

**AUDITORS' REPORT TO THE MEMBERS OF  
S. THOMAS' COLLEGE GURUTALAWA OLD BOYS ASSOCIATION**

We have examined the balance sheet and receipts and payments account with the books and records maintained by S. Thomas' College - Gurutalawa Old Boys Association and have obtained all explanations that we require.

- (a) The Association is not registered for taxes although it is liable to pay income tax, under Section 101 (1) of the Inland Revenue Act No. 10 of 2006. Further, a computation for taxation had not been prepared by the Association.
- (b) We were not provided with adequate information to verify the following balances.

| <u>Current Assets</u>  | Amount  |
|--|---|
|  | Rs:   |
| Dr.Hayman-Canon Foster }<br>Memorial Museum }<br>College Website }<br>Dinner Dance }<br>Sundry Debtors } | 122,510.62<br>12,000.00<br>32,500.00<br>32,637.50 |

- (c) Income of Fellowship Dinner & Expenditure of Fellowship Dinner is not separately shown, and following difference was noted between the income and expense.

|                             |  |
|-----------------------------|--|
|                             | Rs:                                    |
| Balance as per ledger (Net) | 151,670.50                             |
| Balance as per calculation  |  |
| Income                      | 1,219,470.00                           |
| Expenditure                 | <u>716,799.50</u>                      |
| Difference                  | <u>502,670.00</u><br><u>351,000.00</u> |

- (d) No supporting documents were available for the expenses made of Rs: 713,700.00 for the "Junior Dorm Toilets Project"

In our opinion, except for the adjustment or disclosure that may be required in the financial statement due to the matters referred to in paragraphs (a) to (d) above, the balance sheet as at 31<sup>st</sup> December 2008 and the income and expenditure account for the year then ended, exhibit a true and fair view of the state of affairs of the Association, according to the best of our information and explanations given to us and shown by the books of the Association.

**SJMS ASSOCIATES**  
Chartered Accountants  
Colombo.

08<sup>th</sup> January 2009

**S. THOMAS' COLLEGE GURUTALAWA  
OLD BOYS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2008**

**1. ASSOCIATION INFORMATION**

**1.1 DOMICILE AND LEGAL FORM**

S. Thomas' College Gurutalawa Old Boys Association was established on 21<sup>st</sup> February 1959.

**1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS**

The objectives of the Association are to enable the old Boys to keep in touch with the College to effect guidance and encouragement to the younger generation, uphold traditions, promote activities for the benefit of the College and assist the Headmaster in administration, management and maintaining of high standards.

**2. ACCOUNTING POLICIES**

**2.1 GENERAL**

**2.1.1** The financial statements of St.Thomas' College Guruthalawa – Old Boys Association are prepared in conformity with Sri Lanka Accounting Standards of the Institute of Chartered Accountants of Sri Lanka.

**2.2 INCOME STATEMENT**

**2.2.1 REVENUE RECOGNITION**

Revenue of the Association is recognized in the income statement on accrual basis.

**2.2.2 EXPENDITURE RECOGNITION**

Expenses are recorded in the financial Statements of the period to which they relate.