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GOVERNMENT AUDIT DIVISION  
DEPARTMENT OF SPORTS &  
DEVELOPMENT



**NATIONAL OLYMPIC COMMITTEE OF SRI LANKA**  
**FINANCIAL STATEMENT FOR THE YEAR ENDED**  
**31ST DECEMBER 2022**



**NATIONAL OLYMPIC COMMITTEE OF SRI LANKA**  
**Accounting Policies and Explanatory Notes to the Financial Statements**  
**For the year ended 31<sup>st</sup> December 2022**

1. General Information

1.1 General

The National Olympic Committee (NOC) was inaugurated on 8th April 1937 at a meeting of representatives of Athletic, Swimming and Boxing Associations. As resolved on this day, the first meeting of the Ceylon Olympic and Empire Games Association was held on 30th April 1937.

The National Olympic Committee of Sri Lanka was recognized by the International Olympic Committee (IOC) in the same year it was inaugurated 1937. Accordingly to the date of recognition of NOCs by the IOC, Sri Lanka NOC stands at the 6th place and is therefore one of the oldest NOCs in Asia.

The Registered office of the NOC and the Principal Place is located at No: 100/9F, "Olympic House", Independence Avenue, Colombo 07

1.2 The Principal Activities and Nature of the Operation

**Mission**

The Mission of the NOC Sri Lanka is to develop Sports in Sri Lanka to be the Leader in Asia and to be a good Competitor in the World Sports Arena.

**Vision**

The Vision of the NOC shall be to contribute to the building of a peaceful and better world by educating youth through sport practices without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fair play, while maintaining the highest level of transparency.

1.3 Date of Authorization for Issue

The Financial Statements of The National Olympic Committee of Sri Lanka, for the year ended 31st December 2021 were authorized for issue on 10<sup>th</sup> April 2023.

2. Summary of Significant Accounting Policies

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

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium Sized Entities issued by the Institute of Chartered Accountants of Sri Lanka.



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**2.2 Functional and Presentation Currency**

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

**2.3 Going Concern**

When preparing the financial statements the Committee has assessed the ability of the NOC to continue as a going concern. The committee has a reasonable expectation that the NOC has adequate resources to continue in operational existence for the foreseeable future even though the NOC has negative net assets during to early stages of the business operations. The NOC does not foresee a need for liquidation or cessation of trading, taking into account all available information about the future and accordingly, they continue to adopt the going concern basis in preparing these financial statements.

**2.4 Foreign Currency Transactions**

Transactions in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees at the foreign exchange rate ruling as at the balance sheet date.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost at the balance sheet date are translated to Sri Lankan Rupees at the foreign exchange rates at the date of initial transaction. Any resulting exchange gains and losses are accounted for in the statement of comprehensive income in every month end.

**2.5 Revenue Recognition**

Revenue is measured at the fair value of the consideration or receivable, net of bank charges and converting exchange rate. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Committee and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and value added taxes.



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**2.5.1 Grants**

NOCSL shall recognize grants that are for future performance not relevant for current financial year at differed income from 2020 onwards.

**2.5.2 Rendering of services**

The Committee's Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

**2.5.3 Interest Income**

Interest income is recognized on an accrual basis.

**2.5.4 Other Income**

Other income is recognized on an accrual basis.

**2.6 Expenditure Recognition**

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency have been charged to revenue in arriving at the surplus/ (deficit) for the year.

**2.7 Income Tax**

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendment thereto.

**2.8 Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight line method when the asset is available for use. The following annual rates are used for the depreciation of property, plant and equipment:



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Buildings	04%
Electrical Equipments	10%
Office Equipments	10%
Furniture & Fittings	10 %
Gym Equipment	16.67%
Plant & Machinery	10%
Computers	25 %
Motor Vehicle	25%
General Equipments	10%
Musium Equipments	10%

NOC shall measure an items of property , Plant and equipment whose fair value can be measured reliably at a revalued amount , being its fair value at the date of the revaluation less any accumulated depreciation. Revaluation shall be be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of reporting period.

Committee has approved to revalue all items of property , Plant and equipment in every three years. An amount equal to the excess of the annual depreciation charges on revalued assets over the notional historical cost depreciation charged on those assets is transferred accordingly from the surplus in the revaluation reserve to the Retained Earnings.

Accordingly NOC has revalued all items of property plant and equipment as at 31.12.2020. The Effective of date of revaluation is 31.12.2020.

Independent valuer was involved to the do the revaluation, Mr. Upali S.Silva, Chartered valuer ad real Estate Consultant

The methods and significant assumptions applied in estimating the items fair value which is explain in details independent report given by valuer.

## **2.9 Capital Expenditure**

Expenditure incurred for the purpose of acquiring, extending or improving assets and website developments of a permanent nature has been treated as capital expenditure.

## **2.10 Inventories**

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.



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**2.11 Financial Instruments - Financial Liabilities**

**2.11.1 Leases**

**2.11.2 Financial Leases**

Leases are classified as finance leases if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognized as assets of the NOC at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the commencement of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment and depreciated and assessed for impairment losses in the same way as owned assets. Rentals payable under operating leases are charged to surplus or deficit on a straight-line basis over the term of the relevant lease.

**2.11.3 Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**2.12 Financial Instruments - Financial Assets**

Trade and other receivables are initially recognized at the transaction price. All sales are made on the basis of normal credit terms, and the receivables do not bear interest. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in statement of comprehensive income

Financial liabilities are initially recognized at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortized cost using the effective interest method.



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**2.12.1 Other Receivables**

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so an impairment loss is recognized immediately in profit or loss.

**2.13 Trade Payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated in to Sri Lankan Rupees (Rs.) using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expense

**2.14 Liabilities and Provisions**

All known liabilities have been accounted for in preparing the financial statements.

**2.14.1 Retirement Benefits Obligations**

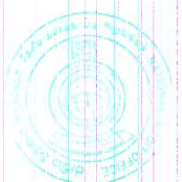
The Committee annually measures the present value of the retirement benefits for gratuity, as per section 28 of Sri Lanka Accounting Standards for SMEs. This item is stated under retirement Benefit Obligations in the statements of financial position. The gratuity liability is not externally funded.

Assumptions made for prepare the retirement benefits as follows,

Discount Rate -13%

Turnover Rate-12%

Salary Increment Rate-10%



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**2.14.2 Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund**

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective Statutes and Regulations.

**Employees' Provident Fund**

The Committee and employees contribute 12% and 8% respectively on the salary of each employee to the approved Provident Fund

**Employees' Trust Fund**

The Committee contributes 3% of the salary of each employee to the Employees' Trust Fund.



NATIONAL OLYMPIC COMMITTEE OF SRI LANKA

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022 Rs.	2021 Rs.
Income	01	310,639,289	150,496,294
Other Income	02	31,704,837	4,863,356
		<u>342,344,126</u>	<u>155,359,650</u>
Activity Expenses	03	(205,420,328)	(83,549,261)
Administrative Expenses	04	(43,598,088)	(36,465,207)
Other Expenses	05	(26,594,937)	(18,054,822)
<b>Surplus / (Deficit) from Operations</b>		<u>66,730,772</u>	<u>17,290,360</u>
Finance Expenses	06	(1,551,857)	(136,315)
<b>Surplus / (Deficit) Before Taxation</b>		<u>65,178,915</u>	<u>17,154,045</u>
Taxation	07	(5,829,623)	(2,233,817)
<b>Surplus / (Deficit) For The Year</b>		<u>59,349,292</u>	<u>14,920,228</u>
<b>Other Comprehensive Income</b>			
Actuarial Gain / (Loss)		943,875	(5,367)
Revaluation Reserve		-	-
<b>Total Comprehensive Income</b>		<u>60,293,167</u>	<u>14,914,861</u>

The Accounting Policies and Notes to the Accounts form an integral part of these Financial St





# NATIONAL OLYMPIC COMMITTEE OF SRI LANKA

"Olympic House", 100/9F, Independence Avenue, Colombo 7, Sri Lanka

Tel: +94 11 2684420 Fax: +94 11 2684429 E mail: natolcom@slt.lk Web: www.olympic.lk

## NATIONAL OLYMPIC COMMITTEE OF SRI LANKA STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2022 Rs.	2021 Rs.
<b>Non Current Assets</b>			
Property, Plant & Equipment	08	937,079,497	940,010,756
		<b>937,079,497</b>	<b>940,010,756</b>
<b>Current Assets</b>			
Trade Debtors & Other Receivables	09	37,301,227	19,339,962
Inventory Assets	10	312,307	333,307
Deposits, Pre-Payments & Advances	11	965,339	1,094,029
Cash & Cash Equivalents	12	175,092,088	125,782,501
Work in progress		1,464,000	-
		<b>215,134,961</b>	<b>146,549,799</b>
<b>TOTAL ASSETS</b>		<b>1,152,214,458</b>	<b>1,086,560,552</b>
<b>FUNDS &amp; LIABILITIES</b>			
Accumulated Fund		251,838,755	191,545,589
Re-valuation Reserve		845,545,579	845,545,579
		<b>1,097,384,334</b>	<b>1,037,091,168</b>
<b>Long Term Liabilities</b>			
Retirement Gratuity	13	5,222,762	4,989,735
Deferred Income	14	12,886,692	25,763,626
Computer Purchased on OCA Grants	15	-	-
		<b>18,109,454</b>	<b>30,753,361</b>
<b>Current Liabilities</b>			
Trade & Other Payables	16	7,862,520	5,774,417
Accrued Expenses	17	27,593,626	11,031,354
Bank Overdraft	18	1,264,523	1,910,252
		<b>36,720,670</b>	<b>18,716,023</b>
<b>TOTAL FUNDS &amp; LIABILITIES</b>		<b>1,152,214,458</b>	<b>1,086,560,552</b>

Executive Committee is responsible for the preparation and presentation of these financial statements & above financial position is to be read in conjunction with the accounting policies and notes to the Financial Statements

Approved and signed for and on behalf of the Executive Committee.

**Surendran Subramaniam**  
President

**Maxwell De Silva**  
Secretary General

**Gamini Jayasinghe**  
Treasurer

**NATIONAL OLYMPIC COMMITTEE OF SRI LANKA**  
**STATEMENT OF CHANGES IN FUNDS & RESERVES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Retaining Earnings	Revaluation Reserve	Total
	Rs.	Rs.	Rs.
Balance as at 1st January 2021	176,630,727	845,545,579	1,022,176,306
Deficit for the Year	14,920,228	-	14,920,228
Revaluation during the year		-	-
Acturial Loss	(5,367)	-	(5,367)
<b>Balance as at 31st December 2021</b>	<b>191,545,588</b>	<b>845,545,579</b>	<b>1,037,091,167</b>
Balance as at 1st January 2022	191,545,588	845,545,579	1,037,091,167
Surplus/(Deficit) for the Year	59,349,292	-	59,349,292
Acturial Gain	943,875	-	943,875
<b>Balance as at 31st December 2022</b>	<b>251,838,755</b>	<b>845,545,579</b>	<b>1,097,384,334</b>

The Accounting Policies and Notes to the Accounts form an integral part of these Financial Statements



