

வார्षிக வர்வா
ஆண்டறிககை
ANNUAL REPORT

2022



1990 சுவர்சுரீய அறக்கட்டளை
1990 சுவர்சுரீய அறக்கட்டளையின்
1990 SUWA SERIYA FOUNDATION

ANNUAL REPORT

2022



1990 SUWA SERIYA FOUNDATION

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MISSION, VISION & OBJECTIVE

1990 Suwa Seriya Foundation's focus, mission, vision and objective is set only for one matter,

"Save a Life"

Any development or improvement will always be directed at how more lives could be saved.



CORPORATE INFORMATION

LEGAL FRAMEWORK

The gazette for the establishment of the 1990 Suwa Seriya Foundation was gazetted by the Government on the 4th of July 2018 and enacted as the 1990 Suwa Seriya Foundation Act No. 18 of 2018.

REGISTERED OFFICE

No. 415, Kotte Road, Rajagiriya, Sri Lanka

BOARD OF DIRECTORS

Appointed Directors

Mr. Dumindra Ratnayaka - Chairman

Ms. Sandya Salgado

Prof. Asita de Silva

Mr. Vijaya Malalasekera (upto 15.02.2022)

Mr. Vish Govindasamy (from 07.06.2022)

Representatives

Ex-officio Secretary to the Ministry of Finance: Ms. Champika Pathirana (upto 27.02.2022)

Ms. Chandrika Kulathilake (from 28.02.2022)

Ex-officio Secretary to the Ministry of Health : Dr. Sunil de Alwis

Ex-officio Inspector General of Police : DIG Mr. Indika Hapugoda

AUDITORS

Auditor General, National Audit Office

BANKS

Bank of Ceylon, Corporate Branch

KEY MANAGEMENT PERSONNEL

Chief Executive Officer	:	Mr. Sohan de Silva
Chief Medical Officer	:	Dr. Srilal de Silva
Head of Human Resources and Admin	:	Ms. Gayathri de Silva
Head of Training & Protocol	:	Mr. Gayan Chaturanga
Head of ECCC	:	Mr. Miraj Wijesekera
Acting Head of Finance & SCM	:	Ms. Chamika Hettiarachchi
Manager Operations	:	Mr. Sachiru Rathnayake
Manager Fleet	:	Mr. Rohana Weerasinghe
Manager Quality	:	Ms. Sherin Johnson
Regional Managers	:	Mr. Gamini Kumara & Mr. R. Gopinath

CHAIRMAN'S REVIEW

Presenting this Annual Report for 2022 marks the successful six years of undeterred contribution of 1990 Suwa Seriya prambulance service. We entered 2022 overcoming the many challenges posed by the Covid pandemic. 1990 Suwa Seriya Foundation has -19 pandemic in the country. Looking back at 2022, the year was challenges due to fuel unavailability, essential medicines and shortage. Despite these drawbacks we remained focused to serve the best of our stakeholders.

I am thankful to the dedication and commitment of the staff Suwa Seriya Foundation which was instrumental to overcome the faced and provide an efficient hospital emergency care ambulance service to the people of Sri Lanka.

Mr. Dumindra Ratnayaka

Chairman

1990 Suwa Seriya Foundation

MR. DUMINDRA RATNAYAKA

Mr. Dumindra Ratnayaka holds a Bachelor of Science (Electronics and Telecommunication Engineering) degree, and is a Member of the Institute of Engineers of Sri Lanka. He is the former CEO of Celltel/Tigo and Etisalat, and also serves as Board positions in several private companies and institutions. In addition, he has served as Board Member of ICTA, and held Chairman position of the BOI Sri Lanka. In 2018 Mr. Dumindra leads the 1990 Suwa Seriya Foundation as the founding Chairman and manages and directs the Foundation as a most efficiently run government organization in the country.

VIDYA JYOTHI PROF. ASITA DE SILVA

Prof. Asitha graduated MBBS in North Colombo Medical College and his postgraduate training in clinical pharmacology at the Radcliffe Infirmary in Oxford. Professor Asita is a clinical Pharmacologist and Senior Professor of Pharmacology at the Faculty of Medicine, University of Kelaniya, and is also the Director of the Clinical Trials Unit at the University of Kelaniya. Also he is a fellow of Royal College of Physicians, London. He has published many scientific journals like New England Journal of Medicine, Lancet, JAMA, Clinical Science and Stroke and PLoS Medicine. In 2019 Prof. Asita received the National Honor Vidya Jyothi award for his valuable contribution to science.

MS. SANDYA SALGADO

Ms. Sandya graduated with Bachelor of Arts from the University of Kelaniya and MBA (International) from Edith Cowan University, Australia, and is also a member of the Chartered Institute of Marketing-MCIM in UK. Having served as Director/CEO of Ogilvy Action, Ms. Sandya is an experienced Communications Specialist and Business Consultant who has provided immense contribution to many World Bank funded projects in Sri Lanka. She has been honoured with many titles for her contributions including “Woman of inspiration” awarded by Women in Management, IFC and Australian Aid in 2018/19. Currently she serves as a Consultant to UNFPA/ Ministry of Health Sri Lanka.

MR. VISH GOVINDASAMY

Mr. Vish holds a Bachelor of Sciences degree in Electrical Engineering and MBA from University of Hartford, USA. In the corporate sector he has held portfolios as the Chairman of Ceylon Chamber of Commerce, Employers’ Federation of Ceylon, Council member of Sri Lanka Institute of Directors, Committee member of Mercantile Service Provident Society, Past President of Sri Lanka Chamber of the Pharmaceutical Industry also is the Immediate past President in Indo- Lanka Chamber of Commerce in industry. Currently Mr. Vish is the Director/Chairman of the Sunshine Holdings PLC (CSE:SUN), Director of the Watawala Plantations PLC, Watawala Diary Ltd, Sunshine Wilmar (Pvt) Ltd, Taj Lanka Hotels and Softlogic Life Insurance PLC.

DR. SUNIL DE ALWIS

Dr. Sunil graduated with a Bachelor of Medicine and Surgery from University of Peradeniya and he holds Master of Science (Community Medicine), Postgraduate doctor of Medicine (Medical Administration). He did Master of Business Administration from University of Kelaniya, Postgraduate Diploma in Environmental Management from University of Wayamba. After Dr. Sunil entered the Medical Administration Service in 1997 when he served as a Medical Officer and was promoted to the Medical Superintendent. Later he was promoted as a Provincial Director of Health Services of North Western Province in 2001. In 2012 he was appointed as the Deputy Director General of Health, Nutrition and Indigenous Medicine of Ministry of Health. Currently Dr. Sunil is the Additional Secretary (Medical Services) at the Ministry of Health.

MRS. CHANDRIKA KULATHILAKE

Mrs. Chandrika holds a Bachelor of Commerce degree at University of Sri Jayawardanapura and Diploma in Financial Management in Sri Lanka Institute of Development Administration. She was the Accountant to the Postal Department, Audit Examiner to the Auditor General's Department also the Deputy Director and Director for the Department of State Accounts and Director for the Department of Management Audit. Currently she the Director General to the Department of Management Audit.

DIG INDIKA HAPUGODA

Mr. Indika holds MBA in Logistics Management from the Sir John Kothalawela Academy, and Diploma in Criminology from University of Sri Jayawardenapura, amongst other educational and professional qualifications. Having joined the Sri Lanka Police as Sub Inspector of Police in 1998, Mr. Indika currently serves as Deputy Inspector General of Police – Traffic Administration and Road Safety being appointed to the rank in 2021. He has performed in the United Nations peacekeeping military duties in East Timor from 2008-2010. He has also been engaged in many training programmes which were held in India, China, Thailand, Vietnam, Singapore and USA.

CHIEF EXECUTIVE OFFICER'S REPORT

2022 was a year we started weary from our efforts taken to overcome the many challenges posed by the COVID-19 pandemic. Throughout this year we faced shortage of medicines and a severe fuel crisis. However, with the support of the Ministry of Health, well-wishers and donors, we believe that we managed the situation in the best possible way. Even during peak times of the fuel crisis, we were able to handle over 1700 cases per day saving the lives of people.

I profoundly thank all team members of 1990 Suwa Seriya Foundation for their efforts to keep our ambulance service up and running during these troubled times. I also thank the Chairman and Board of Directors for their support throughout to perform my duties successfully.

Sohan de Silva

Chief Executive Officer

1990 Suwa Seriya Foundation

CEO'S PROFILE

Sohan de Silva is the first and current Chief Executive Officer of 1990 Suwa Seriya Foundation. With experience of over 20 years in the field of Information Technology both locally and internationally, Sohan specializes in digital transformation and technology-based implementation, process management and operations management. In 2018 he stepped into the role of Chief Executive Officer of 1990 Suwa Seriya Foundation. He holds a BSc (Hons) in Software Engineering and a MBA from Australia. His passion and expertise in integrating technology advancement with emergency and disaster management has acquired him several qualifications on Disaster Management from distinguished institutions in Canada and USA. Sohan is also a member of the British Computer Society and the International Association of Emergency Managers. He has also completed several industry-based certifications on emergency management.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The administration and management of the affairs of the Foundation is vested on a Board of Management. A team of committed and dedicated individuals make up the Board of Directors of the 1990 Suwa Seriya Foundation. The board comprises seven members, three ex-officio members representing the Secretary to the Ministry of Health, Secretary to the Ministry of Finance and the Inspector General of Police, and four other members appointed by the President who possess academic or professional qualifications and have experience in the fields of medical science, pharmaceuticals medical technology, finance, management, administration, or law. These members have been serving the Board on an honorary capacity since the inception of the Foundation in 2018 providing guidance, advice and support to make this service one of the best national health sector service provisions in the country. The Board meets on monthly intervals with any additional special meetings arranged as required and Nine board meetings have been held during the period under review.

AUDIT COMMITTEE

Audit Committee is constituted in accordance with the 'Public Enterprises Guideline for Good Governance' and Public Finance Circulars. The Audit Committee is appointed by the Board and comprises three Directors of the Foundation. Director who represents Ministry of Finance chairs the Committee. The Audit Committee independently examines and evaluates the activities of the Foundation. During the period under review, three Audit Committee meetings were held. Audit committee report is set out in page 10-11.

INTERNAL CONTROL

The Board has responsibility to ensure that the Foundation maintains a system of Internal Control, which is designed to provide reasonable assurance that all functions of the Foundation are properly authorized, recorded & reported. Functional Organization Structure is in operation with Departments designed with defined activities for Human Resources and Admin, Finance and SCM, ECCC, Operations, Fleet, Training and Protocol, and Quality. The Heads of each Department directly report to Chief Executive Officer of the Foundation.

AUDIT COMMITTEE REPORT

The Audit Committee is essentially a committee that plays a strategic role in assisting the Board of Management to achieve its responsibilities in areas such as financial reporting, internal control systems, risk management, and the internal and external audit functions. The Audit Committee is chaired by a Director and two other Directors are also members. The Committee is assisted by the senior support staff and has an adequate blend of financial and audit expertise in order to carry out the Committee's duties effectively.

ROLE OF THE AUDIT COMMITTEE

Audit Committee Charter

The Audit Committees of Public Enterprises are governed by the Public Enterprise Department Circular No: 01/2021, issued by the General Treasury.

Key Focus

The Audit Committee primarily focuses on assisting the Board in fulfilling its duties by providing an independent and objective review of the Foundation's financial reporting process and the operational functions.

MEETINGS OF THE COMMITTEE

During the year ended 31.12.2022, three (03) meetings of the Committee were held. The minutes of the Committee meetings were recorded, and were reported to the Board of Directors. The Superintendent of Audit participated in the meetings as the representative of the Auditor General. The Chief Internal Auditor of the line Ministry attended the meetings by invitation.

Composition of the Committee changed before the first meeting in the year 2022 and attendance of the committee members at the meetings held in the year 2022 are stated below:

Name of the Director	Position of the Committee	Number of Meetings Attended
Mrs. Champika Pathirana	Chairperson	0/0 (up to 27.02.2022)
Mrs. Chandrika Kulathilake	Chairperson	3/3 (from 28.02.2022)
Dr. Sunil de Alwis	Member	2/3
Mrs. Sandya Salgado	Member	2/3

In the year 2022 the Committee;

- ◁ Reviewed the Auditor General's management letters for the years 2020 and 2021 and reviewed the responses submitted for the audit queries raised and considered the actions taken for rectifying deficiencies, non-compliance with laws, rules, regulations and management decisions mentioned therein.

As follow up actions of audit management letters,

- Obtaining drugs from Medical Supplies Division (MSD) is followed up and finalised to include our annual drugs and consumables requirement to MSD's procurement plan and implemented the process of obtaining drugs from MSD.
- Initiated the discussions with the line Ministry and Treasury Budget to take necessary actions to make use of new 25 Toyota Ambulances and got capex budget allocation passed from Finance Ministry.
- ◁ Made recommendations to the Board on the preparation of Financial Statements.
 - Appointed a committee to investigate the background and to start the process to clear un-recoverable receivable amount of Rs.2.5Mn from 2022 Financial Statements that had occurred prior to the establishment of the foundation.
- ◁ Discussed on operational issues that the Foundation passed through in year 2022 and reviewed follow up actions taken by the management on the recommendations of the Committee.
 - Funding from Government for the year 2022 was not in line with the required budget and initiated discussion with the Department of National Budget and got additional budget allocation for the year 2022.
 - Discussed on the risk of employees leaving the Foundation.
 - Discussed on the cadre gap and need of increasing the approved cadre.

EXTERNAL AUDIT

The Auditor General was appointed as the External Auditor in terms of section 12 of the National Audit Act No.19 of 2018. The Superintendent of Audit and his staff appointed by the Auditor General, coordinate the External Audit functions of the Foundation.

CONCLUSION

The Audit Committee is of the opinion that terms of reference of the Committee covered the subjects in all material aspects.

On behalf of the Audit Committee.

Chandrika Kulathilake

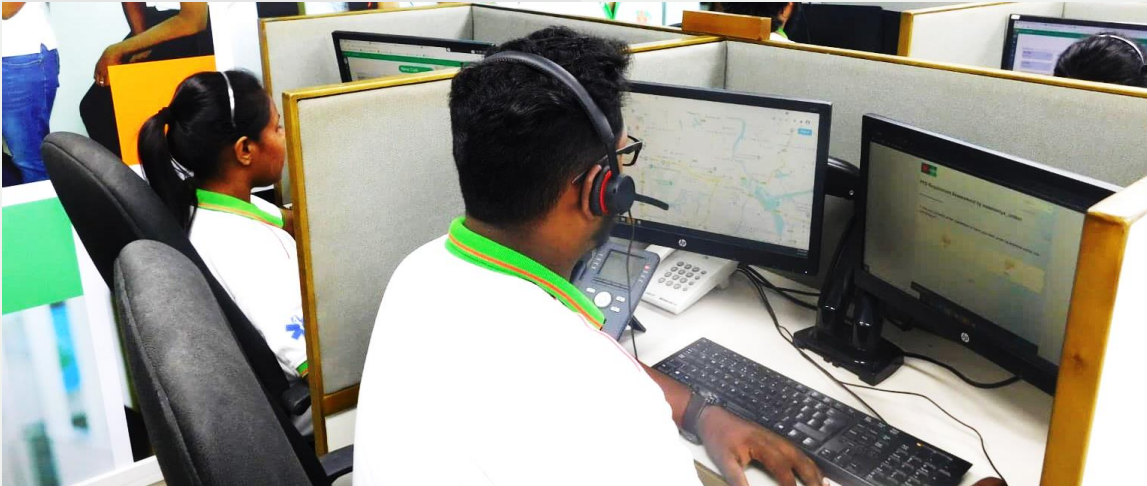
The Chairperson - Audit Committee

20th March 2023

OPERATIONAL PERFORMANCE

EMERGENCY CALLS RECEIVED

In 2022	Since inception
1,219,020	5,936,294



BY 25 EMERGENCY MEDICAL DISPATCHERS*

EMERGENCIES ATTENDED

In 2022	Since inception
344,623	1,385,817



BY 648 EMERGENCY MEDICAL TECHNICIANS AND 574 PILOTS*

*existing cadre as at 31.12.2022



9,871,739 km
Covered islandwide

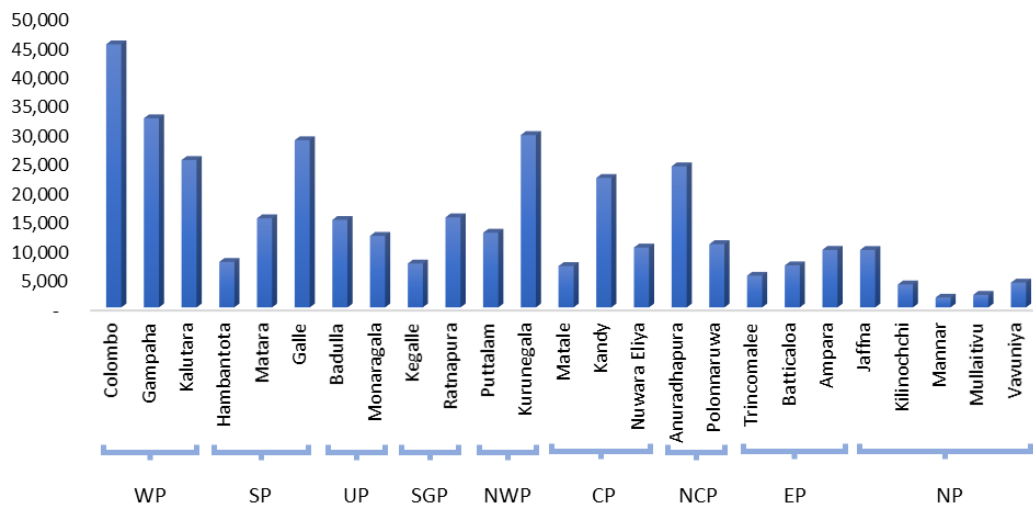


14 min 32 sec
Average Response time





Island-wide distribution of emergencies



DONATIONS

To overcome the difficulties faced in the past year, several parties came forward to help 1990 Suwa Seriya Foundation with donations. Cash donations from College of Cardiology and other well-wishers totaling to Rs. 2,026,047.49 was received. Furthermore, medicine, medical consumables and tyres were received from the People of India, Medical Help Sri Lanka-Ontario Canada, Sri Lankan Community in Qatar, US Donor consortium and other well-wishers.

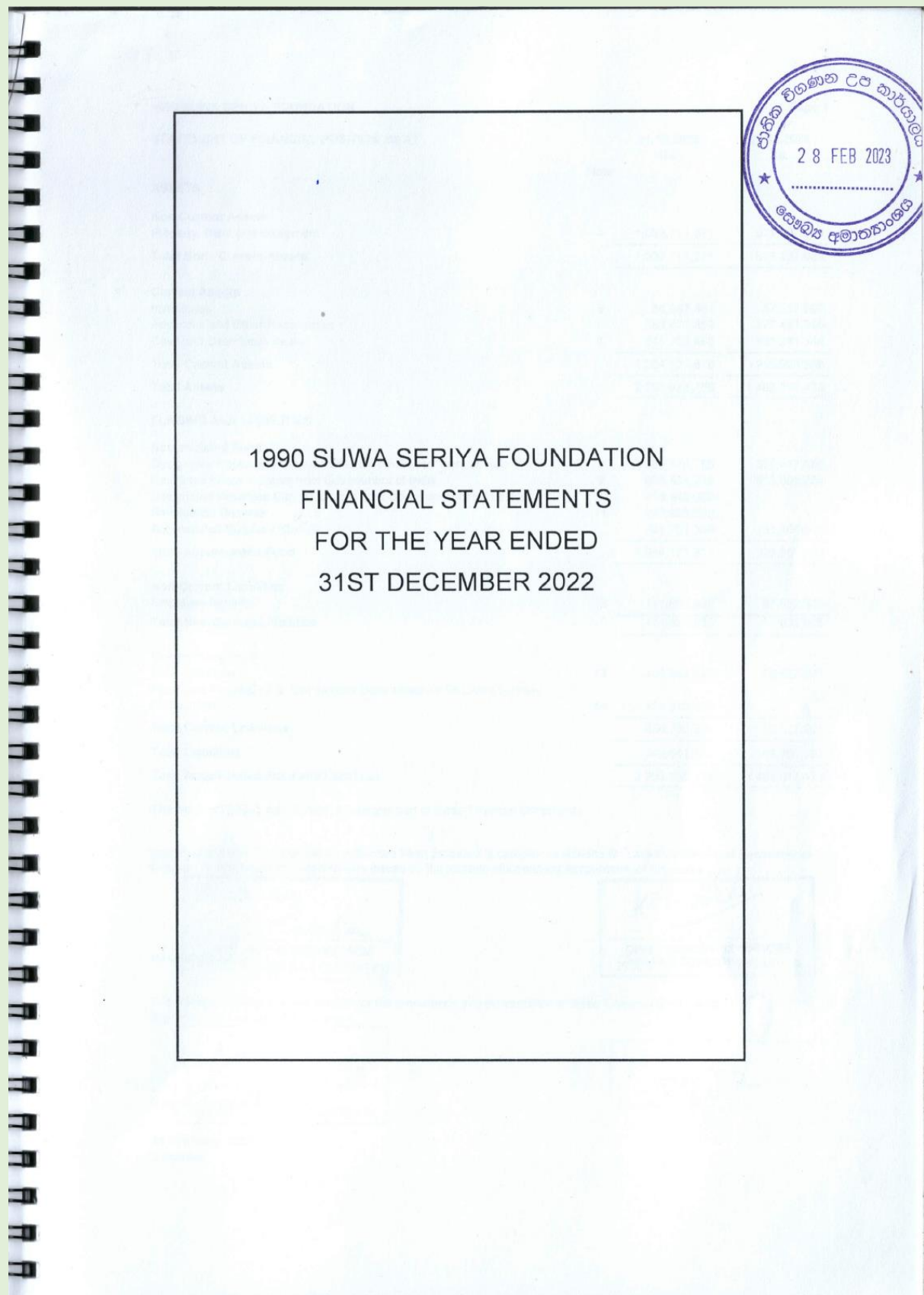
PUBLIC AWARENESS

New Public awareness programs were not conducted last year. However, specific donor funded Public educational campaign to Give way to Ambulances “Menna handa – Denna ida” awareness program which was initiated in 2021 was continued.



FINANCIAL PERFORMANCE

AUDITED FINANCIAL STATEMENTS



1990 SUWA SERIYA FOUNDATION

Page 1

STATEMENT OF FINANCIAL POSITION AS AT

		31.12.2022 Rs.	31.12.2021 Rs.
ASSETS	Note		
Non-Current Assets			
Property, Plant and Equipment	4	1,032,711,371	571,997,088
Total Non - Current Assets		<u>1,032,711,371</u>	<u>571,997,088</u>
Current Assets			
Inventories	5	54,947,491	57,357,699
Advances and Other Receivables	6	363,470,864	377,421,345
Cash and Cash Equivalents	7	845,703,463	481,241,344
Total Current Assets		<u>1,264,121,818</u>	<u>916,020,388</u>
Total Assets		<u>2,296,833,189</u>	<u>1,488,017,475</u>
FUNDING AND LIABILITIES			
Accumulated Fund			
Designated Reserves - Capital - Grants from Government of India	8	366,170,755	561,417,085
Restricted Funds - Grants from Government of India	9	679,434,218	813,605,704
Designated Reserves-Capital- Grants from Government of Sri Lanka	10	418,940,000	-
Revaluation Reserve	11	247,925,000	-
Accumulated Surplus / (Deficit)		<u>241,701,344</u>	<u>(51,365,905)</u>
Total Accumulated Fund		<u>1,954,171,317</u>	<u>1,323,656,884</u>
Non-Current Liabilities			
Employee Benefits	12	111,899,625	87,832,625
Total Non-Current Liabilities		<u>111,899,625</u>	<u>87,832,625</u>
Current Liabilities			
Other Payables	13	105,952,247	76,527,967
Restricted Funds-Capital Grants from Government of Sri Lanka for New Ambulances	14	124,810,000	-
Total Current Liabilities		<u>230,762,247</u>	<u>76,527,967</u>
Total Liabilities		<u>342,661,872</u>	<u>164,360,592</u>
Total Accumulated Fund and Liabilities		<u>2,296,833,189</u>	<u>1,488,017,475</u>

The Notes on pages 5 to 15 form an integral part of these Financial Statements.

I certify that these Financial Statements have been prepared in compliance with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of Sri Lanka.

Acting
Chuka
HEAD OF FINANCE AND SCM
1990 SUWA SERIYA FOUNDATION

CHIEF EXECUTIVE OFFICER
1990 SUWA SERIYA FOUNDATION

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Signed for and on behalf of the board:

CHAIRMAN
1990 SUWA SERIYA FOUNDATION

DIRECTOR
1990 SUWA SERIYA FOUNDATION

24 February 2023
Colombo.


1990 SUWA SERIYA FOUNDATION

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STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31.12.2022 Rs.	For the year ended 31.12.2021 Rs.
	Note		
OPERATING INCOME			
Incoming Resources	15	2,183,887,447	2,105,294,975
Total Operating Income		<u>2,183,887,447</u>	<u>2,105,294,975</u>
OPERATING EXPENDITURE			
Direct Expenses	16	(1,964,369,430)	(1,959,096,604)
Indirect Expenses	17	(277,683,545)	(274,740,032)
Total Operating Expenditure		<u>(2,242,052,975)</u>	<u>(2,233,836,636)</u>
Net Surplus / (Deficit) of Operating Activities		<u>(58,165,528)</u>	<u>(128,541,661)</u>
OTHER INCOME			
Income Earned from Other Activities	18	346,466,537	73,233,050
Finance Income	19	4,766,240	3,942,706
Total Other Income		<u>351,232,777</u>	<u>77,175,756</u>
NET SURPLUS / (DEFICIT) FOR THE YEAR		<u>293,067,249</u>	<u>(51,365,905)</u>

The Notes on pages 5 to 15 form an integral part of these Financial Statements.

Acting

 HEAD OF FINANCE AND SCM
 1990 SUWA SERIYA FOUNDATION



1990 SUWA SERIYA FOUNDATION

STATEMENT OF CHANGES IN ACCUMULATED FUND

	Designated Reserves -Capital- Grants from Government of India Rs.	Restricted Funds- Grants from Government of India Rs.	Designated Reserves -Capital- Grants from Government of Sri Lanka Rs.	Revaluation Reserve Rs.	Accumulated Surplus / (Deficit) Rs.	Total Rs.
Balance as at 01 January 2021	743,487,107	932,975,592	-	-	-	1,676,462,699
Funds Utilized during the year	-	(57,294,975)	-	-	-	(57,294,975)
Realization of Reserve on Disposal of Assets	(8,076,234)	-	-	-	-	(8,076,234)
Transfer of PPE Additions during the year	53,814,473	(53,814,473)	-	-	-	-
Other Transfers during the year	-	(8,260,441)	-	-	-	(8,260,441)
Realization of Fund due to Depreciation	(227,788,260)	-	-	-	-	(227,788,260)
Deficit for the year	-	-	-	-	(51,365,905)	(51,365,905)
Balance as at 31 December 2021	561,417,085	813,605,704	-	-	(51,365,905)	1,323,656,884
Funds Utilized during the year	-	(126,116,537)	-	-	-	(126,116,537)
Realization of Reserve on Disposal of Assets	(637,936)	-	-	-	-	(637,936)
Transfer of PPE Additions during the year	8,054,949	(8,054,949)	418,940,000	-	-	418,940,000
Realization of Fund due to Depreciation	(201,803,376)	-	-	-	-	(201,803,376)
Revaluation Surplus of Motor Vehicles	-	-	-	247,065,033	-	247,065,033
Un-realized Reserve on Revaluation	(859,967)	-	-	859,967	-	-
Net Surplus / (Deficit) for the year	-	-	-	-	293,067,249	293,067,249
Balance as at 31 December 2022	366,170,755	679,434,218	418,940,000	247,925,000	241,701,344	1,954,171,317

The Notes on pages 5 to 15 form an integral part of these Financial Statements.

Acting

 HEAD OF FINANCE AND SCM
 1990 SUWA SERIYA FOUNDATION

1990 SUWA SERIYA FOUNDATION

Page 4

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

		For the year ended 31.12.2022 Rs.	For the year ended 31.12.2021 Rs.
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Net Surplus / (Deficit)		293,067,249	(51,365,905)
Adjustments to reconcile Surplus / (Deficit) to Net Cash Flow :			
Non Cash items :			
Depreciation	4	214,442,103	229,466,695
Un-realized Reserve on Revaluation	11	859,967	-
Provision for Retiring Gratuity	12	24,967,000	26,025,875
Realization of Reserves on Disposal of Assets	18	637,936	8,076,234
Operating Surplus before Working Capital Changes		533,974,255	212,202,899
Retiring Gratuity Paid	12	(900,000)	(560,000)
Net Operating Surplus before Working Capital Changes		533,074,255	211,652,899
Working Capital adjustments:			
(Increase) / Decrease in :			
Inventories	5	2,410,207	(19,199,735)
Advances and Other Receivables	6	13,950,481	55,839,807
Other Payable	13	29,424,281	10,988,976
Restricted Funds-Capital Grants from Government of Sri Lanka for New Ambulances	14	124,810,000	-
Net Cash Flow From / (Used in) Operating Activities		703,669,225	259,281,947
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	4	(29,979,290)	(55,660,053)
Net Cash Flow From / (Used in) Investing Activities		(29,979,290)	(55,660,053)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES			
Increase / (Decrease) in Fund Accounts		(309,227,816)	(301,419,910)
Net Cash Flow From / (Used in) Financing Activities		(309,227,816)	(301,419,910)
Net Increase / (Decrease) in Cash and Cash Equivalents		364,462,119	(97,798,015)
Cash and Cash Equivalents at the beginning of the period		481,241,344	579,039,360
Cash and Cash Equivalents at the end of the period	7	845,703,463	481,241,344

The Notes on pages 5 to 15 form an integral part of these Financial Statements.

Acting
Chaka
HEAD OF FINANCE AND SCM
1990 SUWA SERIYA FOUNDATION



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1990 SUWA SERIYA FOUNDATION is established by the powers of the parliament by Act No.18 of 2018 on 04 July 2018.

1990 Suwa Seriya Foundation provides a free pre hospital care emergency ambulance service Island wide with 1307 employees. The registered office of the Foundation and the principal place of business are located at No. 415, Kotte Road, Rajagiriya, while having 295 locations Island wide.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Accumulated Fund, Statement of Cash Flows together with the Accounting Policies and Notes to the Financial Statements as at 31 December 2022 and for the period then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations issued by the Institute of Chartered Accountants of Sri Lanka (SL SoRP - NPOs).

2.2 Basis of Measurement

The Financial Statements have been prepared using the historical cost convention, except as concerns financial securities and financial instruments, which are stated at their fair value.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees (Rs.), which is the Foundation's functional and presentation currency.

2.4 Use of Estimates and Judgments

The preparation of financial statements in conformity with SLSoRP - NPOs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgments.


Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. Such revisions are also recognized in the future periods if the revision affects the future periods.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note 4 – Property, Plant and Equipment
- Note 12 – Employee Benefits

2.5 Changes in Accounting Policies and Disclosures

The Accounting policies have been consistently applied unless otherwise stated, and are consistent with those used in previous years.

Acting

 HEAD OF FINANCE AND SCM
 1990 SUWA SERIYA FOUNDATION



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Foreign Currency Translation /Conversion

Foreign currency transactions are converted into the functional currency of the respective organization using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in Statement of Comprehensive income.

Non-monetary items that are measured at historical cost are not reconverted. Non-monetary items that are measured at fair value are converted at the exchange rates at the date fair value was determined.

3.2 Cash and Cash Equivalents

Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of change in value.

For the purpose of the Cash Flow Statement Cash and Cash Equivalents comprise cash in hand, demand deposits, net of bank overdraft.

Cash Flow Statement has been prepared using indirect method.

3.3 Financial Instruments

Financial Assets

Financial assets are classified into the following categories; financial assets at fair value through profit and loss, held to maturity financial assets, loans and receivables, and available for sale financial assets.

Financial Assets at Fair Value through Profit and Loss

Financial assets at fair value through profit and loss are classified as current assets, with any result and gains or losses recognized in the Statement of Comprehensive Income.

The fair value of listed securities is their quoted bid price at the reporting date. Financial income consists principally of interest and net realized and unrealized gains on changes in fair value. Interest income is recognized on accrual basis, taking into account the effective yield of the asset.

Loans and Receivables

Initially loans and receivables are recognized on the date they are originated. All other financial assets are recognized initially on the trade date, which is the date that the Foundation becomes a party to the contractual provisions of the instrument. Loans and receivables are stated at their cost net of an allowance on outstanding amounts to cover the risk on non-payment.

Financial Liabilities

The Foundation's Financial Liabilities include related party payable and other payable. Financial Liabilities are recognized initially at transaction price. After initial recognition they are measured at amortized cost. We do not recognize any related party payable during this financial year.

Acting
Chakra
HEAD OF FINANCE AND SCM
1990 SUWA SERIYA FOUNDATION



NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.3 Financial Instruments (Cont.)

Impairment of Financial Assets

The carrying amounts of financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. The Foundation assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset or assets (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

3.4 Inventories

Inventories are valued at actual cost basis after making due allowance for obsolete and slow moving items.

3.5 Property, Plant and Equipment

3.5.1 Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, such parts are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal 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 in Statement of Comprehensive Income.

3.5.2 Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditure is recognized in the Statement of Comprehensive Income as an expense as incurred.

3.5.3 Revaluation

An item of Property, Plant and Equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation. Where any item of property, plant and equipment subsequently revalued, the entire class of such asset is revalued.

Revaluation is performed on Motor Vehicles by a professionally qualified valuer using open market value when there is a substantial difference between the fair value and the carrying amount, to ensure that the fair value does not differ materially from its carrying amount.

Increase in carrying amount due to revaluation is credited to the accumulated fund under heading of revaluation surplus. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in Statement of Comprehensive Income, in which case the increase is recognised in Statement of Comprehensive Income. A revaluation deficit is recognised in the Statement of Comprehensive Income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to the Statement of Comprehensive Income.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.5 Property, Plant and Equipment (Cont.)

3.5.4 Depreciation

Depreciation is provided for all assets on a straight line basis over the expected useful lives of the assets concerned. Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earliest of the date that the asset is classified as held for sale and the date that the asset is de-recognised. Depreciation is calculated on monthly basis and charged full for the month of purchase. The useful lives of assets are as follows:

Assets Category	Number of Years
Motor Vehicles - Phase 1 (till 30 th September 2022)	6 Years
Motor Vehicles - Phase 2&3	6 Years
IT Equipment	4 Years
Furniture and Fittings	8 Years
Medical Equipment	8 Years
Software	5 Years
Tools	5 Years
Office Equipment	5 Years

Phase 1 Motor Vehicles are revalued as at 31st October 2022 and expected useful lives of such Motor Vehicles are restated as follows;


Assets Category	Number of Years
15 number of Motor Vehicles	5 Years
61 number of Motor Vehicles	6 Years
05 number of Motor Vehicles	7 Years
04 number of Motor Vehicles	8 Years

3.5.5 Donated Assets

Where property plant and equipment is purchased as a part of a project through restricted funds, if on conclusion of the project, the asset is not handed over to the beneficiary or returned to the original donor, the asset is valued on the conclusion of the project and brought in to the financial statements under property plant and equipment through a Capital Reserve. Depreciation provided on such assets will be charged against the reserve. For purpose of depreciation the date of valuation for inclusion in the Financial Statements is considered the date of purchase.

3.5.6 Impairment of Assets

At each reporting date, property, plant and equipment are reviewed to determine whether there is any indication that those assets have been suffered an impairment loss. An impairment loss is then recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Statement of Comprehensive Income. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.6 Employee Benefits

3.6.1 Defined Benefits Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

The calculation is performed by the Foundation on annual basis. Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19 on Employee Benefits. However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

3.6.2 Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Employee Provident and Employee Trust Funds covering all employees are recognized as an expense in profit or loss as incurred.

The Foundation contributes 12% and 3% of gross emoluments of Employees as Provident Fund and Trust Fund contributions respectively.

3.7 Accounting for the Receipt and Utilization of Funds/Reserves

Reserves

Reserves are classified as either restricted or designated reserves.

(a) Designated Reserves/ Funds

Unrestricted funds designated by the Board to a specific purpose are identified as designated funds. The activities for which these funds may be used are identified in the Financial Statements.

Where assets / funds are received for use in an identified project or activity in capital nature, such assets and assets purchased from such funds are transferred to the designated reserves-capital-account.

(b) Restricted Reserves/ Funds

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Comprehensive Income to match with expenses incurred in respect of that identified project. Un-utilized funds are held in their respective Fund accounts and included under accumulated fund in the Statement of Financial Position until such time as they are required.

The activities for which these restricted funds may and are being used are identified in the notes to the Financial Statements.

(c) Revaluation Reserve

The revaluation reserve consists of the amounts by which the revaluation of Property, Plant and Equipment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

3.8 Grants and Subsidies

Grants and subsidies are recognized in the Financial Statements at their fair value. When the grant or subsidy relates to an expense it is recognized as income over the period necessary to match it with the costs, which it is intended to compensate for on a systematic basis.

Grants and subsidies related to assets are generally deferred in the Statement of Financial Position and credited to the Statement of Comprehensive Income over the useful life of the asset.

3.9 Income Recognition

3.9.1 Contributions / Incoming Sources

Income realized from restricted funds is recognized in the Statements of Comprehensive Income only when there is certainty that all of the conditions for receipt of the funds have been complied with and the relevant expenditure that it is expected to compensate has been incurred and charged to the Statements of Comprehensive Income. Unutilized funds are carried forward in the Statement of Financial Position.

All other income is recognized when the Foundation is legally entitled to the use of such funds and the amount can be quantified.

3.9.2 Revenue

Interest earned is recognized on accrual basis.

Net gains and losses on the disposal of property, plant and equipment are recognized in the Statement of Comprehensive Income after deducting from the proceeds on disposal, the carrying value of the item disposed of and any related selling expenses. The carrying value of the asset disposed is transferred to statement of comprehensive income from the capital reserve. In the case of any revalued asset, any balance remaining in the Revaluation Reserve account is transferred to the Statement of Comprehensive Income.

Other income is recognized on accrual basis.

3.10 Expenditure Recognition

Expenses in carrying out the operations and other activities of the Foundation are recognized in the Statement of Comprehensive Income during the period in which they are incurred. Other expenses incurred in administering and running the Foundation and in restoring and maintaining the property plant and equipment to perform at expected levels are accounted for on accrual basis and charged to the Statement of Comprehensive Income.

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

NOTE 4.1 - PROPERTY, PLANT AND EQUIPMENT

Cost / Valuation	Balance as at 01.01.2022 Rs.	Additions Rs.	Revaluation Rs.	Disposals / Reversals Rs.	Balance as at 31.12.2022 Rs.
Motor Vehicles (Ambulances-Phase 1)	214,387,289	-	247,065,033	(213,527,322)	247,925,000
Motor Vehicles (Ambulances-Phase 2&3)	780,599,997	400,440,000	-	-	1,181,039,997
IT Equipment	136,510,496	447,310	-	-	134,873,539
Furniture and Fittings	31,908,860	544,105	-	(2,084,267)	32,452,965
Medical Equipment	185,360,024	20,398,236	-	(1,663,597)	204,094,663
Software	17,511,041	6,601,851	-	(159,343)	23,953,548
Tools	7,676,382	233,458	-	(32,770)	7,877,070
Office Equipment	9,143,684	64,330	-	-	9,208,014
	<u>1,383,097,773</u>	<u>428,729,290</u>	<u>247,065,033</u>	<u>(217,467,299)</u>	<u>1,841,424,796</u>

Depreciation on Cost / Valuation	Balance as at 01.01.2022 Rs.	Charge for the year Rs.	Reversals	Disposals Rs.	Balance as at 31.12.2022 Rs.
Motor Vehicles (Ambulances-Phase 1)	194,958,455	28,922,334	(213,527,322)	-	10,353,467
Motor Vehicles (Ambulances-Phase 2&3)	424,870,872	130,100,000	-	-	554,970,872
IT Equipment	80,347,436	22,098,151	(2,084,267)	-	100,361,320
Furniture and Fittings	19,039,910	4,029,522	-	-	23,069,432
Medical Equipment	73,831,449	23,391,818	(106,708)	(928,785)	96,187,774
Software	12,172,990	2,443,643	(159,343)	-	14,457,290
Tools	3,775,996	1,622,980	-	(22,939)	5,376,037
Office Equipment	2,103,576	1,833,655	-	-	3,937,232
	<u>811,100,685</u>	<u>214,442,103</u>	<u>(215,877,640)</u>	<u>(951,724)</u>	<u>808,713,424</u>

Net Book Value of Assets on Cost / Valuation

	Balance as at 31.12.2022 Rs.	Balance as at 31.12.2021 Rs.
Motor Vehicles (Ambulances-Phase 1)	237,571,533	19,428,834
Motor Vehicles (Ambulances-Phase 2&3)	626,069,125	355,729,125
IT Equipment	34,512,218	56,163,059
Furniture and Fittings	9,383,533	12,868,950
Medical Equipment	107,906,889	111,528,575
Software	9,496,258	5,338,051
Tools	2,501,033	3,900,386
Office Equipment	5,270,782	7,040,108
	<u>1,032,711,371</u>	<u>571,997,088</u>

NOTE 4.2 - ADDITION OF MOTOR VEHICLES

Foundation received 25 Toyota Ambulances under Finance Lease agreement with Ministry of Finance and the leasing installments will be paid by the Department of National Budget. All Ambulances were registered under 1990 Suwa Seriya Foundation assigning to the absolute owner as Bank of Ceylon. Ambulances were not equipped and fabricated and the ex-stock selling price was Rs. 15,950,000 per unit. One Ambulance was fabricated and total cost is as below;

	31.12.2022 Rs.
Cost of 25 Toyota Ambulances	398,750,000
Fabrication Cost of 1 Ambulance	1,690,000
Balance as at year end	<u>400,440,000</u>

Cost of 25 Stretchers purchased for new 25 Toyota Ambulances were classified under Medical Equipment amounting to Rs. 18,500,000.

NOTE 4.3 - REVALUATION OF MOTOR VEHICLES

NOTE 4.3.1 - Phase 1 Motor Vehicles (Ambulances) were revalued as at 31st October 2022 by Gamut Ceylon Valuers (Pvt.) Ltd.; an independent professional valuer on an open market value for existing use basis. Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities.



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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 4.3 - REVALUATION OF MOTOR VEHICLES (CONTD.)

NOTE 4.3.2 - Net book value of revalued Motor Vehicles that would have been recognised if they were carried under cost model:

	31.12.2022	31.12.2021
	Rs.	Rs.
Cost as at		
Accumulated Depreciation	214,387,289	214,387,289
Net Book Value as at	(213,527,322)	(194,958,455)
	<u>859,967</u>	<u>19,428,834</u>

NOTE 4.3.3 - Depreciation charge of revalued Motor Vehicles for the year 2022 is calculated as below;

	For the year ended 31.12.2022
	Rs.
January 2022 - September 2022	18,568,867
October 2022 - December 2022	10,353,467
Depreciation charge of Phase 1 Ambulances	<u>28,922,334</u>

NOTE 5 - INVENTORIES

Pharmaceuticals, Drugs and Medical Consumables - (Note (a))
Stationery Items and Cleaning Materials

	31.12.2022	31.12.2021
	Rs.	Rs.
Pharmaceuticals, Drugs and Medical Consumables - (Note (a))	53,528,106	55,080,593
Stationery Items and Cleaning Materials	1,419,385	2,277,106
	<u>54,947,491</u>	<u>57,357,699</u>

Note (a) : Value represents Pharmaceuticals, Drugs and Medical Consumables, Medical Equipment and related items for 295 ambulances which will be distributed Island wide. This includes Rs. 11,194,053 worth of consumable stocks received from Medical Supplies Division of Ministry of Health.

NOTE 6 - ADVANCES AND OTHER RECEIVABLES

Security Deposits	9,817,250	9,810,250
Advances - (Note (b))	23,915	5,653,212
Prepayments and Receivables	23,538,172	31,866,357
Receivable from Government of Sri Lanka - (Note 6.1)	330,091,526	330,091,526
	<u>363,470,864</u>	<u>377,421,345</u>

NOTE 6.1 - RECEIVABLE FROM GOVERNMENT OF SRI LANKA

Balance at the beginning of the year		
Funds Received during the year from Government of Sri Lanka	330,091,526	405,224,284
Transferred to Restricted Funds-Grants from Government of India - (Note 9)	-	(62,201,514)
		<u>(12,931,244)</u>
Balance as at year end	<u>330,091,526</u>	<u>330,091,526</u>

Note (b) : Unrecoverable advance payment of Rs. 2,545,753.67 paid to Vive Solution- India in 2018 was written off from Financial Statements in 2022.

NOTE 7 - CASH AND CASH EQUIVALENTS

Bank of Ceylon - LKR accounts	168,585,557	19,793,364
Bank of Ceylon - USD account	677,117,906	461,447,980
	<u>845,703,463</u>	<u>481,241,344</u>

NOTE 8 - DESIGNATED RESERVES - CAPITAL - GRANTS FROM GOVERNMENT OF INDIA

Balance at the beginning of the year	561,417,085	743,467,107
Transferred from Restricted Funds - Grants from Government of India - (Note 9)	8,054,949	53,814,473
Realization of Reserve on Disposal of Assets - (Note 18)	(637,936)	(8,076,234)
Un-realized Reserve on Revaluation - (Note 11)	(859,967)	-
Depreciation of Property, Plant and Equipment	(201,803,376)	(227,788,260)
Balance as at year end	<u>366,170,755</u>	<u>561,417,085</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

	31.12.2022 Rs.	31.12.2021 Rs.
NOTE 9 - RESTRICTED FUNDS - GRANTS FROM GOVERNMENT OF INDIA		
Balance at the beginning of the year		
Other Transfers during the year	813,605,704	932,975,592
Transferred to Receivable from Government of Sri Lanka - (Note 6.1)	-	4,670,803
Transferred to Designated Reserves-Capital-Grants from Government of India-(Note 8)	(8,054,949)	(12,931,244)
Transferred to the Statement of Comprehensive Income - (Note 15)	(126,116,537)	(53,814,473)
Balance as at year end	679,434,218	813,605,704
NOTE 10 - DESIGNATED RESERVES-CAPITAL-GRANTS FROM GOVERNMENT OF SRI LANKA		
Balance at the beginning of the year	-	-
Addition of Ambulances Received in Grant	398,750,000	-
Transferred from Restricted Funds- Capital Grants from Government of Sri Lanka for New Ambulances - (Note 14)	20,190,000	-
Balance as at year end	418,940,000	-
NOTE 11 - REVALUATION RESERVE		
Balance at the beginning of the year	-	-
Revaluation Surplus of Motor Vehicles	247,065,033	-
Un-realized Reserve on Revaluation - (Note (c))	859,967	-
Balance as at year end	247,925,000	-
Note (c) : Un-realized reserves on revaluation of Phase 1 Motor Vehicles of Rs. 859,967 is recognised on net book value of revalued assets which were initially brought in to the Financial Statements under Property, Plant and Equipment through Capital Reserve and the annual depreciation provided on such assets were charged against the same reserve.		
NOTE 12 - EMPLOYEE BENEFITS		
Balance at the beginning of the year	87,832,625	62,356,750
Expense Recognised in the Statement of Comprehensive Income	24,967,000	26,025,875
Payments made during the year	(900,000)	(550,000)
Balance as at year end	111,899,625	87,832,625
NOTE 13 - OTHER PAYABLE		
Statutory Audit Fee	200,000	390,800
Retention Payable - (Note (d))	-	3,711,837
Employee Trust Fund	1,461,101	1,540,499
Employee Provident Fund	9,740,675	10,269,992
Software Support Payable	1,000,000	1,937,415
Accrued Expenses	10,471,974	17,315,586
Other Supplier Payables and Creditors	83,078,496	41,361,838
	105,952,247	76,527,967
Note (d) : Retention payable balances of Rs. 3,711,837 recognised as Other Income in 2022 Financial Statements as the suppliers did not claim these amounts since 2016.		
NOTE 14 - RESTRICTED FUNDS-CAPITAL GRANTS FROM GOVERNMENT OF SRI LANKA FOR NEW AMBULANCES		
Balance at the beginning of the year	-	-
Funds Received to Fabricate and Purchase Equipment for 25 new Ambulances	145,000,000	-
Transferred to Designated Reserves-Capital-Grants from Government of Sri Lanka-(Note 10)	(20,190,000)	-
Balance as at year end	124,810,000	-
NOTE 15 - INCOMING RESOURCES		
Revenue Recognised against Cash Received from Government of Sri Lanka	2,044,120,000	2,048,000,000
Revenue Recognised against Pharmaceuticals, Drugs and Medical Consumables Received from Government of Sri Lanka	13,650,910	-
Revenue Recognised against Grants from Government of India-(Note 9)	126,116,537	57,294,975
	2,183,887,447	2,105,294,975

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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 16 - DIRECT EXPENSES

	For the year ended 31.12.2022 Rs.	For the year ended 31.12.2021 Rs.
Ambulance Oxygen Expense	2,422,228	2,343,523
Ambulance Supply	96,194,986	260,394,005
Staff Salaries	600,004,963	622,047,122
Employees Provident Fund	72,000,596	74,645,655
Employees Trust Fund	18,000,149	18,661,414
Overtime Allowances	429,967,103	534,691,858
Travel and Other Allowances	89,802,104	43,358,501
Fuel Expenses	369,627,694	173,466,383
NTB Commission	1,890,446	-
Repair and Maintenance	204,247,370	168,840,849
Staff Uniforms	1,312,118	7,097,405
Vehicle Insurance	47,159,469	25,637,563
Telephone Charges	31,740,204	27,912,328
	<u>1,964,369,430</u>	<u>1,959,096,604</u>

NOTE 17 - INDIRECT EXPENSES

Advertisement Expenses - (Note (e))	1,626,822	10,601,516
Bank Charges	310,172	423,445
Electricity Charges	5,152,481	5,000,727
Fuel Card Rentals	415,380	356,760
Fuel Expense- Other	4,705,001	2,082,756
General Administration Expenses	81,631	114,698
Insurance Workmen's Compensation	713,723	707,809
Personal Accident Insurance	2,122,256	2,180,421
Internet and Television Expenses	46,450,972	29,065,835
Legal Charges	272,500	325,250
Local Travel and Transport Expenses	42,279,027	42,418,997
Lodging and Boarding Expenses	1,004,940	1,089,500
Depreciation	12,638,728	1,904,835
Office Cleaning Expenses	1,428,837	1,938,475
Office Maintenance and Other Office Expenses	1,042,176	1,023,231
Service Charges	1,873,890	1,609,845
Postage and Courier Charges	318,077	172,842
Printing and Stationery Expenses	1,451,315	1,204,671
Audit Fees	192,600	129,800
Professional Charges	28,369,188	27,863,965
Rent Expenses	19,482,704	18,356,577
Security Charges	4,056,928	3,573,109
Software Support Fees	6,474,671	5,271,413
Staff Recruitment Expenses	5,342,433	1,835,750
Staff Welfare Expenses and Office Consumables	3,480,039	62,702,938
GPS Expense	7,911,910	7,776,450
IT and Related Expenses and Annual Maintenance Costs	1,527,532	1,544,546
Office Renovation Expenses	-	681,962
Staff Retiring Gratuity	24,967,000	26,025,875
Outsourced Staff Cost	43,314,093	7,613,702
Mobile and Accessories Maintenance	3,237,200	5,026,300
Stamp Duty	72,156	236,606
Water Charges	243,429	158,508
Electronic Equipment Insurance	211,259	99,399
Equipment Maintenance	1,432,412	536,300
Fire Insurance - Business Premises Insurance	296,373	195,760
Write Off Supplier Advances - (Note (b))	2,545,754	-
Loss on Disposal of Fixed Assets - (Note 20.1)	637,936	2,889,458
	<u>277,683,545</u>	<u>274,740,032</u>

Note (e) : Advertisement expenses include Rs. 245,560 paid for news paper advertisements and Rs. 1,626,822 of expenses made for the media campaign. News paper advertisements were paid from 1990 Suwa Seriya Foundation's fund and media campaign was funded through donations received for the same media campaign.



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NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

NOTE 18 - INCOME EARNED FROM OTHER ACTIVITIES

	For the year ended 31.12.2022 Rs.	For the year ended 31.12.2021 Rs.
Exchange Gain	338,633,192	43,776,509
Scrap Sales and Other Income	5,169,362	2,537,815
Donations	2,026,047	13,745,880
Gain on Disposal of Ambulances	-	5,096,612
Realization of Reserve on Disposal of Assets - (Note 20.2)	637,936	8,076,234
	<u>346,466,537</u>	<u>73,233,050</u>

NOTE 19 - FINANCE INCOME

Interest Income on Savings Account	4,766,240	3,942,706
	<u>4,766,240</u>	<u>3,942,706</u>

NOTE 20 - DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

NOTE 20.1 - LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Description	Year of Purchase	Cost Rs.	Accumulated Depreciation Rs.	Written Down Value Rs.	Sale Proceeds Rs.	Book Loss Rs.
Portable Pulse Oximeter- Qty 154	2016-Qty 87, 2018-Qty 48, 2019-Qty 19	1,212,531	697,858	514,673	-	(514,673)
Manual BP Adult -Qty 60	2016	64,004	43,417	20,587	-	(20,587)
Manual suction Devices - Qty 13	2016	32,727	22,200	10,526	-	(10,526)
Pneumatic Splints -Qty 61	2016	189,987	128,879	61,109	-	(61,109)
Other Tools and Medical Equipment -Qty 85	2016-Qty 64, 2018-Qty 21	90,410	59,369	31,041	-	(31,041)
		<u>1,589,659</u>	<u>951,723</u>	<u>637,936</u>	<u>-</u>	<u>(637,936)</u>

NOTE 20.2 - REALIZATION OF RESERVES ON DISPOSAL OF ASSETS

Realization of reserves on disposal of assets of Rs. 637,936 is recognised on written down value of disposed assets which were initially brought in to the financial statements under property plant and equipment through Capital Reserve and the annual depreciation provided on such assets were charged against the same reserve.

NOTE 21 - CAPITAL COMMITMENTS

There were no major capital commitments which would require disclosure in the Financial Statements.

NOTE 22 - CONTINGENT LIABILITIES

There were no any contingent liabilities which would require adjustments to or disclosure in the Financial Statements.

NOTE 23 - EVENTS AFTER THE BALANCE SHEET DATE

There were no other events occurred after the balance sheet date which would require disclosure in the Financial Statements.

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AUDITOR GENERAL'S REPORT ON FINANCIAL A

My No.: MED/B/1990SF/01/2022/46

Your No.:

Date: 04 May 2023

Chairman
1990 Suwa Seriya Foundation

Report of the Auditor General on Financial Statements and other legal and regulatory requirements of the 1990 Suwa Seriya Foundation for the Year Ended on 31 December 2022 as per Section 12 of the National Audit Act, No. 19 of 2018

1. Financial Statements

1.1 Opinion

The audit of the Financial Statements of 1990 Suwa Seriya Foundation for the year ended 31 December 2022 comprising the Statement of Financial Position as at 31 December 2022 and the Statement of Comprehensive Income, Statement of Changes in Accumulated Fund and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including the summary of significant accounting policies, was carried out under my command in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act, No.19 of 2018 and Finance Act, No.38 of 1971. As per Article 154(6) of the Constitution, my report will be tabled in Parliament in due course.

In my opinion, the Financial Statements of the foundation reflects a true and fair condition of the Financial Position as at 31 December 2022 and its Financial Performance and Cash Flows for the year then ended in accordance with the recommended accounting practices for non-profit organizations.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities under those audit standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other information included in the 2022 Annual Report of 1990 Suwa Seriya Foundation

Other information means information included in the 2022 Annual Report of the Foundation expected to be provided to me after the date of this audit report, but not included in my audit report on Financial Statements in related thereto. The management shall responsible for these other information.

My opinion on the Financial Statements does not cover other information and I do not express any assurance or opinion thereon.

My responsibilities in relation to audit of the Financial Statements are to consider whether the other information identified above is quantitatively inconsistent with the Financial Statements or quantitatively inconsistent to the knowledge I obtained during the audit or otherwise.

If I conclude that there are quantitative misrepresentations while reading the 2022 Annual Report of the Foundation, those matters must be communicated to the controlling parties for corrections. If there are further uncorrected misrepresentations, I will include them in the report tabled in Parliament in due course in accordance with Article 154(6) of the Constitution.

1.4 Responsibilities on Financial Statements of the management and controlling parties

Management is responsible for preparing and fairly presenting these Financial Statements in accordance with recommended accounting practices for non-profit organizations and determining the internal control systems necessary to enable the preparation of Financial Statements that are free from quantitative misstatement, whether due to fraud or error.

In preparing the Financial Statements, it is a responsibility of the management to assess the ability of the Foundation to continue as a going concern and it is also a responsibility of management to keep accounts on a going concern basis and to disclose matters related to the going concern basis unless the management intends to liquidate the Foundation or cease operations in the absence of any other alternative.

Controlling parties are responsible for checking the Foundation's financial reporting process.

As per sub-section 16(1) of the National Audit Act, No. 19 of 2018, the Foundation shall maintain proper books and records of its income, expenditure, assets and liabilities, to enable it to prepare annual and periodic Financial Statements.

1.5 Responsibility of the Auditor regarding the audit of Financial Statements

My intention is to issue the audit report with my opinion and to give reasonable assurance that the Financial Statements as a whole are free from quantitative misstatement resulting from fraud and error. While fair certification is a high-level guarantee, it does not always confirm that it discloses quantitative misstatement while auditing in pursuance of Sri Lanka Auditing Standards. Frauds and errors can result in quantitative misstatements, either by individually or collective effect and its' quantitateness will depend on effects on the economic decisions made by the users based on these Financial Statements.

This audit was conducted by me in accordance with Sri Lanka Auditing Standards with professional judgment and professional ambivalence. Further,

- My opinion is based on obtaining appropriate and adequate audit evidences to avoid risks of fraud and error, by designing appropriate audit procedures while identifying and assessing the risks of Financial Statements that may occur due to fraud or error. The effect of fraud is stronger than the effect of a quantitative misstatement as, collusion, forgery of documents, intentional avoidance, misrepresentation or avoidance of internal control lead to fraud.
- An understanding on the internal control was adopted as, appropriate to design appropriate audit procedures. However, it does not intend to express an opinion on the effectiveness of internal control.
- The appropriateness of accounting policies used and fairness of accounting estimates and the related disclosures made by the management was evaluated.
- The relevance of using the Foundation's continuing existence basis for accounting was determined based on audit evidence obtained as to whether there is quantitative uncertainty about the continuing existence of the Foundation due to events or circumstances. If I conclude that there is sufficient uncertainty, in my audit report should focus on relevant disclosures in the Financial Statements. If that disclosure is inadequate, my opinion must be modified. However, continuing existence can end on future events or circumstances.
- Evaluated the transactions and events which were based for structure and content of the Financial Statements are appropriately and fairly included and the overall presentation of the Financial Statements which included disclosures were evaluated.

The controlling parties were briefed on key audit findings, key internal control deficiencies and other issues identified during my audit.

2. Report on other legal and regulatory requirements

2.1 Special provisions are included in the National Audit Act No. 19 of 2018, concerning the following requirements.

2.1.1 In accordance with the requirements set out in Section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all necessary information and clarifications for the audit and my investigation shows that the proper financial records were maintained by the Foundation.

2.1.2 The Financial Statements of the Foundation are corresponding with the previous year in accordance with the requirements of section 6 (1) (d) (iii) of the National Audit Act No. 19 of 2018.

2.1.3 The recommendations I made previous year are included in the Financial Statements submitted in accordance with the requirements of section 6 (1) (d) (iv) of the National Audit Act No. 19 of 2018.

2.2 On the procedures followed and, on the evidences obtained and in limiting quantitative matters, I found none of the facts to make the following statements.

2.2.1 In accordance with the requirements of Section 12 (d) of the National Audit Act, No. 19 of 2018, any member of the Foundation have any directly or in otherwise any agreement relating to the Foundation outside the normal business context.

2.2.2 As required by Section 12 (f) of the National Audit Act No. 19 of 2018, except for the following observations, has acted in non-compliance with the applicable written law or other common or special directives issued by the governing body of the Foundation.

Reference to Laws, Rules and Regulations

Description

(a) Code of Financial Regulations of Democratic Socialist Republic of Sri Lanka

(i) Financial Regulations 139 (5)

Although the identity of the payee must be verified when paying for the vouchers, in payments of 31 vouchers worth Rs.1,638,491 there were no signatures of the payee on the surface of the payment voucher nor the receipts were attached to prove that the money was accepted.

- (ii) Financial Regulations 264 (1) Although a duly stamped receipt should be obtained from the payee to ensure that the gross amount mentioned in the voucher has been received for each payment, receipts have not been obtained for 18 vouchers worth Rs. 21,895,615.
- (b) Guidelines on Corporate Governance/ Operational Manual for State Owned Enterprises issued by Department of Public Enterprises on 16 November 2021
- (i) Paragraph 2.3 of the Guideline The Board of Directors should ensure that a strategic plan is prepared to achieve the corporate objectives within a national policy framework, and this plan should be submitted to the Treasury through the ministry secretary along with the action plan and the annual budget, however the Foundation has not done any steps in this regard.
- (ii) Paragraph 5 of the Guideline The Foundation has not taken into account the matters in 3(a) of Annexure 1 while preparing the annual budget.
- (iii) Paragraph 6.7 of the Operational Manual Although an annual asset verification of fixed assets and warehouse inventory should be done, the Foundation has not done fixed asset verification.
- (c) Paragraph 04 of Public Finance and Planning Circular No. PFD/RED/01/04/2014/01 dated 17 February 2014 Points (a), (b), (d), (e) and (f) of the circular were not included in the annual action plan prepared with a long-term vision to achieve the objectives of the relevant Act.
- (d) Section 9.1 of Chapter XIV of Establishment Code Although a mileage fee of Rs.2 per kilometer may be paid for an officer as per the provisions of the Establishment Code, in contradiction to the provisions and without a formal permission obtained from the Director of Establishment, the Board of Directors has given approval to the district in charge officers stationed at the district level to use their personal motorcycles for field inspection work and has given

approval to Foundation to pay them a fee ranging from Rs. 23 to Rs. 48 under 7 different rates. Accordingly, Rs. 9,787,851 have been paid for 295,400 km in 191 cases in the year 2022.

- (e) Financial Regulation 133 of the Code of Financial Regulations of the Democratic Socialist Republic of Sri Lanka and the Management Audit Circular No. DMA/1-2019 dated 12 January 2019
- No internal audit unit has been established.

2.2.3 Acted non-compliance with the powers, tasks and functions of the Foundation as required by Section 12 (G) of the National Audit Act No. 19 of 2018.

2.2.4 The resources of the Foundation have not been procured and used economically, efficiently and effectively in accordance with the relevant rules within the time limits as required by Section 12 (H) of the National Audit Act No. 19 of 2018.

2.3 Other matters

- (a) Twenty five ambulances purchased by the National Budget Department on a financial lease basis and given to the Foundation on December 30, 2021 had not been put into use by December 31 of the year under review and these ambulances were parked in a car park of the supplier due to the unfinished work of upgrading them to match the services provided by this Foundation.
- (b) As on December 31, 2022, the approved cadre of the Foundation was 1,992, however the actual cadre as on the same date was 1,307. Accordingly, the staff shortage was 685, of which 321 were ambulance drivers.
- (c) According to the interview held for the recruitment of an officer for the post of Head of Finance, which is a post of the top management, on the recommendation of the interview panel, an officer was hired on contract basis on September 02, 2021 as a Financial Advisor for a period of 06 months, where this position was not included in the approved cadre and no permission has been obtained from the Department of Management Services in this regard. As per the terms of appointment his contract period could be extended only for another 06 months period, however it has been extended by an additional 6 months till 19th April 2023. Also, the officer holding the position of Manager -Finance and Supply Chain has also been promoted to the position of Acting Head of Finance with effect from August 21, 2021, subject to a one-year

probationary period and as per the terms of appointment she has to complete the qualification required for the post of Head of Finance within one year and the probationary period can be extended up to 03 months. However, it was observed that she is continuing to carrying out the work of the Acting Head of Finance even by March 31, 2023 without a formal approval.

- (d) According to the Memorandum of Understanding signed with the Ministry of Health and a private company on 24 April 2018 and Section 26 (c) of the 1990 Suwa Seriya Foundation Act, No.18 of 2018, the recurrent expenditure incurred for the operation of the Suwa Seriya Foundation should be reimbursed by the Government. However, the total recurrent expenditure of Rs.330,091,526 existed as on January 01, 2022 has not been reimbursed in the year under review either. Further, on 27 August 2019 the Cabinet had decided to reduce the financial allocation provided by the Government to the Foundation for the year 2019 to 25 percent, 50 percent and 75 percent respectively in the years 2021, 2022 and 2023 and it had been informed to make a proposal on how to continue the Foundation after the reduction of the financial provisions. However, no such proposal had been submitted even by 31 March 2023 and it was observed that this situation could have a direct impact on the going concern of the Foundation.
- (e) The operating result of the year under review was a surplus of Rs.293,067,249 as against the deficit of Rs.51,365,905 in the previous year. Accordingly, an increase of Rs. 344,433,154 was observed in the financial result. The increase in the exchange rate of the foreign currency account of the Foundation has been the main reason for the above growth.

Sgd. Illegibly.
W.P.C. Wickramaratne
Auditor General

