



# CREATING A NEW NORMAL

ANNUAL REPORT 2020

# Colombo Swimming Club

Annual Report 2020

[www.colomboswimmingclub.org](http://www.colomboswimmingclub.org)



## Our Family. Our Heritage

The year 2020 unfolded with a series of events leading to uncertainty and change. In a year clouded with adversity, we at the Colombo Swimming Club moved forward with unwavering strength, fortitude and commitment.

As we rise above the challenges faced with tenacity, we are proud to say that we endured adversity with strength.

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# President's Report



Dear Members,

My tenure as President has come to an end, I am pleased to write a brief report for the year 2020.

As you are aware, since the last AGM on 25th July 2020, drastic measures were taken as far as the activities of the club were concerned and there was a period of time when the club remained closed.

However, the Committee did meet regularly to be given updates by the new GM who assumed duties mid-February and also looked into all financial aspects of the club with our Accountant Namal.

GM Palaka did an excellent job during these trying times to keep the club sanitized, the furniture and the floors looking spotless at all times.

The menu changes that were done with the Chef were welcomed by all members. The committee also made sure that strict guide lines were adhered to at all times.

During the lockdown period, House and Works Committee Member Sanjeev managed to get some work completed in the porch entrance area, the lobby lounge and attended to roof and room repairs. As well as re-tiling of the kiddies pool area.

## Activities

We were fortunate to continue the Theme Nights such as Hopper Nights on Wednesdays & Sundays, Special menus on Fridays & Saturdays and the ever popular Crab Lunch on Sundays. GM with the F&B Committee Member Heriksha held Cocktail demonstrations and competitions, Cookery demonstrations & culinary competitions with members and their children during the better half of the year in the months of July, August and September on Sundays. There was a lot of enthusiasm from members who were eager to learn and take part in these competitions.

Unfortunately we were unable to have some of our famous annual events such as the Sports Gala, Members Night, kiddies Christmas party and even our popular 31st Night Dinner Dance.

Although, we did manage to stage the Lighting of the Christmas Tree on 4th December. It was a low key event, nevertheless the club had an attendance of over 100 members and guests. A special protocol was in place with social distancing. The F&B team had the usual Christmas goodies and a scrumptious menu for the special evening.

The club was a buzz during the season, the Chef & his team did fantastic menus for Christmas Eve Dinner, Christmas Day and 31st Night. Members were extremely pleased and happy to celebrate the season in a safe environment.

## Finances

Due to closure of Rooms, AC Bar, Gym, Sun-downer, Coffee Shop and Library, our revenues were affected substantially and as a result, by the end of the year we were at a deficit.

We also took the initiative not to impose surcharges to members at certain quarters during the pandemic period.

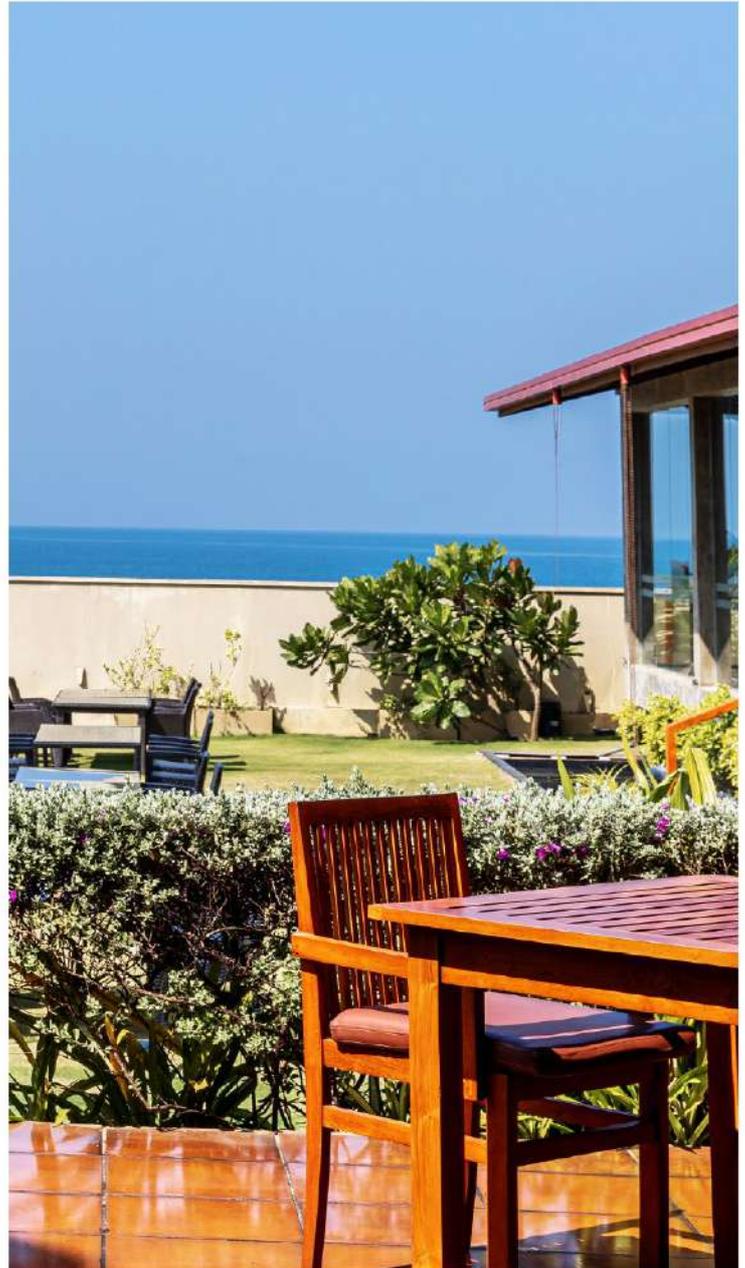
However, the good news is, our accountant Namal managed to obtain a further payment from RDA. These funds were invested at Commercial banks which gave us the best rates at the time. The financial reports could be obtained by the accountant.

Since I have no further reports, I would like to take this opportunity to thank my Committee VP Pam, Immediate Past President Tony, Secretary Kishan, F&B Hariksha & Gyan, ET member Jit, House & Works Sanjeev and Sports Member Suren for assisting me during this pandemic year and taking the best possible measures to look after the staff's wellbeing and finances of the club.

My thanks also goes out to the GM Palaka and team in Admin Office, Accountant Namal and team, Chef Darshana and team, F&B Manager Hilary and team, Engineer Luwanjan and team, Member Services & Room Division Manager Ms. Avanti & reception team, Executive Housekeeper Suranga and team, the Gym and Pool management team & all frontline staff and back office staff of CSC who did their duties to make sure members and guests were well looked after. My thanks goes out to the duty managers namely, Ruwan, Rohitha who were assisted by Emerson.

I must state here as immediate past president, I will extend my fullest support to the incoming President and Committee to carry out all those wonderful events we missed out in 2020.

Finally, my thanks to all Members who patronized the Club during this pandemic period and look forward to seeing you more often in the coming months.



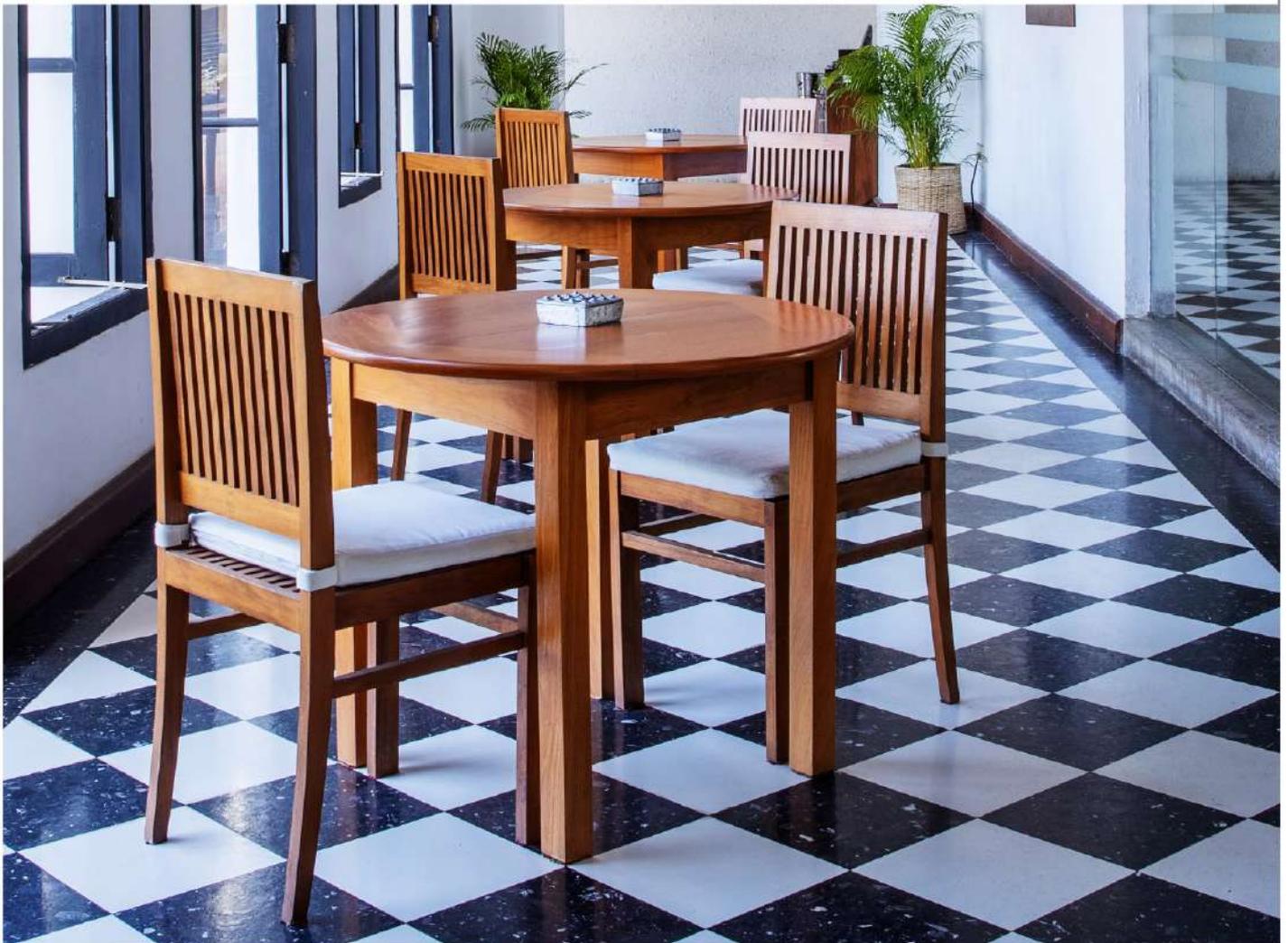
Lastly, may I wish each and everyone of you, a safe, healthy and a happy future.

Be safe!

Thank you.

Warm regards to all.

Jehan Rajapakse  
**President**



## Committee Members



Jehan Rajapakse  
President



Pamela Peiris  
Vice President



Kishan Karumaratne  
General Secretary



Harikesha Wijesekera  
Food & Beverage Member



Gyan Amerasinghe  
Asst. Food & Beverage Member



Sanjeev Jayasinghe  
House & Works Member



Suren De Silva  
Club Captain



Jit Warnakulasuriya  
Entertainment Member



Tony De Livera  
Immediate Past President

# Management Team



First Row - Left to Right :

Suranga Ranaweera (Executive Housekeeper), Mr. M.P.C.K. Priyadarshana  
(Executive Chef), Luwanjan Kaluaarachchi (Chief Engineer)

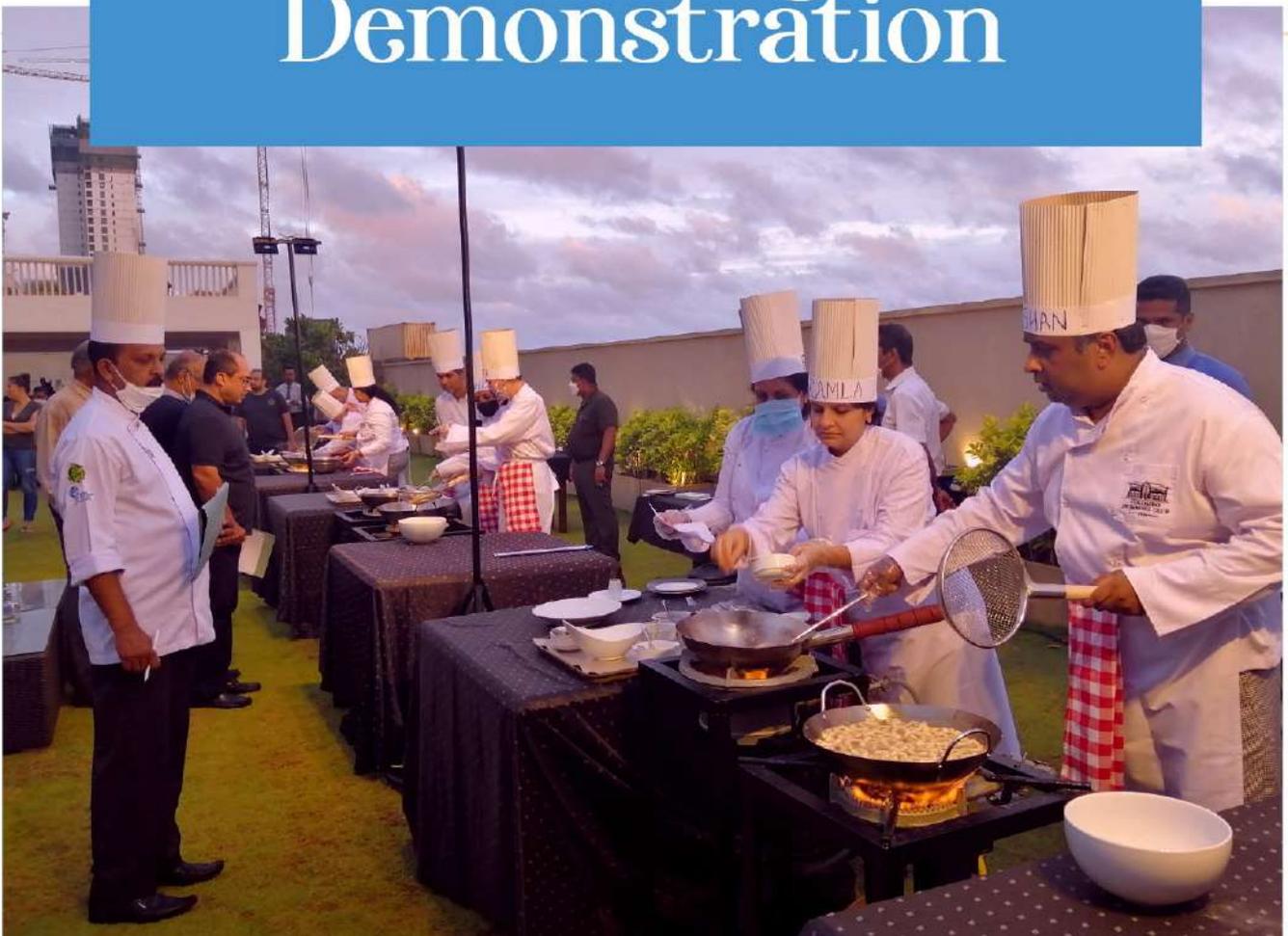
Second Row - Left to Right :

Krishani Virajinie (Manager - Sales & Marketing), Mr. Palaka Perera (General Manager),  
Namal Perera (Head of Finance & IT), Hilary Jainudeen (Food & Beverage Manager),  
Nayanta Pandita (Manager HR & Training), Avanthi Devapriya  
(Member Services & Room Division Manager)

Year at a  
*Glance*  
...



# Cooking Demonstration







# Cocktail Demonstration









# Financial Statements

# Independent Auditor's Report



Ernst & Young  
Chartered Accountants  
201 De Saram Place  
P. O. Box 101  
Colombo 10  
Sri Lanka

Tel : +94 11 2463500  
Fax Gen : +94 11 2697369  
Tax : +94 11 5578180  
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APAG/TND/AD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLOMBO SWIMMING CLUB

Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Colombo Swimming Club ("Club") which comprise the statement of financial position as at 31 December 2020, and the income and expenditure statement, statement of changes in accumulated funds, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Club as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Club in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of management and those charged with governance for the financial statements

The Management Committee ("Committee") is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Management Committee is responsible for assessing the Club'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club's financial reporting process.

### Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

(Contd...2/-)

# Independent Auditor's Report

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



19 February 2021  
Colombo

# Income And Expenditure Statement

Year ended 31 December 2020

	Note	2020 Rs.	2019 Rs.
<b>Revenue</b>			
Members' Subscription	3	62,578,218	53,505,041
Entrance Fees		1,504,630	26,508,339
Other Income	4	16,521,636	32,711,837
Finance Income	22	14,912,698	3,536,529
		<b>95,517,181</b>	<b>116,261,746</b>
<b>Net Profit/(Loss) on Operations</b>			
Bar	5	1,999,626	8,366,010
Catering	6	(15,215,033)	1,254,820
Hire of Rooms	7	4,976,347	16,720,465
Sports	8	(424,757)	5,825,758
Library	9	(347,069)	(171,641)
Sundowner	10	(1,940,437)	2,393,592
Pastry	11	(1,277,748)	1,746,028
Business Center	12	(381,841)	366,117
		<b>(12,610,912)</b>	<b>36,501,148</b>
<b>Expenditure</b>			
Administrative Expenses		(103,050,748)	(128,542,517)
Finance Cost	23	6,775	(9,689)
<b>Excess of Income over Expenditure Before Taxation</b>		<b>(20,137,704)</b>	<b>24,210,688</b>
Income Tax Expense	24	1,338,091	(7,621,690)
<b>Deficit of Income over Expenditure for the Year</b>		<b>(18,799,613)</b>	<b>16,588,998</b>

The accounting policies and notes on pages 07 through 20 form an integral part of these Financial Statement

# Statement Of Financial Position

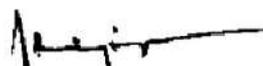
Year ended 31 December 2020

ASSETS	Note	2020 Rs.	2019 Rs.
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	1,681,156,819	1,704,975,989
Intangible Asset	14	2,897,126	3,861,529
		<b>1,684,053,946</b>	<b>1,708,837,518</b>
<b>Current Assets</b>			
Inventories	15	6,293,903	9,175,985
Members' due and Other Receivables	16	38,200,001	376,586,946
Income Tax		210,389	-
Deposits, Prepayments and Advances	17	15,816,100	9,200,218
Short Term Investments	18	209,004,023	47,573,188
Cash and Cash Equivalents	19	150,809,023	28,163,705
		420,333,439	470,700,042
<b>Total Assets</b>		<b>2,104,387,385</b>	<b>2,179,537,560</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Members' Funds</b>			
Accumulated Fund		1,746,472,642	1,765,272,255
<b>Total Equity</b>		<b>1,746,472,642</b>	<b>1,765,272,255</b>
<b>Non Current Liabilities</b>			
Employee Benefit Liability	20	13,436,473	13,953,000
Deferred Tax Liability	24	161,835,847	163,733,679
		<b>175,272,320</b>	<b>177,686,679</b>
<b>Current Liabilities</b>			
Trade and Other Payables	21	86,663,154	94,424,237
Members Refundable Deposits		95,979,269	96,407,574
Income Tax Payable		-	39,350,772
Bank Overdraft	19	-	6,396,043
		182,642,423	236,578,626
<b>Total Equity and Liabilities</b>		<b>2,104,387,385</b>	<b>2,179,537,560</b>



Financial Accountant

The Management Committee is responsible for these Financial Statements. Signed for and on behalf of the Management Committee by,



President



Vice President

The accounting policies and notes on pages 07 through 20 form an integral part of these Financial Statements.

19 February 2021  
Colombo

# Statement Of Changes In Accumulated Fund

Year ended 31 December 2020

	Note	Accumulated Fund Rs.	Total Rs.
<b>As at 31 December 2018</b>		1,748,683,257	1,748,683,257
Deficit of Income over Expenditure for the Year		16,588,998	16,588,998
<b>As at 31 December 2019</b>		1,765,272,255	1,765,272,255
Deficit of Income over Expenditure for the Year		(18,799,613)	(18,799,613)
<b>As at 31 December 2020</b>		1,746,472,642	1,746,472,642

The accounting policies and notes on pages 07 through 20 form an integral part of these Financial Statements.

# Cash Flow Statement

Year ended 31 December 2020

	Note	2020 Rs.	2019 Rs.
<b>Cash Flow From Operating Activities</b>			
Excess of Income over Expenditure Before Income Tax Expense		<b>(20,137,704)</b>	<b>24,210,688</b>
<b>Adjustments for</b>			
Depreciation	13,14	27,485,031	30,065,909
Provision for Defined Benefit Plans	20	2,803,475	3,419,526
Finance Income	22	(14,912,698)	(3,536,529)
Finance Costs	23	(6,775)	9,689
Disposal (Profit)/ Loss of Property, Plant and Equipment		–	348,803
<b>Operating Income Before Working Capital Changes</b>		<b>(4,768,671)</b>	<b>54,518,086</b>
(Increase)/ Decrease in Inventories		2,882,081	(84,361)
(Increase)/ Decrease in Trade and Other Receivables		338,386,919	8,212,849
(Increase)/ Decrease in Short Term Investments		(161,430,835)	(42,119,323)
(Increase)/ Decrease in Deposits, Prepayments and Advances		(6,615,881)	(2,918,479)
Increase/ (Decrease) in Trade and Other Payables		(7,761,083)	(7,724,398)
Increase/ (Decrease) in Members Refundable Deposits		(428,305)	5,488,533
<b>Cash Generated From Operating Activities</b>		<b>160,264,225</b>	<b>15,372,907</b>
Interest Paid		6,775	(9,689)
Defined Benefit Plan Costs Paid	20	(3,320,003)	(878,374)
ESC and Income Tax Paid		(38,974,927)	(2,897,609.00)
<b>Net Cash From Operating Activities</b>		<b>117,976,071</b>	<b>11,587,235</b>
<b>Cash Flow From/(Used) Investing Activities</b>			
Acquisition of Property, Plant and Equipment	13	(3,847,410)	(11,020,701)
Acquisition of Intangible Assets		-	(4,288,709)
Proceeds from Sale of Property, Plant & Equipment		-	158,838
Interest Received	22	14,912,698	3,536,529
<b>Net Cash Used in Investing Activities</b>		<b>11,065,288</b>	<b>(11,614,043)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>129,041,361</b>	<b>(26,806)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	19	<b>21,767,662</b>	<b>21,794,468</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	19	<b>150,809,023</b>	<b>21,767,662</b>

The accounting policies and notes on pages 07 through 20 form an integral part of these Financial Statements.

# Notes To The Financial Statements

Year ended 31 December 2020

## 1. INFORMATION OF THE CLUB

### 1.1 General

Colombo Swimming Club is a Club incorporated and domiciled in Sri Lanka. The registered office and the principal place of activities are situated at “Storm Lodge”, No.148, Galle Road, Colombo 03.

### 1.2 Principal Activities and Nature of Operations

The objective of the Club is providing sporting and social amenities for its members. During the year, the principal activity of the Club is engaging in providing recreational activities which are Sports Facilities, Food and Beverage Facilities, Room Facilities for its members.

### 1.3 Date of Authorization for issue

The Financial Statements of Colombo Swimming Club for the year ended 31 December 2020 were authorized for issue by the Management Committee on 19 February 2021.

## 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The Statement of Financial Position, Income and Expenditure Statement, Statement of Changes in Accumulated Funds and Cash Flow Statement, together with accounting policies and notes (“Financial Statements”) of the Club as at 31 December 2020 and for the year then ended, have been prepared on a historical cost basis and are presented in Sri Lanka Rupees

#### 2.1.1 Statement of Compliance

The Financial Statements of the Club have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities (hereafter “SLFRS for SMEs”) as issued by the Institute of Chartered Accountants of Sri Lanka.

#### 2.1.2 Going Concern

The Management Committee have made an assessment of the Club’s ability to continue as a going concern and they do not intend either to liquidate or to cease the Club.

### 2.2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted by the Club are unless otherwise stated is consistent with those used in the previous year.

# Notes To The Financial Statements

Year ended 31 December 2020

## 2.3 COMPARATIVE INFORMATION

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.4.1 Taxation

#### (a) Current taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date

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 relevant tax legislations.

#### (b) Deferred Taxation

Deferred income tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

# Notes To The Financial Statements

Year ended 31 December 2020

## 2.4.2 Inventories

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

The cost incurred in bringing inventories to its present location and conditions are accounted for using the actual cost on weighted average cost basis.

## 2.4.3 Trade and Other Receivables

Trade receivables are stated at the amounts they are estimated to realize net of allowances for bad and doubtful receivables. 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 Income and Expenditure Statement.

## 2.4.4 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 changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

## 2.4.5 Property, Plant and Equipment

Property, plant and equipment is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria are met.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income and Expenditure Statement in the year the asset is derecognized.

Depreciation is calculated on the straight line method. 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 de-recognized. The principal annual rates used by the Club are as follows.

Buildings	2.5%
Sports Complex Building	2.5%
Electrical Fittings	20%
Furniture & Fittings	10%
Computer Equipment	20%
Sports Equipment	20%

# Notes To The Financial Statements

Year ended 31 December 2020

## 2.4.6 Provisions

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

## 2.4.7 Impairment of Non-Financial Assets

At each reporting date, property, plant and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset or group of related assets is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in Income and Expenditure Statement.

If an impairment loss for a non-financial asset other than goodwill subsequently reverses, the carrying amount of the asset or group of assets is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset or group of assets in prior years. A reversal of an impairment losses is recognized immediately in Income and Expenditure Statement.

## 2.4.8 Retirement Benefit Obligations

### a) Defined Benefit Plan – Gratuity

Club is liable to pay gratuity in terms of the Payment of Gratuity Act No. 12 of 1983. In order to meet this liability a provision is carried at the rate of one half of the basic wage or salary applicable for the last month of the financial year, for each year of completed service.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

The liability is not externally funded nor actuarially valued. The item is grouped under Non –Current Liabilities in the statement of financial position.

### b) 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. The Club contributes the define percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively which are externally funded.

# Notes To The Financial Statements

Year ended 31 December 2020

## 2.4.9 Income and Expenditure Statement

### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Club and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. Revenue and Other income is recognized on an accrual basis except for surcharge income which is recognized upon receipt.

Fees and subscription payment that to future periods are shown in the statement of financial position as subscription received in advance under current liabilities.

## 2.5 USE OF JUDGEMENT AND ESTIMATES

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

# Notes To The Financial Statements

Year ended 31 December 2020

3. MEMBERS' SUBSCRIPTION	2020 Rs.	2019 Rs.
Members Subscription	62,292,570	53,236,517
Temporary Member Fee	285,648	268,523
	<b>62,578,218</b>	<b>53,505,041</b>
4. OTHER INCOME	2020 Rs.	2019 Rs.
Guest Fees	3,050,722	5,591,265
Income from 31st December Dinner Dance	-	4,856,713
Sponsorship Income	479,199	1,224,812
Hall/Area Charges	2,778	14,336
Cover Charges	4,659,111	4,659,111
Surcharge Income	8,497,882	12,704,151
Laundry Income	55,164	166,138
Aquafit Income	117,000	258,600
Flyer Income	27,778	175,833
Marquee Charges-Income	-	4,261
Other Income	396,686	682,874
Parking Charges-Income		117,044
Rental Fee Income	1,452,000	1,331,000
Ticket Sales	-	524,005
Tickets Sales - Kiddies XMas Party	9,259	274,074
Other Sundry Receipts	12,214	127,620
	<b>16,521,636</b>	<b>32,711,837</b>
5. SURPLUS/(DEFICIT) ON BAR	2020 Rs.	2019 Rs.
Revenue	35,542,124	57,632,795
Other Income	128,759	116,826
<b>Total Income</b>	<b>35,670,883</b>	<b>57,749,621</b>
Direct Cost	(20,636,589)	(32,541,167)
Personnel Cost	(8,667,041)	(9,399,108)
Overheads	(4,367,626)	(7,443,336)
<b>Total Expenses</b>	<b>(33,671,257)</b>	<b>(49,383,611)</b>
<b>Surplus</b>	<b>1,999,626</b>	<b>8,366,010</b>

# Notes To The Financial Statements

Year ended 31 December 2020

6. SURPLUS/(DEFICIT) ON CATERING	2020 Rs.	2019 Rs.
Revenue	52,557,952	84,246,359
Other Income	16,502	54,453
<b>Total Income</b>	<b>52,574,455</b>	<b>84,300,812</b>
Direct Cost	(26,837,024)	(35,815,730)
Personnel Cost	(30,521,075)	(33,149,949)
Overheads	(10,431,388)	(14,080,313)
<b>Total Expenses</b>	<b>(67,789,487)</b>	<b>(83,045,992)</b>
<b>Deficit</b>	<b>(15,215,033)</b>	<b>1,254,820</b>
7. SURPLUS/(DEFICIT) ON HIRE OF ROOMS	2020 Rs.	2019 Rs.
Hire Income	10,635,830	28,752,078
Sundry Income Rooms	4,630	-
<b>Total Income</b>	<b>10,640,459</b>	<b>28,752,078</b>
Direct Cost	(226,078)	(1,785,220)
Personnel Cost	(2,187,480)	(2,379,682)
Overheads	(3,250,554)	(7,866,712)
<b>Total Expenses</b>	<b>(5,664,112)</b>	<b>(12,031,614)</b>
<b>Surplus</b>	<b>4,976,347</b>	<b>16,720,465</b>
8. SURPLUS/(DEFICIT) ON SPORT SERVICES	2020 Rs.	2019 Rs.
Service Income	6,777,344	15,576,315
Other Income	12,037	72,331
<b>Total Income</b>	<b>6,789,381</b>	<b>15,648,646</b>
Personnel Cost	(2,760,444)	(2,900,072)
Overheads	(4,453,694)	(6,922,816)
<b>Total Expenses</b>	<b>(7,214,138)</b>	<b>(9,822,888)</b>
<b>Surplus/(Deficit)</b>	<b>(424,757)</b>	<b>5,825,758</b>
9. SURPLUS/(DEFICIT) ON LIBRARY SERVICES	2020 Rs.	2019 Rs.
Subscription Income	525,000	998,742
Other Income	24,168	109,580
<b>Total Income</b>	<b>549,168</b>	<b>1,108,322</b>
Personnel Cost	(576,740)	(599,333)
Overheads	(319,496)	(680,629)
<b>Total Expenses</b>	<b>(896,237)</b>	<b>(1,279,962)</b>
<b>Surplus/(Deficit)</b>	<b>(347,069)</b>	<b>(171,641)</b>

# Notes To The Financial Statements

Year ended 31 December 2020

10. SURPLUS/(DEFICIT) ON SUNDOWNER	2020 Rs.	2019 Rs.
Revenue	3,103,542	13,783,282
Other Income	81,019	197,255
<b>Total Income</b>	<b>3,184,561</b>	<b>13,980,537</b>
Direct Cost	(1,489,123)	(5,222,860)
Personnel Cost	(2,034,245)	(2,420,061)
Overheads	(1,601,630)	(3,944,025)
<b>Total Expenses</b>	<b>(5,124,998)</b>	<b>(11,586,946)</b>
<b>Surplus</b>	<b>(1,940,437)</b>	<b>2,393,592</b>

11. SURPLUS/(DEFICIT) ON PASTRY	2020 Rs.	2019 Rs.
Revenue	6,118,598	12,672,774
<b>Total Income</b>	<b>6,118,598</b>	<b>12,672,774</b>
Direct Cost	(2,965,269)	(5,229,911)
Personnel Cost	(2,851,144)	(3,271,078)
Overheads	(1,579,934)	(2,425,756)
<b>Total Expenses</b>	<b>(7,396,346)</b>	<b>(10,926,745)</b>
<b>Surplus / (Deficit)</b>	<b>(1,277,748)</b>	<b>1,746,028</b>

12. SURPLUS/(DEFICIT) ON BUSINESS MEETING ROOM	2020 Rs.	2019 Rs.
Revenue	741,667	1,247,376
Other Income	4,699	27,069
<b>Total Income</b>	<b>746,365</b>	<b>1,274,445</b>
Direct Cost	(444,789)	(522,949)
Personal Cost	(683,418)	(385,380)
<b>Total Expenses</b>	<b>(1,128,207)</b>	<b>(908,329)</b>
<b>Surplus / (Deficit)</b>	<b>(381,841)</b>	<b>366,117</b>

# Notes To The Financial Statements

Year ended 31 December 2020

## 13. PROPERTY, PLANT AND EQUIPMENT

13.1 Gross Carrying Amounts	Balance	Additions	Dispos als/	Balance
	As at 01.01.2020	Transfers/	Transfers	As at 31.12.2020
	Rs.	Rs.	Rs.	Rs.
Land	1,235,773,772	-	-	1,235,773,772
Buildings	409,329,795	-	-	409,329,795
Sports Complex	64,127,804	-	-	64,127,804
Furniture and Fittings	41,028,909	18,319	-	41,047,228
Electrical and Fittings	73,856,382	1,948,174	(268,934)	75,535,621
Computer Equipment	6,786,381	626,780	(469,008)	6,944,154
Sports Equipment	18,901,636	28,800	-	18,930,436
<b>Total Depreciable Assets</b>	<b>1,849,804,680</b>	<b>2,622,072</b>	<b>(737,942)</b>	<b>1,851,688,810</b>
<b>In the course of construction</b>				
Buildings	-	1,225,338	-	1,225,338
	-	1,225,338	-	1,225,338
<b>Total Gross Carrying Amount</b>	<b>1,849,804,680</b>	<b>3,847,410</b>	<b>(737,942)</b>	<b>1,852,914,148</b>
13.2 Depreciation	Balance	Charge for	Disposals/	Balance
	As at 01.01.2020	the year	Transfers	As at 31.12.2020
	Rs.	Rs.	Rs.	Rs.
Buildings	39,943,963	10,261,281	-	50,205,244
Sports Complex	11,730,659	1,607,587	-	13,338,247
Furniture and Fittings	21,733,517	3,510,416	-	25,243,933
Electrical and Fittings	50,642,104	9,340,076	(231,015)	59,751,166
Computer Equipment	4,127,207	1,039,980	(325,378)	4,841,809
Sports Equipment	16,651,241	1,725,689	-	18,376,930
<b>Total Depreciable Assets</b>	<b>144,828,691</b>	<b>27,485,031</b>	<b>(556,393)</b>	<b>171,757,329</b>
13.3 Net Book Value			2020	2019
			Rs.	Rs.
Land			1,235,773,772	1,235,773,772
Buildings			359,124,551	369,385,832
Sports Complex			50,789,557	52,397,144
Furniture and Fittings			15,803,295	19,295,393
Electrical and Fittings			15,784,455	23,214,277
Computer Equipment			2,102,345	2,659,175
Sports Equipment			553,506	2,250,395
<b>Total Carrying Amount of Property and Equipment</b>			<b>1,679,931,481</b>	<b>1,704,975,989</b>
<b>In the course of construction</b>				
Buildings			1,225,338	
<b>Total Carrying Amount of Property and Equipment</b>			<b>1,681,156,819</b>	<b>1,704,975,989</b>

# Notes To The Financial Statements

## Year ended 31 December 2020

- 13.4** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.3,847,410/- (2019 - Rs.11,020,701/-) for the cash consideration.
- 13.5** Property, Plant and Equipment include fully depreciated assets having a gross carrying amounts of Rs 61,260,528/- (2019-Rs. 40,824.022/-)
- 13.6** Revaluation Reserve amounting to Rs. 1,477,030,844/- related to Land and Buildings has been re-classified to Accumulated Fund in the year 2012 during the transition to SLFRS for SMEs.

In the year 2018 the revaluation reserve amounting to Rs. 201,318,833/- is realized due to the Land acquisition by RDA.

# Notes To The Financial Statements

Year ended 31 December 2020

14. INTANGIBLE ASSETS	2020	2019
	Rs.	Rs.
<b>Cost</b>		
Cost as at the Beginning of the Year	7,301,409	3,012,700
Additions and Improvements	-	4,288,709
Adjustment done on opening balance	-	-
Cost as at the End of the Year	7,301,409	7,301,409
<b>Amortisation &amp; Impairment</b>		
Amortisation as at the Beginning of the Year	3,439,880	2,685,789
Charge for the Year	964,403	754,091
Accumulated Amortisation as at the End of the Year	4,404,283	3,439,880
Net Book Value as at the End of the Year	<b>2,897,126</b>	<b>3,861,529</b>

- 14.1** Intangible assets stated above consist of Computer Software, Web, Online Reservation System and Time & Attendance System together with related costs. It is amortised over its estimated life of five years using the straight line method.

15. INVENTORIES	2020	2019
	Rs.	Rs.
Bar	3,852,674	6,130,784
Catering	1,365,652	1,972,473
Stationery	248,836	264,915
Hardware and Electrical	444,938	452,165
Consumable and Other	381,802	355,649
	<b>6,293,903</b>	<b>9,175,985</b>

16. TRADE AND OTHER RECEIVABLES	2020	2019
	Rs.	Rs.
Members' Due	38,413,095	56,909,609
Less: Provision for Impairment of Trade Debtors	(2,594,998)	(1,635,879)
Provision for Surcharge	(3,263,535)	(9,093,259)
	32,554,562	46,180,471
Other Receivables	5,645,440	2,381,475
Land Compensation Receivable A/C	-	328,025,000
	<b>38,200,001</b>	<b>376,586,946</b>

# Notes To The Financial Statements

Year ended 31 December 2020

<b>17. DEPOSITS, PREPAYMENTS &amp; ADVANCES</b>		
	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Refundable Deposits	2,626,195	1,072,956
Prepayments	1,209,922	1,079,450
Advances	11,979,982	7,047,812
	<b>15,816,100</b>	<b>9,200,218</b>
<b>18. INVESTMENTS</b>		
	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Fixed Deposits	209,004,023	47,573,188
	<b>209,004,023</b>	<b>47,573,188</b>
<b>19. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT</b>		
<b>Components of Cash and Cash Equivalents</b>	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>19.1 Favorable Cash and Cash Equivalent Balances</b>		
Cash and Bank Balances	150,809,023	28,163,705
	<b>150,809,023</b>	<b>28,163,705</b>
<b>19.2 Unfavorable Cash and Cash Equivalent Balances</b>		
Bank Overdraft	-	(6,396,043)
	-	(6,396,043)
<b>Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement</b>	<b>150,809,023</b>	<b>21,767,662</b>
<b>20. EMPLOYEE BENEFIT LIABILITY</b>		
	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Employee Benefits Obligation - Gratuity</b>		
Balance as at 01 January	13,953,000	11,411,847
Charge/(Reverse) for the Year	2,803,475	3,419,526
Benefits Paid	(3,320,003)	(878,374)
Balance as at 31 December	<b>13,436,473</b>	<b>13,953,000</b>
<b>21. TRADE AND OTHER PAYABLES</b>		
	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Trade Payables - Others	9,547,140	9,869,676
Other Payables	3,742,226	5,022,318
Sundry Creditors Including Accrued Expenses	72,275,585	75,043,290
Room Income in Advance	1,098,203	4,488,953
	<b>86,663,154</b>	<b>94,424,237</b>

# Notes To The Financial Statements

Year ended 31 December 2020

22. FINANCE INCOME	2020 Rs.	2019 Rs.
Interest Income on Fixed Deposits	12,919,826	3,074,613
Interest on Savings Accounts	1,992,872	461,916
	<b>14,912,698</b>	<b>3,536,529</b>

23. FINANCE COST	2020 Rs.	2019 Rs.
Interest Expense on Bank Overdraft	(6,775)	9,689
	<b>(6,775)</b>	<b>9,689</b>

24. INCOME TAX	2020 Rs.	2019 Rs.
The major components of income tax expense for the year are as follows :		
<b>Current Income Tax</b>		
Current Income Tax charge	1,305,517	3,249,495
Under/(Over) Provision of Current Taxes in respect of Prior Years	(745,776)	-
Deferred Taxation (reversal) /Charge (Note 24.2)	(1,897,832)	4,372,195
<b>Income Tax Expense Reported in the Income and Expenditure Statement</b>	<b>(1,338,091)</b>	<b>7,621,690</b>

24.1 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :

	2020 Rs.	2019 Rs.
Net Annual Value (01.01.2020 - 31.12.2020)	-	-
Rental Income	1,452,000	1,331,000
Interest Income - Fixed Deposits	7,873,120	2,879,211
Business Income	-	19,000,470
Taxable Income	9,325,120	23,210,681
	-	-
Income Tax @ 14%	1,305,517	3,249,495
Current Income Tax Expense	<b>1,305,517</b>	<b>3,249,495</b>

# Notes To The Financial Statements

Year ended 31 December 2020

## 24. INCOME TAX (Contd...)

### 24.2 Deferred Tax Assets, Liabilities and Income Tax Relates to the Followings

	Statement of Financial Position		Income Statement	
	2020 Rs.	2019 Rs.	2020 Rs.	2019 Rs.
<b>Deferred Tax Liability</b>				
Surplus on Land Revaluation	135,484,463	135,484,463	-	-
Capital Allowances for tax purposes	28,232,490	30,202,636	(1,970,146)	4,727,955.97
<b>Deferred Tax Assets</b>				
Defined Benefit Plans	(1,881,106)	(1,953,420)	72,314	(355,761.39)
<b>Deferred Tax Expense /(Revenue)</b>			<b>(1,897,832)</b>	<b>4,372,195</b>
<b>Deferred Tax (Assets) /Liabilities (Net)</b>	<b>161,835,847</b>	<b>163,733,679</b>		

24.3 The Inland Revenue Act No.24 of 2017 is effective from 1st April 2018 and the gain on the realization of land is taxed at the rate at which the business profit will be liable for tax.

## 25. COMMITMENTS AND CONTINGENCIES

### 25.1 Capital Commitments

25.1.1 The Club does not have significant contingent commitments as at the reporting date.

### 25.2 Contingencies

25.2.1 The Club does not have significant contingent liabilities as at the reporting date.

## 26. ASSETS PLEDGED

The Club has not pledged any assets against liabilities as at the reporting date.

## 27. GUARANTEES

The Club has no guarantees as at the reporting date.

# Notes To The Financial Statements

Year ended 31 December 2020

28. SERVICE CHARGE	2020	2019
	Rs.	Rs.
Laundry Income A/C	55,164	166,138
Bar	35,643,764	57,700,730
catering	52,557,952	84,246,359
Hire income	10,640,459	28,752,078
Catering Sales Sundowner	2,905,348	12,755,797
Bar Sales Sundowner	62,813	511,370
Corkage-Sundowner	162,500	565,006
Sales Pastry	3,492,903	7,515,485
Catering Sales Coffee shop	1,599,006	3,410,365
Beverage Sales Coffee shop	1,026,689	1,746,924
Business center Income	4,699	27,069
	<b>108,151,298</b>	<b>197,397,321</b>
<b>Service Charge 10%</b>	<b>10,815,130</b>	<b>19,739,732</b>

## 29. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE COMPANY

The Committee members are identified as the key management personal of the club.

Key Management Personnel Interest	2020	2019
	Rs.	Rs.
Sales or Service	-	11,730
	-	<b>11,730</b>

Other than that there have no transactions with entities that are controlled or significantly influenced by key management personnel or their close members of family.

## 30. EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

## 31. LITIGATIONS

The Club does not have pending litigations as at the reporting date.

# Notes To The Financial Statements

Year ended 31 December 2020

## 32. IMPACT ON COVID 19

Good food, excellent service, a warm and friendly atmosphere have defined the Colombo Swimming Club throughout its long history and continues to do so to this day.

In the context of the above and in the midst of the COVID -19 global pandemic, it is the ultimate priority of the Committee Members of the Club to take all precautions available to ensure a safe and hygienic environment for all stakeholders of the Colombo Swimming Club. Therefore, with the objective of mitigating the COVID-19 threat, the COVID – 19 safety protocols have been established & that is being followed with no exceptions.

CSC will continue to monitor the impact of the pandemic on the Club and its operations and will take measures proactively in order to ensure that the operations of the business take place as smoothly as possible.

# Detailed Income Statements

Year ended 31 December 2020

STATEMENT I	2020 Rs.	2019 Rs.
<b>Administrative Expenses</b>		
Staff cost	46,664,314	51,244,117
Upkeep and Maintenance Expenses	3,516,907	2,973,750
Depreciation	16,875,220	17,389,008
Amortization of Intangible Assets	964,403	-
Electricity	6,376,055	4,396,418
Security Charges	4,486,931	4,745,189
Insurance	807,869	708,269
Printing and Stationery	571,038	1,288,089
Tourist Development Levy	1,963,512	3,447,749
Postage	365,260	529,850
Rates	942,480	942,480
Credit Card Commission	3,056,465	4,830,298
Bank Charges	398,840	539,288
License	330,212	4,000,779
Water	809,191	1,092,995
Function Expenses	815,748	6,921,359
Auditors Remuneration	456,665	446,336
Legal And Professional Charges	1,520,740	2,043,367
Advertising	616,790	652,105
Laundry	227,289	1,009,588
Sundry	94,041	207,907
Transport	374,903	410,761
Telephone	532,866	1,083,329
Website Hosting Charge & Wi Max	929,894	1,111,907
Bad Debt	2,142,306	1,368,182
Staff Quarters Expenses	11,266	324,786
Parking Expense	-	120,000
Repair & Maintenance - General	4,102,431	5,438,475
Computer Repair & Maintenance - General	1,271,295	1,308,461
Tax Penalty	-	120,724
31st Night Expenses	-	5,135,105
Telephone Repair & Maintenance Charges	207,478	156,400
Loss On Fixed Asset Disposal	162,058	348,803
Esc Write Off	-	-
Sport Instructure Expense	73,440	203,520
SSC Pool fee-Expense	-	-
IPG Set up & Maintenance	30,000	30,000
Printing & Stationary - Housekeeping	11,778	20,099
Laundry and Housekeeping	87,676	138,272
Other Purchases - Housekeeping	1,050,838	1,060,659

Repair & Maintenance-Housekeeping	47,653	-
Printing & stationary-Works	73,462	-
Function-valentine	14,250	-
Commission-Travel agent	1,827	-
Delivery Charges	65,360	-
	<b>103,050,748</b>	<b>127,788,462</b>