

Financial Statements 2017

Mahapola Higher Education Scholarship Trust Fund



■ Universities ■ Other Institutions

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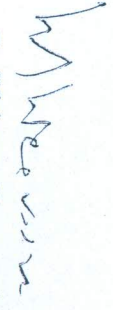
Statement of Financial Position
As At 31 st December 2017


	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
	7,150,101	108,416,051

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>

MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/12/2017

Note 04 - Infrastructure, Plant & Equipments/Furniture

Details	Date	Book Values at	Disposal	Purchase	Depreciation as	Cumulated	Depreciation/	Balance as at
		01/01/2017	During the year	During The Year	at 31/12/2017 Rates %	Depreciations as at 31/12/2017	Amotization for the year	31/12/2017
		Rs.	Rs.			Rs.	Rs.	Rs.
Building - SLIIT		1,064,520,695				53,226,035	53,226,035	958,068,625
Iron Safe	29-Nov-85	2,750	-		10	2,750	-	-
Laminating Machine	31-Dec-97	40,375	-		20	40,375	-	-
Fax Machine	23-Jul-99	32,500	-		20	32,500	-	-
Cash Box	27-Dec-00	2,450	-		20	2,450	-	-
Steel Cupboards	27-Dec-00	27,090	(5,900)		20	21,190	-	-
Computer	13-Oct-10	471,235	-		25	471,235	-	-
Printer	13-Oct-10	475,000	-		25	475,000	-	-
Thibus	02-Jun-03	33,000	-		25	33,000	-	-
Fax Machine	05-Aug-02	33,750	-		20	33,750	-	-
CD Writer	09-Feb-03	6,750	-		20	6,750	-	-
Furniture	11-Mar-03	611,715	(2,100)		25	609,615	-	-
Colour TV	15-Aug-03	26,720	-		25	26,720	-	-
Fan	16-May-07	4,950	-		20	4,950	-	-
Computer	31-Oct-11	398,109	-		25	398,109	-	-
Calculators	14-Dec-11	5,096	-		25	5,096	-	-
Steel Cupboards	27-Dec-11	29,500	-		20	29,500	-	-
Computer	31-Dec-11	298,620	-		25	298,620	-	-
Multimedia Project	31-Dec-11	82,000	-		25	82,000	-	-
Scanner	31-Dec-11	15,950	-		25	15,950	-	-
Car	10-Aug-12	5,100,000	-		20	5,100,000	-	-
Electric Kettle	06-Sep-12	3,900	-		25	3,900	-	-
Steel Cupboards	05-Jul-12	107,420	-		20	107,420	-	-
Pen Drive	21-May-12	3,500	-		25	3,500	-	-
Computer Asscieries	10-Sep-12	7,900	-		25	7,900	-	-
Computer - UPS	11-Sep-13	9,200	-		25	8,501	699	-
Pen Drive	27-May-13	6,588	-		25	5,187	1,401	-
Fan	30-Apr-14	38,400	-		20	15,465	5,155	17,780
Computer	31-Dec-14	316,500	-		25	158,250	79,125	79,125
Pen Drive	20-Feb-15	2,825	-		25	706	706	1,412
Fax Machine	10-Feb-16	43,290	-		20	-	7,258	36,032
Hand Phone	20-Sep-16	49,999	-		20	-	2,551	47,448
		1,072,807,777	(8,000)			61,226,423	53,322,930	958,250,422

MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/12/2017

Note 04 - Infrastructure, Plant & Equipments/Furniture

Details	Date	Book Values as at 01/01/2017	Disposal During the year	Purchase During The Year	Depreciation as at 31/12/2017 Rates %	Cumulated Depreciations as at 31/12/2017	Depreciation/ Amotization for the year	Balance as at 31/12/2017
		Rs.	Rs.			Rs.	Rs.	Rs.
Balanced Continued		1,072,807,777	(8,000)	-	-	61,226,423	53,322,930	958,250,422
Printer	22-Feb-17			631,130	25	-	132,278	498,852
Calculators	25-May-17			11,082	25	-	1,625	9,459
JR Center Interior Works	01-Jul-17			4,660,349	25	-	587,332	4,073,017
Furniture - JR Center	01-Jul-17			2,431,750	25	-	306,467	2,125,283
Air Conditioners - JR Center	01-Jul-17			1,248,000	25	-	157,282	1,090,718
Central UPS System with Battery Bank	01-Jul-17			558,000	25	-	70,323	487,677
Network Switch and Mounting	01-Jul-17			31,500	25	-	3,970	27,530
Ceiling Fan - JR Center	01-Jul-17			10,500	20	-	1,059	9,441
Electrical Voice and Network Installation	01-Jul-17			1,278,925	25	-	161,180	1,117,745
Computer	25-Nov-17			108,250	25	-	2,298	105,952
Vaccum Cleaner	29-Nov-17			25,200	20	-	2,140	23,060
Printer	25-Nov-17			71,620	25	-	1,521	70,099
Computer Assceries	31-Dec-17			15,610	25	-	652	14,958
JR Center Pantry Cupboard	31-Dec-17			21,125	20	-	-	21,125
		1,072,807,777	(8,000)	11,103,041		61,226,423	54,751,056	967,925,338

	Year	Year
	LKR	LKR
	2017	2016
5 Investments		
Fixed Deposits	312,000,000 ✓	289,886,311
Treasury Bond	1,189,791,160 ✓	1,498,598,921
Sweeper A/c	<u>14,569,535 ✓</u>	<u>-</u>
	<u>1,516,360,695</u>	<u>1,788,485,232</u>

6 Mahapola Main Fund Investment portfolio managed by NWCL

01.01.2017 Balance	7,239,466,463	7,244,552,042
Interest Income 2015		669,914,421
Interest Income 2016	786,829,970	-
Earnings in 2017	913,782,262	-
Less		
Amount transferred to Share Capital	-	(675,000,000)
Amount transferred to Mahapola Trust Fund	<u>(595,000,000)</u>	<u>-</u>
	<u>8,345,078,695 /</u>	<u>7,239,466,463</u>

	Year LKR 2017	Year LKR 2016
7 Payables		
Retention - School Development Expenses	2,173,328	2,173,328
Scholarship Payments Payable	2,200	2,200
Embilipitiya Swimming Pool Expenses	585,449	585,449
Electricity Bill (cwe)	-	7,573
Scholarship Instalments Payable(Uni/HEI)	45,387,505	6,877,050
Staff Expenditure Overtime - 2016	33,962	10,584
Staff Expenditure Attendance Allowance	26,500	23,500
Salaries & Wages	55,200	-
Vehicle Rental Charges	152,375	-
Three Lanka Retained	606,980	-
Staff Expenses	299,958	-
Water Bill 2016		1,941
EPF Payment	97,028	-
	<u>47,420,405</u>	
School Development Activities		
Rajasinghe Central College, Hanwella - Playground & 400 m track	417,633	417,633
Siri Piyarathana Central College, Padukka - Auditorium	288,486	288,486
Lalith Athulathmudali Vidyalay, Mt.Lavinia - Indoor Stadium	278,488	278,488
National School, Seethawaka - Complete the work of Auditorium & Seats & Sound System	89,490	89,490
	<u>50,494,582</u>	<u>10,755,722</u>
8 Retirement Benefit Obligation		
Provision for Gratuity	2,173,542	1,368,120
	<u>2,173,542</u>	<u>1,368,120</u>
9 Consolidated Fund & Reserves		
Accumulated Fund	12,100,375,614	11,749,846,723
Deficit for the year 2017	(227,539,892)	240,528,891
NWC Bonus Issue	-	110,000,000
Prior Year Adjustments - over provision of Interest receivable for NWCL	(28,084,620)	-
Balance as at 31.12.2017	<u>11,844,751,102</u>	<u>12,100,375,614</u>

	Year	Year
	LKR	LKR
	2017	2016
10 Interest Income on Direct Investment		
Fixed Deposits	36,590,782 ✓	34,140,042
Treasury Bond	139,382,619 ✓	140,105,942
Repo Investment Income	3,189,264 ✓	10,169,237
Overnight Investment Income	1,138,523 ✓	-
Sweeper Savings Income	3,422,749 ✓	-
	<u>183,723,937</u>	<u>184,415,222</u>
11 Scholarship Awards payments		
University Students Scholarships Payments	1,193,107,274 ✓	1,314,541,150
Scholarship Payments Refunds	(31,480,050) ✓	(20,190,050)
Other Higher Education Institute	17,918,804 ✓	67,110,640
Advance Technological Institute	76,028,800 ✓	1,175,250
	<u>1,255,574,828</u>	<u>1,362,636,990</u>
12 Wages, Salaries & Employee Benefits		
Salaries	6,140,622 ✓	5,881,296
Attendance Allowance	301,000 ✓	277,625
Over Time & Holiday Payments	250,685 ✓	210,165
E.P.F.	643,187 ✓	328,690
E.T.F.	132,901 ✓	66,782
Leave Encashment & Bonus	451,556 ✓	221,042
Payee Tax	9,519 ✓	-
	<u>7,929,470</u>	<u>6,985,600</u>
13 Scholarships Award Expenses		
Special Incentive Allowance	336,262	236,385
New Scholarship Awards Expenses	417,938	1,058,268
	<u>754,200</u>	<u>1,294,653</u>

	Year LKR 2017	Year LKR 2016
14 School Development Expences		
Richmand College (Pavilion)	-	7,043,265
Richmand College (Swimming Pool)	-	4,892,302
Royal College Polonnaruwa	6,708,524	5,180,000
St.Annes College-(Pavilion)	6,573,000	-
	<u>13,281,524</u>	<u>17,115,567</u>
15 Administrative and Operational		
Postage & Communication	364,018 ✓	255,645
Welfare Expenses	58,440 ✓	104,722
Gratuity	805,422 ✓	452,400
Legale Fees	63,050 ✓	953,161
Traning Fees	8,500 ✓	6,000
Audit & Management Committee fees	42,000 ✓	226,847
Board of Trustees Members Fee	73,500 ✓	112,500
Fuel & Travalng	329,810 ✓	329,721
Water Bill	26,497 ✓	61,156
Electricity Bill	253,573 ✓	205,852
Cleaning Ser.	114,750 ✓	283,009
Stationery & Office Expenditure		
Stationery	434,895 ✓	537,973
Maintenance of Office Equipments	13,550 ✓	188,513
Maintenance of Office Computer	68,829 ✓	287,390
Rent (CWE)	2,401,893 ✓	3,753,916
Rent (Jayawardena Centre)	2,859,385 ✓	-
Vehicle Maintenance		
Vehicle Insurance	37,656 ✓	97,927
Vehicle Maintenance	231,575 ✓	135,260
Sundry Expenses	577,167 ✓	246,821
Vehicle Lease Rental Charges	507,917 ✓	-
	<u>9,272,425</u>	<u>8,238,814</u>

	Year	Year
	LKR	LKR
	2017	2016
16 Sundry Income		
Recovered Money	85,100 ✓	106,100
Staff Loan Interest	44,610 ✓	21,920
Trade Fair Income	2,498,399	-
Donations	250,000	-
Sundry Income	20,523	-
Disposal of Fixed Assets	8,000	-
	<u>2,906,632</u>	<u>128,020</u>