

Financial Statements

of

Kotram (Guarantee) Limited

for the year ended 31st March 2025

M.G.ASSOCIATES

Chartered Accountants

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Colombo -06.

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M.G. ASSOCIATES CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOTRAM (GUARANTEE) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements Statement of "KOTRAM (GUARANTEE) LIMITED" as at 31st March 2025 and the statement of Comprehensive Income, Statement of changes in Equity and statement of Receipts and Payments and a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31st March 2025 and of its financial performance and cash flows for the year then ended in accordance with Recommended Practices for Not-for -Profit Organizations, issued by the Institute of Chartered Accountants of Sri Lanka.

Responsibilities of Management and those charged with governance for the Financial Statements

The Management is responsible for preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Sri Lanka Auditing Standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said financial statements. An audit also includes assessing the accounting policies 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 opinion.

Report on other Legal and Regulatory Requirements

As required by Section 163(2) of the Companies Act No.7 of 2007, we state the following:

A). The basis of opinion and scope and limitations of the audit are as stated above.

b). In our opinion:

- We have obtained all the information and explanations that were required for the audit and so far as appears from our examination, proper accounting records have been kept by the Company,
- the financial statements of the Company, comply with the requirements of Section 151 of the Companies Act No. 7 of 2007.



CHARTERED ACCOUNTANTS
Colombo.



9th February 2026.

KOTRAM (GUARANTEE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2025

Income	
Advertisement	1,723,485.07
Multi Media Income	88,964.71
Sales	67,161.59
	<u>1,879,611.37</u>
Less: Cost of production	
Direct Overhead	409,674.12
Layout Design	240,000.00
Typing, Book Designing, Proof Reading & Printing	255,634.76
Voice Reader	181,020.00
	<u>1,086,328.88</u>
Gross Profit	<u>793,282.49</u>
Other Income	
Donations Received	2,236,851.72
Realized Currency Gain	17,162.25
Interest Income	2,050.67
	<u>2,256,064.64</u>
	<u>3,049,347.13</u>
Expenses	
Staff salaries, Wages & Allowances	2,143,175.31
Staff Welfare	103,775.02
EPF	113,307.10
ETF	28,326.77
Telephone & Internet	54,589.18
Office Expenses, Cleaning, Repairs & Maintenance	37,502.69
Rent	78,577.28
Electricity	50,400.27
Entertainment	2,208.99
Bank Charges	9,965.94
Surcharges	8,585.41
Distribution expenses	22,295.00
Xebiro- Admin. Expenses	2,352.31
Audit fees	32,000.00
Annual Events reserve	102,304.16
Depreciation	30,200.00
	<u>2,819,565.43</u>
Net Profit / (Loss) for the Year	<u>229,781.70</u>
Taxation	(20,132.00)
Retained Profit	<u>209,649.70</u>

Note - 01



M.G. ASSOCIATES CHARTERED ACCOUNTANTS

KOTRAM (GUARANTEE) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2025

	<u>Note</u>	<u>Rs.</u>
<u>Non- Current Assets</u>		
Property, Plant & Equipment	01	<u>196,300.00</u>
<u>Current Assets</u>		
Account Receivable		484,791.82
Receivable - Xebiro		448,996.31
Bank Savings A/c-		107,118.98
Bank Current A/c-		96,425.65
Xebiro Bank - UK		14,284.10
		<u>1,151,616.86</u>
Total Assets		<u>1,347,916.86</u>
<u>Equity & Liabilities</u>		
<u>Accumulated Fund</u>		
Balance on 01.04.2024		(123,520.75)
Net Income/(Loss) for the Year		209,649.70
		<u>86,128.95</u>
Current Liabilities		1,261,787.91
Total Equity & Liabilities		<u>1,347,916.86</u>

For and on behalf of the Board,

.....
Director

.....
Director

Date: 9th February 2026.

Note- 02



KOTRAM (GUARANTEE) LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2025

	ACCUMULATED FUND	TOTAL
Balance on 01st April 2023	-	-
Net Income for the year	(123,520.75)	(123,520.75)
Balance on 31st March 2024	<u>(123,520.75)</u>	<u>(123,520.75)</u>
Balance on 01st April 2024	(123,520.75)	(123,520.75)
Net Income for the year	209,649.70	209,649.70
Balance on 31st March 2025	<u>86,128.95</u>	<u>86,128.95</u>

Note - 03



KOTRAM (GUARANTEE) LIMITED

STATEMENT OF CASH FLOW AS AT 31ST MARCH 2025

	Rs.
Net Income	229,782
Adjustment for	
Depreciation	30,200
Provision for Events Reserve	102,304
Unrealized Currency gains	35,452
	<u>397,738</u>
<u>Changes in working capital</u>	
(Increase)/ Decrease in Trade & Other Receivable	(933,788)
Increase /(Decrease) in Trade Payable	46,937
Increase / (Decrease) on Other Payable	685,364
	<u>(201,487)</u>
Net Cash From Operating Activities	<u>196,251</u>
Cash flows From Investing Activities	
Acquisition of Property, Plant & Equipment	(226,500)
Net Cash flows From Investing Activities	<u>(226,500)</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	(30,249)
Cash and Cash Equivalents at the beginning of the year	<u>(163,544)</u>
Cash and Cash Equivalents at the end of the year	<u>(193,793)</u>
Cash & Cash Equivalents	
Savings Account	107,119
Xebiro - UK	14,284
Bank Current Account	96,426
Bank Current Account	(376,622)
Bank - Cash Float	(35,000)
	<u>(193,793)</u>

Note - 04



Kotram (Guarantee) Limited

Accounting policies and explanatory notes to the financial statements for the year ended 31st March 2025

1. Reporting Entity

1.1 Domicile and Legal Form

Kotram (Guarantee) Limited is a limited liability company incorporated in Sri Lanka. The address of its registered office and principal place of business is at No. 7-3/1, Galle Road, Colombo -06.

1.2 Principle Activities and Nature of Operations

The Principal Activity of the company is promotion of social and economic welfare and uplift the public in general and people in rural areas, anywhere in Sri Lanka.

2. Basis of preparation

2.1 Statement of compliance

The financial statements of Kotram (Guarantee) Limited, comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements and have been prepared in accordance with the Sri Lanka Statement of recommended practice for Not-for -Profit Organization (including non-Governmental Organizations) issued by the Institute of Chartered Accountants of Sri Lanka.

2.2 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting standards.

2.3 Functional and Presentation Currency

These Financial Statements are presented in Sri Lankan Rupees (Rs.) and all financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below have been consistently applied to all the years presented, unless otherwise stated.



Kotram (Guarantee) Limited

**Accounting policies and explanatory notes to the financial statements
for the year ended 31st March 2025**

3.1 Going Concern

The directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future and is satisfied that it has the resources to continue in business for the foreseeable future and they do not foresee any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore the Financial Statements have been prepared on going concern basis.

3.2 Event after the Statement of Financial position date

All material events occurring after the statement of financial position date are considered and where appropriate adjustments to or disclosures are made in the financial statements.

3.5 Cash and Cash Equivalent

Cash and cash equivalent compose cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposit in banks net of outstanding bank overdrafts.

3.6 Liabilities and Provisions

3.6.1 Current Liabilities and Non-Current Liabilities

Liabilities classified as current liabilities in the statement of financial position are those obligations payable on demand or within one year from the statement of financial position date.

Liabilities classified as non-current liabilities are those obligations which expire beyond a period of one year from the statement of financial position date.

3.6.2 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation, as a result of past events, it is probable that an outflow or resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.



Kotram (Guarantee) Limited

**Accounting policies and explanatory notes to the financial statements
for the year ended 31st March 2025**

3.6.3 Income Tax Expenses

Income tax expense represents the sum of the tax currently payable.

3.6.3.1 Current Tax

The provision for current tax is based on the elements of income and expenditure as reported in financial statements, on taxable profit for the year. The liability for taxation is computed according to the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments enacted.

3.7 Statement of Comprehensive Income

3.7.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

3.7.2 Expenses

All expenditure incurred in the running of the business and maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit for the year. All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the business has been treated as capital expenditure.

3.8 Statement of Cash Flow

The statement of cash flow has been prepared using the "Indirect method"



KOTRAM (GUARANTEE) LIMITED

Notes to the Financial Statements - Year ended 31st March 2025

	Rs.	Rs.
Note - 01		
<u>Property Plant & Equipment</u>	<u>Computer Equipment</u>	<u>Total</u>
Balance on 01.04.2024	-	-
Additions During the Year	226,500.00	226,500.00
	<u>226,500.00</u>	<u>226,500.00</u>
<u>Depreciation</u>		
Balance on 31.03.2024	-	-
Charges for the Year	30,200.00	30,200.00
	<u>30,200.00</u>	<u>30,200.00</u>
Balance on 31st March 2025	<u>196,300.00</u>	<u>196,300.00</u>

		Rs.
Note - 02		
<u>Current Liabilities</u>		
Account Payable		46,937.26
Xebiro -Admin . Payable SL		152,357.94
Payable	2.1	500,723.26
Unrealizable Currency Gains		2,451.15
Annual Event Reserve		147,697.16
Xebiro (Pvt) Ltd - Bank		376,621.14
Bank - Cash Float		35,000.00
		<u>1,261,787.91</u>

Note - 2.1		
<u>Payable</u>		
Income Tax Payable		23,899.00
Itafix Payable		30,036.04
EPF/ETF Payable		(3,643.51)
Wages Payable		374,531.73
Ontomatrix Payable		15,400.00
Audit Fees Payable		60,500.00
		<u>500,723.26</u>

