

Financial Statements 2017

Mahapola Higher Education Scholarship Trust Fund




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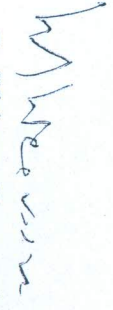
Statement of Financial Position
As At 31 st December 2017


	Notes	Year 2017 LKR	Year 2016 LKR
ASSETS			
Current Assets			
Cash & Cash Equivalents	1	7,150,101	108,416,051
Receivables	2	57,450,549	881,030,296
Pre Payments/Deposits	3	3,793,669	83,867,882
Total Current Assets		68,394,319	1,073,314,229
Non-Current Assets			
Land at Malambe (Lease out to SLIIT)		12,460,179	12,460,179
Building, Infrastructure, Plant, Equipment & Furniture	4	967,925,338	1,011,573,353
Investment in Share Capital at NWCL		985,000,000	985,000,000
Investment in Development Lotteries Board		2,200,000	2,200,000
Investment in Fixed Deposits and Treasury Bonds	5	1,516,360,695	1,788,485,232
Mahapola Portfolio managed by NWCL	6	8,345,078,695	7,239,466,463
Total Non-Current Assets		11,829,024,907	11,039,185,227
Total Assets		11,897,419,226	12,112,499,456
EQUITY & LIABILITIES			
Current Liabilities			
Payables	7	50,494,582	10,755,722
Total Current Liabilities		50,494,582	10,755,722
Non-Current liabilities			
Retirement Benefit Obligation	8	2,173,542	1,368,120
Total non-current liabilities		2,173,542	1,368,120
Total Liabilities		52,668,124	12,123,842
NET ASSETS		11,844,751,102	12,100,375,614
CONSOLIDATED FUND & RESERVES			
Accumulated Fund	9	12,100,375,614	11,859,846,723
Accumulated Surpluses/ (Deficits)		(255,624,512)	240,528,891
TOTAL NET ASSETS/ EQUITY		11,844,751,102	12,100,375,614

The Accounting Policies on pages 04 to 05 & Notes on pages 06 to 13 from an integral part of these Financial Statements. The members of the Mahapola Higher Educational Scholarship Trust Fund are responsible for the preparation & presentation of these Financial Statements. These Financial Statements were approved by the Board of Trustees of the Mahapola Higher Education Scholarship Trust Fund.


(Mrs.) Chandani Wijayawardhana
Secretary

Ministry of Dev. Strategies & Internal Trade
Ex. Officio Member of the Board of Trustees


Dr. Wickrema Weerasooriya
Appointed Member of the
Board of Trustees


M. Parackrama Bandara
Director
Mahapola Higher Edu.
Scholarship Trust Fund

Statement of Financial Performance
For the Year Ended 31st December 2017

	Notes	Year 2017 LKR	Year 2016 LKR
REVENUE			
Interest income from Main Fund Investment(NWC)		913,920,262	814,914,590
Interest income from Direct Investment by MTF	10	183,723,937 ✓	184,415,222
Share of profit from Development Lotteries Board		-	680,044,729
Lease Rental from SLIIT		20,000,000 ✓	20,000,000
Total Revenue		1,117,644,199	1,699,374,541
EXPENSES			
Scholarships Awards payments (uni/Other institute)	11	1,255,574,828 ✓	1,362,636,990
Salaries, Wages & Employee Benefits	12	7,929,470 ✓	6,985,600
UGC. Expences		-	918,617
Scholarships Award Expences	13	754,200 ✓	1,294,653
Depreciation for the SLIIT Building	4	53,226,035 ✓	53,226,035
Depreciation & Amortization Expenses	4	1,525,021 /	1,290,634
School Development Expences	14	13,281,524 ✓	17,115,567
Administrative and operational	15	9,272,425 ✓	8,238,814
WHT Fixed Deposits		3,097,967 ✓	6,690,115
Lalith Athu.Memo.Expenses		580,288 ✓	576,645
Renovation Expenses		2,821,575 ✓	-
Prior Year Adjustment		27,390 ✓	-
Total Expenses		1,348,090,723	1,458,973,670
surplus/(defecit) for the period		(230,446,524)	240,400,871
Add Other Income			
Sundry income	16	2,906,632 ✓	128,020
Net surples		(227,539,892)	240,528,891

Cashflow Statement
For the Year ended 31st December 2017

	2017	2016
	LKR	LKR
Cash flows from Operating Activities		
Surplus/(deficit)	(227,539,892)	240,528,891
Adjustments for Non-cash movements		
Depreciation	54,751,056	54,516,669
Increase in Payables	39,738,859	6,907,343
Provision for Gratuity	805,422	452,400
Increase in Prepayments/Deposits	80,074,213	119,500,605
Increase in Receivables	8,665,157	(140,750,122)
Net cashflows from Operating Activities	(43,505,185)	281,155,786
Cash flows from Investing Activities		
Purchase of plant and equipment	(11,103,041)	(93,289)
Investment in Fixed Deposits/Treasury Bonds	272,124,537	(486,596,053)
Investment through NWC	(318,782,263)	-
Increase in WIP		
Net cash used in Investing Activities	(57,760,767)	(486,689,342)
Cashflows from Financing Activities		
Net cash used in Financing Activities		-
Net Increase /(decrease) in cash & cash equivalents	(101,265,952)	(205,533,556)
Cash & cash equivalents at the beginning of the year	108,416,051	313,949,607
Cash & cash equivalents at the end of the year	7,150,099	108,416,051
Note-1		
BOC-Corporate Branch	(27,849,899)	33,416,051
Call deposit	35,000,000	75,000,000
	<u>7,150,101</u>	<u>108,416,051</u>

MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

FINANCIAL STATEMENTS - 31/12/2017

Accounting Policies.

1. Financial Statements are prepared in conformity with generally accepted accounting principles and Sri Lanka Accounting Standards with the followed practices.
2. Investment on Treasury Bonds / Bills are taken in to account as reported by Fund Manager of the National Wealth Corporation Limited (NWCL) at cost or on realizable value at maturity.
3. Interest income is recognized on an accrual basis as reported by Fund Manager of NWCL.
4. The Share of Profit from the Development Lottery is recognized on declaration and taken in to account under the respective financial years.
5. Funds utilized for earnings excluding Call & Short Term Deposits are categorized under investments which are itemized according to the period at their cost.
6. Investment policy is based on the criterion of low risk and highest interest income. Therefore, investments of funds floats along Bank Deposits and Treasury Investments according to the trend of interest rates. However after handing over the funds to the NWCL on the basis of bench mark income earning efficiency will be measured.
7. Receipt of the Fund is exempted from all taxes vide section 12 of Mahapola Higher Education Scholarship Trust Fund (MTF) Act No. 66 of 1981.
8. Depreciations have been provided at the following rates on straight line method, which is based on the estimated useful life span of the assets.

Building Fixtures & Fittings	05.00%	per annum
Vehicles	20.00%	per annum
Office Equipment	20.00%	per annum
Box File	25.00%	per annum
Computer Equipment	25.00%	per annum
9. Fully depreciated vary few items are not revalued since that value will not make material impact or effect for the true and fair view of the balance sheet.

10. Interest paid on Rs.175M NDB loan obtained for the investment in SLIIT project has been capitalized as investment expenditure since the value of the investment has been appreciated. However under the new Agreement this investment will be converted to the form of asset allocated by MTF as leased out to the SLIIT. Therefore practice has been changed. The balance of the NDB liability was settled.
11. Fund for the setting up of SLIIT Malabe project, have been paid to the Sri Lanka Institute of Information Technology (Get) Ltd (SLIIT). Accumulated expenditure on this project has been accounted as an investment in the Balance Sheet to cost of investment in the lease agreement with SLIIT for management.
12. Mahapola Portfolio handed over to the NWCL which is fully own subsidiary of MTF on 19.02.2004 under the signed agreement to manage the fund. Net earnings delivered by NWCL takes in to MTF books as earning from the portfolio, after charging all expenses as accrual basis. The net earnings excluding remittance to MTF are also added as Surplus Income to the portfolio which is not withdrawn.
13. Under Fund Management Agreement, NWCL agrees to maintain two types of portfolios are not required since handed over all Treasury Bills and Bonds were matured. However new investment procedure will be applicable for improvement of efficiency in future.
14. Net result on portfolio management is added and continued in NWCL as return in the Mahapola portfolio.
15. Consolidated Financial statements are not prepared due to dissimilar activities and nature of them.

Notes to the Financial Statements

Notes

	Year LKR 2017	Year LKR 2016
1 Cash & Cash Equivalents		
Cash at Bank		
Short term Deposits	-	75,000,000
Scholarship fund A/C-1791	7,150,101	33,416,051
	<u>7,150,101</u>	<u>108,416,051</u>
2 Receivables		
Interest of Fixed Deposits	13,622,886 ✓	17,968,288
Treasury Bond Income	43,827,663 ✓	48,112,193
Repo Investment Income	-	35,225
Fund Manager (NWCL) Interest	-	814,914,590
	<u>57,450,549</u>	<u>881,030,296</u>
3 Pre Payments/Deposits		
Pre payment Vehicle Insurance	34,830 ✓	26,089
Refundable Rent Deposit Jayawardena Centre	1,647,000 ✓	400,000
Staff Loan & Advances Payments	1,359,629 ✓	558,896
University Grant Commission	399,000 ✓	399,000
Scholarship Payments Recivable	4,400 ✓	4,400
CWE Refundable Rent Deposit	348,810 ✓	348,810
Balance of 50% Share of Profit of as reported by President Fund.	-	82,130,688
	<u>3,793,669</u>	<u>83,867,882</u>

