

**NOOLAHAM FOUNDATION  
(COMPANY LIMITED BY GUARANTEE)**

Financial Statements  
For the Year Ended  
31 December 2012

**Amerasekera & Co.,  
Chartered Accountants  
12, Rotunda Gardens  
Colombo 03  
Sri Lanka**



## INDEPENDENT AUDITORS' REPORT

To The Members of Noolaham Foundation (Company Limited by Guarantee)

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Noolaham Foundation (Company Limited by Guarantee)** which comprise the statement of financial position as at 31 December 2012, and the statement of comprehensive income and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on Pages 02 – 09.

### Management's Responsibility for the Financial Statements

2. 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). This responsibility includes: designing, implementing and maintaining internal control 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

3. 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.

4. 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.


5. 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

6. In our opinion, so far as appears from our examination, the financial statements appear to show a fair picture of the Company's financial position as at 31 December 2012 and its results and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities' (SLFRS for SMEs).

### Report on Other Legal and Regulatory Requirements

8. These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007,

  
**CHARTERED ACCOUNTANTS**  
COLOMBO, 21.02.2013

**NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

*(Expressed in Sri Lankan Rupees)*

	Note	2012	2011
Income	3	2,331,406.50	1,615,825
Direct Expenses	4	(1,681,648.47)	(1,499,417)
<b>Net Income</b>		<b>649,758.03</b>	<b>116,408</b>
Other Income - Sampath Bank		5,000.00	-
Administrative Expenses	5	(393,067.46)	(164,492)
Finance Cost	6	(1,551.75)	(1,800)
<b>Excess / (Shortage) of Income Over Expenditure for the Year</b>		<b>260,138.82</b>	<b>(49,885)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income / (Expenditure) for the Year</b>		<b>260,138.82</b>	<b>(49,885)</b>



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Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 05 to 09 form an integral Part of these Financial Statements.

**NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

(Expressed in Sri Lankan Rupees)

	Note	2012	2011
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	7	504,182.28	90,094
<b>Current Assets</b>			
Cash and Cash Equivalents	8	14,038.54	80,022
<b>Total Assets</b>		<u>518,220.82</u>	<u>170,115</u>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated Fund	9	210,254.11	(49,885)
<b>Total Funds</b>		<u>210,254.11</u>	<u>(49,885)</u>
<b>Current Liabilities</b>			
Loan Account		200,000.00	200,000
Accrued Expenses		20,000.00	20,000
Bank Overdraft - Commercial Bank		87,966.70	-
<b>Total Current Liabilities</b>		<u>307,966.70</u>	<u>220,000</u>
<b>Total Funds and Liabilities</b>		<u>518,220.82</u>	<u>170,115</u>

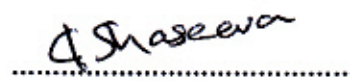
I certify that these Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

  
 Finance Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and Signed for and on behalf of the Committee of Management,

  
 Director  
 NOOLAHAM FOUNDATION

  
 Director

Date :- 21 August 2013  
 Colombo,



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Figures in brackets indicate deductions

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**NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012**

(Expressed in Sri Lankan Rupees)

	2012	2011
<b>Cash Flows from Operating Activities</b>		
Excess / (Shortage) of Income Over Expenditure for the Year	260,138.82	(49,885)
<b>Adjustments for;</b>		
Depreciation	110,686.47	49,406
<b>Expenditure Over Income Before Changes in Working Capital</b>	<u>370,825.29</u>	<u>(478)</u>
<b>Changes in Working Capital</b>		
Accrued Expenses	-	20,000
<b>Net Cash Generated from Operating Activities</b>	<u>370,825.29</u>	<u>19,522</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of Computers	(524,775.00)	(139,500)
Loan Received / (Repaid)	-	200,000
<b>Net Cash Flow From / (used in) Investing Activities</b>	<u>(524,775.00)</u>	<u>60,500</u>
<b>Net Changes in Cash and Cash Equivalents During the Year</b>	<b>(153,949.71)</b>	<b>80,022</b>
Cash and Cash Equivalents at Beginning of the Year	80,021.55	-
<b>Cash and Cash Equivalents at End of the Year</b>	<u><b>(73,928.16)</b></u>	<u><b>80,022</b></u>

<b>Cash and Cash Equivalents at End of the Year Represented by;</b>	2012	2011
Cash at Bank	-	69,457
Cash in Hand	14,038.54	10,565
Bank Overdraft	(87,966.70)	-
	<u>(73,928.16)</u>	<u>80,022</u>

Audit Report on Page 1

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 05 to 09 form an integral Part of these Financial Statements.



**NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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**1. BACKGROUND INFORMATION**

The Noolaham Foundation is a Limited Liability Company by Guarantee, incorporated and domiciled in Sri Lanka under Companies Act No. 07 of 2007. The Registered Office of the Company is located at No. 07, 57<sup>th</sup> Lane, Colombo 06.

**1.1 Principal Activities and Nature of Operations**

The Objectives for which the Foundation established are,

- To engage in activities relating to digital library services.
- To support digital preservation projects by providing financial assistance
- To provide advices on digital and archiving technology and preservation
- To create virtual digital libraries by indexing other websites.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

These financial statements have been prepared under the historical cost convention in accordance with the Sri Lanka Accounting Standards for Small and Medium-sized Entities' (SLFRSs for SMEs).

**2.1.1 Transition to the SLFRS for SMEs**

**Basis of Transition**

The financial statements of The Noolaham Foundation (Company Limited by Guarantee) for the year ended 31 December 2012 are the first Annual financial statements prepared to comply with SLFRS for SMEs.

The date of Transition is 1 January 2011, the Opening Balance of the financial statements are Adjusted to comply with the New Standards. In preparing these financial statements the company has applied all mandatory exceptions.

**2.1.2 Reporting Period**

The financial statements are prepared and presented at end of the financial year 31 December 2012, for local requirements.

**2.1.3 Property, Plant and Equipment**

**Cost**

Property, Plant and Equipment is stated at cost less accumulated depreciation and less any impairment losses.

The cost of plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing assets to its working condition for its intended use. Subsequent 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 is treated as capital expenditure.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit or loss.



**NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

***Depreciation***

Depreciation is recognized in profit or loss on a straight line method over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on property, plant & equipment, from the following month of purchase to the month of disposal.

The estimated depreciation rate and useful lives are as follows;

<b>Assets Category</b>	<b>Depreciation Rate</b>	<b>Useful Lives</b>
Office Equipment	12.5%	8 Years
Furniture and Fittings	20.0%	5 Years
Computer	50.0%	2 Years

Depreciation of items of property, plant and equipment will be charged when those items are available for use and continue depreciating until it is derecognized.

Gain and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating profit.

**2.1. 4 Cash and cash Equivalents**

Cash and cash equivalents comprise current Accounts, cash in hand and deposits held at call with banks. Bank overdrafts are included in the statement of financial position. For purpose of cash flow statement cash and cash equivalents are presented net of bank overdrafts.

**2.2 LIABILITIES AND PROVISIONS**

**2.2.1 General**

All known liabilities have been provided for in preparing the Financial Statements contingent events and their financial impact if any, are disclosed in notes to the Financial Statements.

**2.2.2 Funds**

The funds that are restricted are recognized at their fair value. When such funds relate to an expense item it is recognized as income over the period necessary to match it, so the costs which it is intended to compensate for on a systematic basis. Funds that are related to assets are deferred in the Balance Sheet and credited to the Income Expenditure account at the end of the project.

**2.3 RECEIPTS / EXPENSES RECOGNITION**

**2.3.1 Receipts**

Receipts are recognized on systematic and rational basis over the period necessary to match them with the related cost.

**2.3.2 Expenditure**

All Expenses are recognized as and when such expenses are incurred.





## NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Expressed in Sri Lankan Rupees)

	2012	2011
<b>3 Income</b>		
<b>Donation</b>		
Sivayoham Tootin Amman Koyil	-	347,200
R.Pathmanaba Iyer	239,770.00	190,000
Bavaharan V	208,373.00	-
Noolaham Australia	-	127,700
Noolaham England	-	319,650
Noolaham USA	-	165,200
Dr.Manomohan	65,000.00	58,000
S.V Kasynathan	-	100,000
L.Natkeeran	59,000.00	50,075
Tamil Literary Garden - Canada	56,875.00	-
Nanda Ganesan - USA Social	11,315.00	-
V. Jeyachandran - Australia	32,500.00	-
Sakar - Australia	32,500.00	-
T. Kopinath - Australia	20,000.00	-
Aravind Sivakumaran - USA Social	11,750.00	-
G. Anojan - Australia	13,000.00	-
Franklin Marshal, K. - Australia	13,000.00	-
G. Balasuthan - Australia	6,500.00	-
A. Premkumar - Australia	26,000.00	-
T. Gopinath - Australia	41,500.00	-
Yoganathan Trust - Sri Lanka	25,000.00	-
L. Natkeeran - Canada	50,095.00	-
Sivakumaran, K. - USA Social	14,500.00	-
Suthan - Canada	30,010.00	-
State US Embassy - Colombo	568,147.50	-
Kumaran, A.	32,500.00	-
Kopi, Disan and Friends - Australia	55,900.00	-
S. Arulpiragasam - Australia	13,000.00	-
Akilan Poobalasingam - Australia	13,000.00	-
T. Gopinath - Australia	10,600.00	-
Neelan Tiruchelvam Trust	213,713.50	-
	<b>1,863,549.00</b>	<b>1,357,825</b>
<b>Inkind</b>		
Noolaham Australia	-	124,100
Noolaham England	467,857.50	102,000
Noolaham USA	-	12,650
Paypal Contribution	-	19,250
	<b>467,857.50</b>	<b>258,000</b>
	<b>2,331,406.50</b>	<b>1,615,825</b>

Figures in brackets indicate deductions

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## NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Expressed in Sri Lankan Rupees)

	2012	2011
<b>4 Direct Expenses</b>		
<i>Collaboration Project Funding (Donation)</i>		
Project Noolaham	-	805,300
University of Moratuwa	-	34,080
US Project	681,269.00	-
Jaffna-Archiving	11,490.00	-
NTT Project	220,000.00	-
Scanning Project-Ithalaham	16,645.00	-
TDC Project initiation	12,250.00	-
Virtual Class Room Project	4,000.00	-
Grant	-	15,000
	<u>945,654.00</u>	<u>854,380</u>
<i>Programme Expenses</i>		
Wages and Allowances	-	336,000
CD Purchase	1,500.00	-
Communication	-	54,468
Rent and Hall Bookings	6,000.00	82,500
Noolaham 10000	117,835.00	-
Noolaham Stall Expenses	37,973.00	-
Printing and Stationary	14,450.00	2,300
Office Equipment Maintenance	-	10,335
Office Equipment Up-Grading	-	71,740
EAP Training Programme	76,800.00	-
Traveling and Transport	28,215.00	12,400
Refreshment	18,635.00	7,390
Periodicals and Magazines	-	11,998
Sub Contract Charges	323,900.00	-
Seminar and Meeting Expenses	-	3,000
Hiring of Project	-	3,500
Depreciation	110,686.47	49,406
	<u>735,994.47</u>	<u>645,037</u>
<b>Total Direct Expenses</b>	<u>1,681,648.47</u>	<u>1,499,417</u>
<b>5 Administrative Expenses</b>		
Communication	42,221.46	37,828
Web-Site	-	30,600
Postage	-	12,535
Printing and Stationary	39,585.00	13,565
Courier Charges	13,800.00	-
Rent	192,000.00	-
Electricity	22,806.00	-
Labour Charges	6,500.00	-
Legal Fees	2,500.00	-
Office Maintenance	25,070.00	1,200
Computers Up-Grading	27,635.00	9,680
Traveling and Transport	950.00	10,140
Employee Welfare	-	904
Publication	-	25,800
Advertisement	-	2,240
Audit Fees	20,000.00	20,000
	<u>393,067.46</u>	<u>164,492</u>

Figures in brackets indicate deductions

Notes continue to the Financial Statements on Page 09



## NOOLAHAM FOUNDATION (COMPANY LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

(Expressed in Sri Lankan Rupees)

	2012	2011
<b>6 Finance Cost</b>		
Bank Charges	1,550.00	1,700
Debit Tax	-	100
Overdraft Interest	1.75	-
	<u>1,551.75</u>	<u>1,800</u>

**7 Property, Plant and Equipment**  
**Cost**

Description	Balance as at 01 January 2012	Additions	Balance as at 31 December 2012
Computers	139,500.00	177,400.00	316,900.00
Office Equipment	-	274,830.00	274,830.00
Furniture & Fittings	-	72,545.00	72,545.00
	<u>139,500.00</u>	<u>524,775.00</u>	<u>664,275.00</u>

**Depreciation**

Description	Balance as at 01 January 2012	Charge for the Year	Balance as at 31 December 2012
Computers	49,406.25	88,684.35	138,090.60
Office Equipment	-	9,023.04	9,023.04
Furniture & Fittings	-	12,979.08	12,979.08
	<u>49,406.25</u>	<u>110,686.47</u>	<u>160,092.72</u>

<b>Written Down Value</b>	<u>90,093.75</u>	<u>504,182.28</u>
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	2012	2011
<b>8 Cash and Cash Equivalents</b>		
<b>Cash at Bank</b>		
Commercial Bank - (A/c No - 1100063121)	-	69,457
<b>Cash in Hand</b>	<u>14,038.54</u>	<u>10,565</u>
	<u>14,038.54</u>	<u>80,022</u>
<b>9 Accumulated Fund</b>		
<b>Balance at the Beginning of the Year</b>	(49,884.71)	-
Excess of Income over Expenditure for the Year	260,138.82	(49,885)
<b>Balance at the End of the Year</b>	<u>210,254.11</u>	<u>(49,885)</u>

Figures in brackets indicate deductions.

