713
Hire of Auditorium	133,335	60,877
Hire of Classroom	66,940	92,867
Rent Income	1,080,082	1,732,500
Marga Coordination Fee	248,911	-
Reimbursement of Travelling Expenses		
Dr.Gunathilaka	95,000	151,500
Ms.Perera	694	46,942
Mr.Amar	24,170	12,996
Income on Photocopy	1,158	2,567
Donation	260,000	321,500
Other Income	46,100	24,035
From Marga GCF Collaborative	26,000	550,000
Receipt In Advance Written Back	30,000	-
	4,952,055	6,783,163
NOTE 15 - OUSL POST GRADUATE DIPLOMA		
Course Fee Income	143,692	1,521,500
Income on refresment & Entertaintment	-	3,180
	143,692	1,524,680
Less : Expenses		
Lecture Fees	285,000	674,500
Consultancy Fees	-	650,000
Hire of Equipment charges	11,000	26,000
Allowance - Ms.Anjali	7,500	9,000
	303,500	1,359,500
Surplus For the Year	(159,809)	165,180
NOTE 16 - PUBLICATION		
Sales	13,980	380,583
	13,980	380,583
Less : Cost Of Sales		
Inventories at the beginning of the year	1,415,239	1,394,003
Add : Direct Expenses		
CIBF Expenses	-	207,925
Book Publishing	97,967	127,216
	1,513,206	1,729,144
Inventories at the end of the year	(1,501,706)	(1,415,239)
	11,500	313,905
Gross Profit/(Loss)	2,480	66,678

MARGA INSTITUTE
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2021.

NOTE 17 - ADMINISTRATIVE EXPENSES	2020/21 Rs.	2019/20 Rs.
Staff Salaries	1,766,824	1,185,330
EPF Expenses	212,019	142,240
ETF Expenses	53,005	35,560
Electricity	319,599	399,225
Water	62,444	29,554
Telephone	147,113	149,549
General Expenses	179,045	122,633
Accountancy Fees	32,000	37,500
Advertising	10,900	109,510
Annual Return Charges	-	6,900
Audit Fees	57,500	57,500
Bank Chargers	48,350	20,350
Computerized Accounting System	49,000	20,000
Consultancy Fees	694,500	580,000
Depreciation	-	25,660
Insurance	66,059	69,744
Internet & E-Mail	91,490	41,767
Janitorial Expenses	189,800	151,000
Building Maintenance	209,509	500,950
Equipment Maintenance	232,273	285,180
Vehicle Maintenance	50,550	37,943
News Paper Periodicals & Library Expenses	-	61,720
Postage, Telex & Fax	4,550	6,625
Printing & Stationary	141,780	351,421
Rates & Taxes	56,700	56,700
Refreshment & Entertainment	72,404	159,123
Staff Allowances	252,000	277,000
Secretarial Fees	40,895	18,525
Security Fees	446,800	269,600
Staff Overtime	244,475	181,977
Staff Welfare & Training	60,846	144,957
Professional Fees	-	23,500
Travelling & Transport	180,505	347,862
Web Site Expenses	273,770	69,650
Gratuity Provision	393,812	143,638
Honorarium Fees	6,000	11,000
Hall Chargers	-	96,860
Annual Leave/Medical Leave	-	18,550
Fuel and Oil	234,934	215,022
Interest on Overdraft	171,077	219,304
Renovation Fee	460,578	1,479,645
Compensation Expenses	600,000	-
Broker Fees	100,000	-
Annual Membership fee	-	5,000
Surcharges on ETF	-	1,076
	8,213,104	8,166,849

YEAR OF ASSESSMENT 2020/2021

Annexure 1

Projecte	Total Project Value	Completed Project as at 31st March 2021	Balance Amount from Ongoing Project as at 31st March 2021	Project Advances Received(1st April 2020 - 31st March 2021)	Balance Receivable as at 31st March 2021	Direct Expenses For completed Project as at 31st March 2021
	LKR	LKR	LKR	LKR	LKR	LKR
Education Course - UNDP	180,000	180,000				165,750
Establishment /Verification of baselines and targets for the indicators of the UNDP's Flagship Portfolio on SDG 16 Results Framework (CNT/RFP/IAJ/2019/80) -	6,786,150	6,786,150				4,065,192
Hiring of Service Provider (Research Team) from the National Agricultural Research System of Sri Lanka to Carry out Policy Research in the Area of Agricultural Productivity (No. LK-MOA-PMU-31820-CS-QCBS) - Ministry of Agriculture	1,695,000	-	1,695,000		1,695,000	
Consulting Agreement – National Language Equality Advancement Project - NLEAP	1,125,000	-	1,125,000	900,000	225,000	
Language Rights Through Cultural Traditions Project NLEAP - Rs. 6,811,025.00	6,811,025	-	6,811,025	3,405,513	3,405,513	
Tool kit for CSOs & CBOs to support freedom of religion & belief - Embassy of Netherlands	5,187,985	-	5,187,985	4,928,585	259,400	
Political Economy and Gender Analysis of Community and Policy Interventions and Community Assessments of Spread of Hate Speech, Social Cohesion and Preventing Violent Extremism - UNDP BHR 2020 67	12,775,300	-	12,775,300	3,832,590	8,942,710	
Gamani Corea Foundation - Female Labour Force Participation , Contribution of Education towards a Vision of Sri Lanka, Urbanization in the Transformation to very high human development in Sri Lanka	6,000,000	-	6,000,000	600,000	5,400,000	
	40,560,460	6,966,150.00	33,594,310	13,666,688	19,927,623	4,230,942