

ROYAL COLLEGE - SCHOOL
DEVELOPMENT SOCIETY

FOR THE YEAR ENDED 31ST DECEMBER, 2024



Private & Confidential

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY****Disclaimer of Opinion**

We were engaged to audit the financial statements of Royal College - School Development Society ("the Society") which comprise the statement of financial position as at 31st December 2024, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory notes.

We do not express an opinion on the, accompanying financial statements of the Society. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer Opinion

I. Income generated from following assets/ activities for the year ended 31st December 2024 have not been recognized in the books of accounts of Royal College - School Developments Society as per the circular and guideline issued by the Ministry of Education.

1. Royal College Skills Centre
2. Royal College MAS Arena
3. Royal College Union Swimming Pool
4. Royal College Sports Complex
5. J.R. Jayawardena Pavilion
6. Indoor Cricket Nets
7. All hoardings and Billboards at Royal College Premises.
8. Sampath Bank ATM at College Grounds
9. Commercial Bank ATM at Primary Gate
10. Royal-Thomian Big Match
11. Royal Trinity Bradby Shield Rugger Match Income
12. NSB Bank ATM
13. Book Shop

II. We cannot comment on the occurrence, accuracy and completeness of the following event income balances due to non-availability of sufficient and appropriate audit evidence.

Description	Amount (Rs.)
Club & Societies Activities	15,017,087.00
Grazioso	2,192,840.55
Grandiza	850,000.00
Total	18,059,927.55



Responsibilities of the Executive Committee Members for the Financial Statements

The Executive committee is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations (SL SoRP - NPOs [including NGOs]) and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, The Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Society or to cease operations, or has no realistic alternative to take upon.

The Executive Committee members are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the society's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Society in accordance with the code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with these requirements.



B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

Date... 2nd/04/2025
(LW/ST/IS)



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETYSTATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER,

	<i>Notes</i>	2024		2023
		<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>
Income	(4)	70,706,900.95		89,765,798
Direct Expenses	(6)	<u>(47,623,196.66)</u>		<u>(45,509,880)</u>
Gross Profit		23,083,704.29		44,255,918
Other Operating Income	(5)	<u>94,197,271.85</u>		<u>71,134,414</u>
		117,280,976.14		115,390,332
Administration Expenses	(7)	(78,981,132.76)		(81,557,036)
Other Operating Expenses	(8)	(4,024,828.63)		(6,114,352)
Surplus for the Year		<u>34,275,014.75</u>		<u>27,718,944</u>

The Notes to the Financial Statements in pages (05) to (21) form an integral part of these Financial Statements.

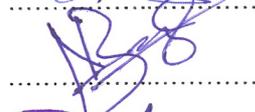


ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**STATEMENT OF FINANCIAL POSITION****AS AT 31ST DECEMBER,**

	Notes	2024		2023
		Rs.	Cts.	Rs.
ASSETS				
Non- Current Assets				
Property, Plant & Equipment	(9)	23,935,802.51		13,370,054
Investments in Fixed Deposits	(10)	71,098,164.57		56,957,399
Total Non Current Assets		95,033,967.08		70,327,453
Current Assets				
Cash & Cash Equivalents	(11)	21,601,490.14		16,578,137
Total Current Assets		21,601,490.14		16,578,137
Total Assets		116,635,457.22		86,905,590
FUND AND LIABILITIES				
Funds and Reserves				
Accumulated Fund		108,696,867.81		71,076,730
School Based Learning Improvement Grant (SBLIG)		-		1,922,770
Restricted Deposits		1,350,000.00		1,350,000
Total Funds & Reserves		110,046,867.81		74,349,500
Non Current Liability				
Deferred Income	(12)	6,050,000.00		11,000,000
Total Non Current Liabilities		6,050,000.00		11,000,000
Current Liabilities				
Other Payables	(13)	538,589.41		1,556,090
Total Current Liabilities		538,589.41		1,556,090
Total Fund & Liabilities		116,635,457.22		86,905,590

The Executive Committee is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Executive Committee by:

	Name	Signature	
Honorary President	1) L.W.K. Silva		L.W.K. Silva Principal (Acting) Royal College Colombo 07
Honorary Secretary	2) Nelum Weragoda		
Honorary Treasurer	3) A.V.S. Chaminda		A.V.S. Chaminda Treasurer School Development Socie Royal College Colombo - 07
Date of Approval by the Committee	} 02/04/2025		

The Notes to the Financial Statements in pages (05) to (21) form an integral part of these Financial Statements.

ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETYSTATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST DECEMBER, 2024

	<i>Accumulated</i>	
	<i>Fund</i>	
	<i>Rs.</i>	<i>Cts.</i>
Balance as at 31 st December 2022	43,357,785.57	
Surplus for the year - 2023	27,718,944.37	
Balance as at 31 st December 2023	<u>71,076,729.94</u>	
Prior Year Adjustments	3,345,123.12	
Surplus for the year - 2024	34,275,014.75	
Balance as at 31 st December 2024	<u><u>108,696,867.81</u></u>	

The Notes to the Financial Statements in pages (05) to (21) form an integral part of these Financial Statements.



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31ST DECEMBER,

	2024	2023
	Rs.	Rs.
<u>Cash Flows from Operating Activities</u>		
Surplus for the Year	34,275,015	27,718,944
<u>Adjustments</u>		
Depreciation	8,716,098	5,364,141
Interest Income from fixed Deposits	(7,873,949)	(8,932,604)
School Bus Grant Recognition	(4,950,000)	-
Prior Year Adjustments	3,332,598	-
	<u>(775,253)</u>	<u>(3,568,463)</u>
Operating Result Before Working Capital Changes	33,499,762	24,150,481
<u>Changes in Working Capital</u>		
Increase / (Decrease) in Other Payables	(1,017,501)	56,090
Net Change in Working Capital	(1,017,501)	56,090
Net Cash Flow from Operating Activities	32,482,260	24,206,571
<u>Cash Flow from / (Used in) Investing Activities</u>		
Acquisition of Property,Plant & Equipment	(19,269,321)	(1,056,704)
Withdrawal of / (Investment in) Fixed Deposit	(14,140,765)	(25,011,379)
School Based Learning Improvement Grant	(1,922,770)	1,025,000
Interest Received from Fixed Deposit	7,873,949	8,932,604
Net Cash Flow from Investing Activities	(27,458,907)	(16,110,479)
Net Change in Cash and Cash Equivalents	5,023,353	8,096,092
Cash and Cash Equivalents at the Beginning of the Year	16,578,137	8,482,045
Cash and Cash Equivalents at the End of the Year	<u>21,601,490</u>	<u>16,578,137</u>
<u>Analysis of Cash & Cash Equivalents</u>		
Bank Balance	21,601,490	16,578,137
Cash and Cash Equivalents at the End of the Year	<u>21,601,490</u>	<u>16,578,137</u>

The Notes to the Financial Statements in pages (05) to (21) form an integral part of these Financial Statements.



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

1. GENERAL INFORMATION

1.1. Reporting Entity - Domicile and Legal Form

School Development Society of Royal College - Colombo is constituted under the Act No. 39 of 1979 of the School Development Societies.

In the financial statements "the Society" refers to School Development Society of Royal College - Colombo.

Mr. L.W.K. Silva is the president of the Society and the Principal of the Royal College - Colombo.

1.2. Principal Activities and Nature of Operations

The principal activity of the Society during the year was providing school development behaviours.

1.3. Financial Year

The financial year of the Society represents a twelve (12) month period from 01st January, 2024 to 31st December, 2024.

1.4. Date of Authorization for Issue

The financial statements of the Society for the year ended 31st December, 2024 (including restated comparative) were authorized for issue by the Executive Committee on 02nd April 2025.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The statement of financial position and the statement of comprehensive income, statement of changes in fund, statement of cash flows together with the Material Accounting Policies and Notes to the financial statements as at 31st December, 2024 and for the year then ended comply with the Sri Lanka Statement of Recommended Practice for Not-for-Profit Organizations ("SL SoRP - NPOs") issued by the Institute of Chartered Accountants of Sri Lanka.



Contd..... (06)

SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**2.2. Responsibility for Financial Statements**

The Executive Committee is responsible for the preparation and presentation of the financial statements of the Society as per the relevant provisions and in accordance with the SL SoRP - NPOs issued by the Institute of Chartered Accountants.

These financial statements include the following components.

- A statement of comprehensive income providing the information on the financial performance of the Society for the year under review
- A statement of financial position providing the information on the financial position of the Society as at the year-end
- A statement of changes in fund depicting all changes in fund during the year under review of the Society
- A statement of cash flows providing the information to the users, on the ability of the Society to generate cash and cash equivalents and the needs of entities to utilize those cash flows and notes to the financial statements comprising accounting policies and other explanatory information

2.3. Basis of Measurement

The financial statements of the Society have been prepared in accordance with historical cost convention. No adjustments were being made for inflationary factors affecting the financial statements.

2.4. Functional and Presentation Currency

These financial statements are presented in Sri Lankan Rupees (Rs.), which is the Society's functional and presentation currency. All financial information presented in Rupees has been rounded to the nearest rupee, except when otherwise indicated. There was no change in the Society's presentation and financial currency during the year under review.

2.5. Presentation of Financial Statements

The assets and liabilities of the Society presented in its statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

Contd..... (07)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

2.6. Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

Income and expenses are not offset in the statement of comprehensive income unless required or permitted by SL SoRP - NPOs or interpretation, and as specifically disclosed in the accounting policies.

2.7. Material Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires Executive Committee to make judgements, estimates and assumptions that effect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates can result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2.8. Comparative Information

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

The comparative year's figures and phrases have been rearranged wherever necessary in line with the presentation of requirements for the current financial year.

2.9. Going Concern

The Executive Committee has made an assessment of the Society's ability to continue as a going concern and is satisfied that it has the resources to continue in operating for a foreseeable future. Furthermore, the Committee is not aware of any material uncertainties that may cast significant doubt upon the Society's ability to continue as a going concern. Therefore, the financial statements are continued to be prepared on the going concern basis.

Contd..... (08)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES****3.1. Property, Plant and Equipment**

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Society and cost of the asset can be reliably measured.

a) Cost

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

b) Subsequent Cost

The cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item. If it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The carrying amount of those parts that are replaced is de-recognized in accordance with the de-recognition policy given below. The costs of the day-to-day servicing of property, plant & equipment are recognized to the statement of comprehensive income as incurred.

c) De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is de-recognized.

d) Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment.

Contd..... (09)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**Depreciation (Contd....)**

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized.

The estimated useful lives for the current and comparative year are as follows:

<u>Description of Assets</u>	<u>No. of Years</u>	<u>Rate</u>
Office Equipment	6.67 Years	15%
Machinery	6.67 Years	15%
Computers and Equipment	6.67 Years	15%
Building Equipment	6.67 Years	15%
Other Equipment	6.67 Years	15%
Furniture & Fittings	6.67 Years	15%
Camera System	6.67 Years	15%
Musical Instruments	6.67 Years	15%
Solar Power Panels Installations	6.67 Years	15%
Motor Vehicle	6.67 Years	15%

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each financial year and adjusted prospectively to the financial statements, to increase the relevance and reliability of information provided in financial statements for decision makers if appropriate;

3.1.1 Impairment of Non-Financial Assets (excluding inventories)

The Society assesses at the end of each financial year whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required the Society makes an estimate of the assets recoverable amount.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value, less costs to sell. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

Contd..... (10)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**3.2. Inventories**

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow-moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

Items donated for distribution or re-sales are not included in the financial statements until such time they are distributed or re-sold.

3.3. Financial Instruments

The Society classifies financial assets in to the Held to Maturity (HTM) financial assets category.

3.3.1 Held-to-Maturity Investments

If the Society has positive intent and ability to hold debt securities to maturity, then such financial assets are classified as Held to Maturity (HTM). Those are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, those are measured at amortized cost using the effective interest method, less any impairment losses.

Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the group from classifying investment securities as held-to-maturity for the current and the following two (2) financial years.

3.3.2 Impairment of Financial Assets

The carrying amounts of the Society's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. The Society 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.

Contd..... (11)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**Impairment of Financial Assets (Contd....)**

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.

3.3.3 De-recognition

Financial assets are de-recognized only when,

- The contractual rights to the cash flows from the financial assets expire or are settled or
- Transferred to another party substantially all of the risk and rewards of ownership.

3.3.4 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.4. Cash and Cash Equivalents

Cash and cash equivalents comprise of cash in hand and cash at banks and other highly liquid financial assets which are held for the purpose of meeting short-term cash commitments with original maturities of less than three (3) months which are subject to insignificant risk of changes in their fair value.

Bank overdrafts that are repayable on demand and form an integral part of the Society's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.5. Current Assets

Assets classified as current assets in the statement of financial position are those expected to realize during the normal operating cycle of business or within one year from the end of the financial year, whichever is longer and cash balances. Assets other than current assets are those which the Society intends to hold beyond the one-year period from the end of the financial year.

Contd..... (12)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024****3.6. Liabilities & Provisions****3.6.1 General**

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand or within one year from the end of the financial year. Non-current liabilities are those balances that fall due for payment after one year from the end of the financial year. All known liabilities have been accounted for in preparing these financial statements. Provisions and liabilities are recognized when the Society has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.6.2 Provisions

Provisions are made for all obligations existing as at the end of the financial year when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow. All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

3.6.3 Financial Liabilities

The Society initially recognizes financial liabilities on the date that they are originated. All other financial liabilities are recognized at initially on the trade date, which is the date that the Society becomes party to the contractual provisions of the instruments.

The Society de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Society classifies non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using effective interest rate method.

3.6.4 Employee Benefits**3.6.4.1 Defined Contribution Plans - Provident and Trust Funds**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Contd..... (13)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**Defined Contribution Plans - Provident and Trust Funds (Contd...)**

Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees.

Employees are eligible for contribution to the Employees' Provident Fund (E.P.F) and the Employees' Trust Fund (E.T.F) in accordance with the relevant statutes and regulations. The Society contributes 12% and 3% of the gross emoluments of the employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

3.7. Accounting for the Receipt and Utilization of Funds**3.7.1. Unrestricted Funds**

Unrestricted funds are those that are available for use by the Society at the discretion of the Executive Committee, in furtherance of the general objectives of the Society and which are not designated for any specific purpose.

Contributions received from the general public are recognized in the statement of comprehensive income on a cash basis.

3.8. Grants & 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.

STATEMENT OF COMPREHENSIVE INCOME**3.9. Income Recognition****a) Contributions / Incoming Sources**

Income realized from unrestricted funds is recognized in the statement of comprehensive income only when there is certain that all of the conditions for receipt of the funds have been complied with the relevant expenditure that it is expected to compensate has been incurred and charged to the statement of comprehensive income. Unutilized funds are carried forward as such in the statement of financial position.

Contd..... (14)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**Contributions / Incoming Sources (Contd....)**

Gifts and donations received in kind are recognized at valuation at the time that they are distributed to beneficiaries, or if received for resale with proceeds being used for the purpose of the Society at the point of such sale. Items not sold or distributed are inventoried but not recognized in the financial statements.

a) Revenue**i) Service Income**

Revenues earned on services rendered are recognized in the accounting period in which the services were rendered.

ii) School Fee Collection from Students

School fee is recognized in the statement of comprehensive income on a cash basis.

iii) Interest Income

Interest income is recognized on cash basis.

iv) Rental Income

Rental income is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

v) Gain/(Loss) on Disposal of Property, Plant & Equipment

Net gain or loss on the disposal of property, plant and equipment is 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.

vi) Other Income

Any other income is recognized on an accrual basis.

3.10. Expenditure Recognition

Expenses in carrying out the projects and other activities of the Society are recognized in the statement of comprehensive income during the year in which they are incurred.

Contd..... (15)



SCHOOL DEVELOPMENT SOCIETY OF ROYAL COLLEGE**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2024**Expenditure Recognition (Contd... ..)**

Other expenses incurred in administering and running of the Society and in restoring and maintaining the property, plant and equipment to perform at expected levels are accounted for on a cash basis and charged to the statement of comprehensive income.

The Society has adopted the 'function of expense' method to present fairly the elements of the Society's activities in its statement of comprehensive income.

3.11. Taxation

The Society is considered as a charitable institution exempt from income tax in terms of section 68(3) of the Inland Revenue Act No. 24 of 2017.

3.12. Statement of Cash Flows

The statement of cash flows has been prepared using the 'Indirect Method' of preparing cash flows in accordance with the SL SoRP - NPOs.

3.13. Events Occurring After the End of the Reporting Period

All material events occurring after the end of the reporting period have been considered and where necessary adjustments to or disclosures have been made in the respective notes to the financial statements.

3.14. Commitments and Contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognized in the statement of financial position but are disclosed unless they are remote.



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER,**

	2024		2023
	Rs.	Cts.	Rs.
(4) INCOME			
Consolidated Fund/ Provincial			
Funds Received on Building Construction	520,482.06		4,481,411
Reimbursement of Electricity & Telephone Bills	833,673.56		901,626
Reimbursement	341,811.53		317,922
School Based Teaching promotion			
Quality Inputs	-		239,550
GEMP Programme	45,000.00		-
Furniture Repairs	11,000.00		-
School Based Learning Improvement Grant (SBLIG)	1,922,770.45		-
Donation Receiving from Approval			
Funds from Ministry of Education	1,445,273.00		-
Funds from School Bus Grant	1,650,000.00		-
Donations from Parents / Well-wishers			
Primary Activities	4,085,000.00		2,865,194
Wellwishers	30,412,249.47		21,587,540
Income from School Land & Building			
Main Canteen	847,320.00		666,000
Upper Middle Canteen	707,162.89		717,600
Milk Bar	1,492,500.00		1,837,900
Examination Hall	3,847,278.00		4,672,190
Main Hall	25,000.00		-
Basketball Court	212,000.00		269,250
Agri Income (Vegetables & Compost)	14,000.00		8,500
Book Shop Income	210,000.00		240,000
Election Duty Income	4,350.00		-
Navaragahala	1,207,000.00		1,420,000
Solar Panel Investment Income	14,454.62		-
Income from Various School Activities			
Sports	1,858,632.82		1,802,100
Clubs & Societies Activities	15,017,087.00		11,225,740
Grazioso	2,192,840.55		-
Grandiza	850,000.00		-
SAGA	-		35,083,080
Activities done by Prefect Council	640,000.00		1,120,000
Photography	300,015.00		310,195
	70,706,900.95		89,765,798



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST DECEMBER,

	2024	2023
	Rs. Cts.	Rs.
(5) <u>OTHER OPERATING INCOME</u>		
Other Funds Decided by SDS		
School Fee Income	85,411,750.00	61,387,150
Sale of Stationery(Envelopes, News papers)	49,097.00	11,255
Sale of Term Test Papers	666,476.00	381,625
Tender Applications	40,000.00	43,000
Library Fine	-	1,700
Lost SRB	10,500.00	11,500
Interest Income	7,873,948.85	8,932,604
Rent for TV Commercials	-	300,000
Auction Income	28,000.00	28,080
Registration Fee from Clubs & Societies	117,500.00	37,500
	94,197,271.85	71,134,414
(6) <u>DIRECT EXPENSES</u>		
Subject Curricular Activities		
Library Expenses	3,950.00	102,832
Consultation Charges/Higher Education		
Primary Sports Meet	1,123,015.00	612,610
Upper Scanner Sports Meet	2,381,740.00	1,649,888
Sports	3,353,195.64	2,309,799
Club & Society other Expenses	12,659,876.00	10,548,166
Agriculture	20,000.00	40,000
Prize Giving Ceremony	2,186,565.89	-
Grandiza	2,004,808.22	-
Grazioso 2024	849,875.00	-
SAGA Expenses	3,958,200.00	13,828,454
Prefect Talent Show	1,433,201.84	1,326,560
Religious Programmes	636,555.00	211,911
School Admission Related Activities	963,419.00	1,991,160
Colours Night	2,575,100.00	1,468,040
Clubs Night	150,000.00	469,000
Aesthetic	-	53,590
Primary Section Activities	3,131,410.00	723,290
Covid 19 Prevention Expenses	-	100,000
		<i>Contd....</i>



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER,**

	2024	2023
	Rs. Cts.	Rs.
(6) DIRECT EXPENSES (CONTD....)		
School Building Maintenance		
Building Maintenance	4,561,674.00	4,501,060
Sanitary Services	4,882,357.08	5,052,470
Gardening Expenses	61,618.99	1,620
Lab Expenses	684,785.00	519,430
Library Expenses	1,850.00	-
	47,623,196.66	45,509,880
(7) ADMINISTRATION EXPENSES		
School Related Educational Expenses		
Office Stationery	6,430,330.16	11,622,183
Telephone Bills	867,540.80	887,771
Electricity Bills	10,164,192.57	9,774,821
Printing	2,631,660.00	3,330,020
Binding (Books, Registers, etc.)	106,220.00	220,410
Welfare, Functions & Meal Expenses, etc.	1,212,271.20	2,211,357
Postage Expenses	101,150.00	262,980
Audit Fees	311,628.56	274,220
Type Setting of Question Papers	249,660.00	277,500
Paper Advertisements for Tenders	80,417.00	130,143
Accounting Support Services	-	240,306
Staff Remunerations		
Security Expenses	8,527,260.52	8,480,665
Coach's Allowances	11,265,000.00	13,754,400
Minor Staff Salary	4,328,783.60	4,148,718
SDS Teachers Allowances	3,600,026.87	3,307,386
Non Academic Staff Salaries	3,900,418.26	3,495,231
Other Payments (OT, Allowances etc)	2,343,790.85	2,222,258
EPF / ETF	2,180,135.43	1,916,195
Examination Hall Expenses	784,800.00	1,190,000
Election Duty Expenses	4,350.00	-
Expenses on Funds Received from Ministry of Education	391,500.00	-

Contd....



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETYNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER,

	2024		2023
	Rs.	Cts.	Rs.
(7) ADMINISTRATION EXPENSES (CONTD...)			
Transport & Vehicle Maintenance			
Repairing	2,282,463.63		452,050
Fuel	6,945,699.96		6,141,787
Service Charges	923,007.61		1,277,658
Insurance	417,840.32		506,533
Revenue License and Eco Test	194,365.00		51,800
Travel, Highway & Parking Charges	20,522.70		16,504
Depreciation	8,716,097.72		5,364,140
	<u>78,981,132.76</u>		<u>81,557,036</u>
(8) OTHER EXPENSES			
Equipment Repairs (Computer, Duplo, Fax, Etc)	1,217,740.63		1,803,130
Furniture Repairs	62,900.00		148,550
Sound System Repair	38,590.00		23,250
Quality Inputs			
Education related prog. and Student Development Programme	874,286.05		756,610
School Based Learning Improvement Grant (SBLIG)	1,690,241.95		-
School Based Teacher Development Programme	140,820.00		-
Bank Charges/Surcharge	250.00		40,735
Write-off Unreconciled Bank Balance	-		3,342,077
	<u>4,024,828.63</u>		<u>6,114,352</u>



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER,****(9) PROPERTY, PLANT & EQUIPMENT**

	<i>Balance as at 01.01.2024</i>		<i>Additions Transfers</i>		<i>Disposals/ Adjustment During Year</i>		<i>Balance as at 31.12.2024</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
<u>At Cost</u>								
Office Equipment	8,143,948.85		-		-		8,143,948.85	
Machinery	117,492.00		-		-		117,492.00	
Computers and Equipment	5,820,433.00		896,672.00		-		6,717,105.00	
Building Equipment	3,184,844.00		-		-		3,184,844.00	
Other Equipment	1,349,882.00		203,354.00		-		1,553,236.00	
Furniture and Fittings	2,221,845.00		-		-		2,221,845.00	
Camera System	250,500.00		-		-		250,500.00	
Musical Instruments	897,550.00		-		-		897,550.00	
Solar Power Panel Installation	544,343.00		18,169,295.30		-		18,713,638.30	
Vehicles	26,495,000.00		-		-		26,495,000.00	
	<u>49,025,837.85</u>		<u>19,269,321.30</u>		<u>-</u>		<u>68,295,159.15</u>	
<u>Depreciation</u>								
Office Equipment	7,660,218.41		162,770.12		-		7,822,988.53	
Machinery	117,492.09		-		-		117,492.09	
Computers and Equipment	4,231,969.00		799,009.80		-		5,030,978.80	
Building Equipment	1,271,388.80		668,585.40		-		1,939,974.20	
Other Equipment	706,670.50		286,107.75		-		992,778.25	
Furniture and Fittings	2,199,146.14		20,439.90		-		2,219,586.04	
Camera System	263,025.00		-		12,525.00		250,500.00	
Music Instrument	833,073.00		64,477.00		-		897,550.00	
Solar Power Panel Installation	544,343.45		2,740,457.75		-		3,284,801.20	
Vehicles	17,828,457.53		3,974,250.00		-		21,802,707.53	
	<u>35,655,783.92</u>		<u>8,716,097.72</u>		<u>12,525.00</u>		<u>44,359,356.64</u>	
Net Book Value	<u><u>13,370,053.93</u></u>						<u><u>23,935,802.51</u></u>	



ROYAL COLLEGE - SCHOOL DEVELOPMENT SOCIETY**AS AT FINANCIAL STATEMENTS****AS AT 31ST DECEMBER,**

		2024 Rs. Cts.	2023 Rs.
(10) INVESTMENTS IN FIXED DEPOSITS			
Fixed Deposits at People's Bank		71,098,164.57	56,957,399
		<u>71,098,164.57</u>	<u>56,957,399</u>
(11) CASH AND CASH EQUIVALENTS			
Cash at Bank - People's Bank		21,601,490.14	16,578,137
		<u>21,601,490.14</u>	<u>16,578,137</u>
(12) DEFERRED INCOME			
School Bus Grant	(12.1)	6,050,000.00	11,000,000
		<u>6,050,000.00</u>	<u>11,000,000</u>
(12.1) School Bus Grant			
Opening Balance		11,000,000.00	11,000,000
Correction for Prior Year	(Note 14)	(3,300,000.00)	-
During the year Income recognition		(1,650,000.00)	-
		<u>6,050,000.00</u>	<u>11,000,000</u>
(13) OTHER PAYABLES			
Refundable Deposits		538,589.41	1,556,090
		<u>538,589.41</u>	<u>1,556,090</u>

(14) CORRECTION OF PRIOR YEAR INCOME AND EXPENSE RECOGNITION ERRORS**(14.1) GRANT RECOGNITION**

The management committee identified that grant received under the School Bus Grant Scheme in 2022 and 2023, amounting to Rs. 1,650,000 each year, These grants, which were received for the acquisition of a school bus, had been fully recognized as School Bus Grant in 2021. These grants now been systematically amortized to Statement of Comprehensive Income over the useful life of the related asset.

(14.2) OVER AND UNDER RECOGNITION OF INCOME & EXPENSES

During the current financial year, it was identified that certain income and expenses in the financial statements for the year ended 2023 were incorrectly recognized as follows:

Income

Under recognition of Interest Income	70,006
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Expenses

Under recognition of Aesthetic Expenses	(42,988)
Over recognition of Agriculture Expenses	5,580
Over recognition of Depreciation Expenses	12,525

Net Impact	<u>45,123</u>
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The impact of these adjustments has been recorded as a prior-year adjustment and reflected in the accumulated fund.

