



TIMELESS CHARM

ANNUAL REPORT 2022

Colombo Swimming Club

Annual Report 2022

www.colomboswimmingclub.org



Our Family. Our Heritage

The year 2022 was a year of uncertainty and change, and we at the Colombo Swimming Club had to navigate this period with great commitment, strength and unity.

As the year concluded we are proud that we were able to overcome the challenges posed and endure adversity and finish the year very strongly.

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President's Report

Dear Members,

It is with great pleasure that I bring to you my report for the financial year 2022 and present my final report as the President of your club. It has been my privilege and honour to have served both on the committee and as your president.

I took over as President in the midst of the pandemic, which was an unprecedented event in our lifetime, and its resultant impact on the club presented many serious challenges. I was hoping that the year 2022 would be less demanding. However, it was not meant to be, and we had to face enormous challenges which neither we, nor the country as a whole, had any prior experience in tackling. I will not dwell too much on all the issues we faced, since these were also some of the same issues that you and I faced as normal citizens. What I will focus on is reporting to you how these challenges were met and overcome. Here, I must emphasize the unstinted support of my fellow committee members and our staff members, and TOGETHER, I believe that we not only tackled the challenges head on, but we also managed to elevate the club to an even higher level in the past year. At the end of last year, we had to sadly say goodbye to Gyan Amerasinghe, who stepped down due to other commitments. During the course of the term we also had to say goodbye to Harikesha Wijesekera who stepped down due to his work commitments, which required him to permanently move overseas. We thank Harikesha for his services both as F&B Member previously, and thereafter, as General Secretary.

As the F&B Member, he played a huge role in restructuring our F&B operations, and thereafter, as General Secretary, he was instrumental in formulating and standardizing the salary policies and structure. This year we will also say good-bye to Jehan Rajapaksa as the Immediate Past President. I thank him for his long years of service to the club and for his unstinting support to myself and the committee.

Last year we welcomed Amar Raj Singh onto the committee, but with the mid-term resignations of Gyan Amerasinghe and Harikesha Wijesekera, the following positional changes to place.

- Food & Beverage Member Sanjeev Jayasinghe moved to the position of General Secretary.
- Assistant Food & Beverage Member Amalee Perera moved to the Position of Food & Beverage Member.
- House & Works Member Amar Raj Singh moved to the position of Assistant Food & Beverage Member.
- Malik Wickramanayake was invited onto the committee to take on the role of House & Works Member.
- Jit Warnakulasooriya and Suren de Silva remained in their previous roles of Entertainment Member and Club Captain, respectively.



As I mentioned earlier, the economic crisis, particularly the period from February to around August, was an extremely testing period for the club. There were shortages in most food & beverage items, and cooking gas was in extremely short and restricted supply. Prices were skyrocketing, room sales were almost nonexistent, staff were having difficulties in coming to work and patronage was dropping due to the fuel shortages etc. Despite this nightmare scenario, I am proud to say that the club was not forced to close nor restrict its services, and for this I must commend each and every member of the committee, and senior executives of the club who went beyond the call of duty to make sure that the clubs' operations ran unhindered. Be it using personal contacts to obtain and collect gas tanks, or getting access to limited supplies and so on, everyone put their shoulder to the wheel even though the situation was dire around their own homes, workplaces and families.

In and through these disruptions we also managed to undertake much needed repairs, renovations and replacements. Some of this was work that would naturally have been carried out the previous year, but was shelved/postponed due to the difficulties faced during the covid period. Sometimes one might get the impression that the club is a permanent building site, but that is due to the nature of the beast. The age, state and the location of the building and equipment means that there is a heavy load of work that is constantly needing to be done. The proximity to the sea and the age of the building contribute heavily to the need for regular replacements, repairs and maintenance. During the course of the year we were able to make some significant improvements to the look and feel of the club. We were forced to make changes to the café area in order to cater to the solar installations. The elevation of the roof due to this allowed us a mezzanine space that we converted to an area for teenagers.

This was an age group that was sadly lacking a “hangout space”, where they could use it for their entertainment, relaxation and even study purposes. This area has proved hugely popular and there is heavy demand for it from teenagers – albeit some not so in their teenage years also appear to enjoy using the facility. The look and feel of the café also changed and has provided members with a larger and more comfortable space for use, especially during the day.

We were finally able to commission the solar power project on 7th March 2023. This project had to endure long delays due to a multitude of factors including approval delays, dollar shortages, and issues related to revised pricing etc. The implementation of the solar project will no doubt help mitigate the massive increase in electricity prices, although the revenue earned may only cover about 25% of our total electricity outlay at present.

As their “home away from home”, our members use the club as one of their primary places for dining. The figures speak for themselves too – with a vast majority of the food orders, both in volume and revenue being from dining as opposed to snacks or bites. This speaks volumes for what our membership is asking from us as the committee – to provide a comfortable, safe, elegant ambience with good quality food and service for the whole family to enjoy.

Like last year we as a committee focused a lot of our attention on the dining experience. I am thankful to Sanjeev Jayasinghe, Amalee Perera and Amar Raj Singh for largely delivering on this. They have made a lot of effort to improve the quality and offerings at the club. You would have also noticed that there are lots of new offerings being introduced regularly. We had the services of a specialized Indian cook who managed to give a huge lift to our Indian cuisine, and also train some of our staff to make the now firm favorites like the Biryani and the butter chicken. There are also the daily specials which continue to be very popular, in addition to our Hopper Nights on Wednesdays and Sundays, Holiday Brunch, cocktails at the Sundowner, all of which continue to be extremely popular. We have taken steps to improve our specialty coffee experience with the addition of equipment and training a team of our staff as baristas. We also focus on improving the service levels at the club – this has been a constant challenge due to staff turnover, extent of the premises, lack of training etc. We have restructured the way the service staff handle the service and believe that we have made some improvements. However, I assure you that this is an area that needs constant monitoring and improvement. The team is also constantly on the alert to keep control of costs and reduce waste. For this I am thankful to Amar Raj Singh who has brought in his hands on experience in running Pizza Hut, to help us with monitoring costs, reducing waste and a multitude of technical expertise.

You would have noticed that we have launched a new menu. As is the tradition of the club, the menu remains very large and varied. I would hazard to guess that the CSC has the most extensive menu among the clubs of the country and probably one of the largest menus of any hospitality establishment in the country. While this has its costs in terms of efficiency and service, it is something members have come to expect from their

home away from home. I would also like to take a moment to explain the rationale behind our new menu concept. We have noticed over the years that with most dishes, members would have their personal preferences for sides, and some do not consume the side at all. This meant either that an additional preferred side is ordered which either has an impact on food costing affecting the club's overall food cost, or the member being charged additionally for the extra side ordered, in addition to the member being charged as per menu which includes the side cost even though he/she doesn't consume it at all. Therefore, we concluded that we will offer all dishes without the sides and provide the member with the option of only paying for what the member wishes to consume. This way the cost element built into the dish price has been removed and charged separately. While this has caused some questions in the minds of members, I believe that the concept of paying for what you want to eat and do eat is preferable to paying for something you do not desire. This way we are also able to better manage the food costs.

In terms of activities for the year, we conducted a very successful Members' Night, Lighting of the Christmas tree and Carols, New Year's Eve Dinner, in addition to quiz nights, sit down dining experiences, Valentine's Day dinners etc. Each of these events was well patronized and enjoyed by the members – with New Year's Eve in particular being sold out almost two weeks in advance.

In the sports arena we were able to replace most of the equipment which was in need of replacement and upgrading. The gym area was given a whole new look and feel and is looking fabulous. The badminton court flooring and lighting was also redone. Many thanks to Suren de Silva for leading this initiative. We successfully concluded the sports gala too and many thanks to Suren and the sports complex team for this.

The library had major structural, waterproofing and roofing issues which were attended to. While the idea of a library is nice and I personally feel is a facility which needs to remain, the drastic drop in usage by members means the space allocated to it may have to be relooked at. The building itself needs further work for use by members, and the incoming committee will have to decide on the allocation of space of this building for the library and other purposes.

During the course of the year we had some changes in key personnel. Our General Manager Palaka Perera left at the end of his contract to pursue his career elsewhere. As a replacement we hired Lalin Adhikari and additionally, Andrew Milhisen as the Resident Manager. The rationale was that the GM would focus on the operational aspects of the club while the Resident Manager would fulfil the very important aspect of member relations, service delivery and rooms. This has worked well in our opinion, although we saw the exit of the GM in November. At this point we evaluated our options and decided to promote internally. We therefore promoted Namal Perera, who has managed our Finance Department for nearly 10 years, to the Head of Operations of the club. We promoted Chamila Perera, who has also been with us for a long period, as the Head of Finance. We also decided to hire a dedicated manager for Sales & Marketing of our rooms, Hasnika Weerakoon. This has proved to be a wise decision and we have performed wonderfully well in our room sales.

This year we have been able to see a small net profit from our operations, which is nevertheless significant because it is after a considerable period. This was due to the exceptional performance of room sales in the first two months and last four months of the year. This has been largely due to the focused sales campaigns among our membership and reciprocal clubs, as well as the improvement in the quality of the rooms. I must add that the room sales figures are despite us drastically reducing the room rates from those of the previous years. While we have managed to reduce direct input costs percentages from 61% the previous year, to around 53% this year, the overall F&B operation has resulted in losses due increases in salaries, and overhead costs due to hikes in electricity charges and gas etc. However, this year we have managed to reduce those losses by approx. Rs.2m from the previous year.

Our revenue from subscriptions has increased by approx. Rs. 1.56m as we did not increase subs in the last year. In the new financial year, we have increased subs by 15% to mitigate the huge increases in the admin costs of last year. While the club has one of the lowest subscription charges relative to most comparative clubs and the infrastructure it provides, we have been reluctant to make massive increases in subscriptions. Entrance fees also increased by approx. Rs.2.5 and here again there was no significant increase in the number of new members we have taken as compared to the previous year. Although there has been a huge increase in the number of applications for membership, we have been reluctant to increase the membership by large numbers so as not to put undue pressure on the facilities and infrastructure available. This has resulted in a long waiting list for new membership. I recommend the future committee to follow a prudent policy in terms of the number of new members as a loosening of this control will make it unsustainable and take away from the service experience of the existing members.

Other income has increased by Rs.12.74m largely due to the revenue generated from ticket sales, surcharges and the reversal of provisions for bad debt.

Finance income is Rs.54m as against the previous year's Rs.251m. However, the previous year's finance income included Rs.228m in funds received from the RDA. In the last financial year we have managed to renew all maturing FDs at rates much higher due to the attractive interest rates on offer.

The club ended the year with a profit before tax of Rs.20m. However due to a differed tax liability of Rs.177.27m being charged to the income statement, we are showing a loss after tax of Rs.138.80m. Our actual income tax liability for the year is Rs.4.44m while we have received a tax benefit from IRD of Rs.22.83, which I will explain further below.

The deferred tax liability is charged to the income statement as per accounting standards and is due to the change in income tax rates from 14% to 30%, and its resultant impact on the revaluation reserve on account of our land. This is merely a book entry and will become relevant only if the land is ever disposed of. At the present time it does not reflect on the operational activity of the club in the last year.

In 2018 the auditors included a charge of Rs.36m on account of tax on the compensation received from the RDA. Although the committee at the time made representations to the contrary, the auditors held firm in their view that this tax had to be charged. In early 2022 we engaged a firm of tax consultants to provide us with ongoing tax advice. On examination of our books and past records they informed us that the compensation was not chargeable for income tax as it could be treated as capital gain during the period of which the land was physically and legally acquired by the government, and during such period capital gains was not chargeable for tax. Further, that income tax has to be paid on interest on an accrual basis which could be considered as an income in year of assessment 2018/19, instead of 2021/22. We therefore authorized them to pursue this matter on our behalf with the IRD by amending the income tax returns for the period in question, to draft the necessary appeals, prepare the documentation, make the representations and consultations. The IRD finally accepted the position as canvassed by our tax consultants and gave us a benefit on the overprovision of taxes on past profits amounting to Rs.22.83m.

The balance sheet reflects a fall in the total equity, which is a direct result of the differed tax liability charge of Rs.177.27m.. Our total assets have seen an increase of Rs.56m. In our current assets our inventories have increased to Rs.49.72m. Let me explain why this is so. At the beginning of the year, the committee decided that we will accumulate stocks of imported food and especially beverage items, and purchase whenever stocks became available with suppliers. This has proved us well in two ways. We have managed to keep our average costs of the stock in hand lower despite the ever-increasing prices. Plus, we were hardly ever out of any stock items, especially in imported beverages. I believe members have appreciated this decision and the "proof is in the eating" (and drinking if I may add) – a much better F&B performance than anticipated given the country situation, and with inflation adjusted figures, as comparable to some of our best years in the past 10 years.

Members' dues have gone up due to the higher F&B revenues and the downturn in the economy, resulting in delayed payments with a longer payment cycle than before. Short term investments and cash equivalents of Rs.154m have been utilized for expenses for the year including approx. Rs.135m for capex. These expenses fall under different categories;

- 1.Carried forward building expenses from approvals and projects from previous year Rs.12.99m
- 2.Expenses for projects approved at previous AGMs Rs.38.67m
- 3.Equipment replacements Rs.39.19m
- 4.Construction related repairs & replacement costs Rs.35.65m.
- 5.Expenditure items approved by the General Committee Rs.9.15m (16 projects each not exceeding Rs.1m)

These have all been done within the capex expenditure guidelines of the constitution.

I would like to further state here that this has been the practice for capex expenditure of the club in the last 10 years at the very least, and there has been no divergence whatsoever from the laid down rules and past practices.

It is also with immense pride that I mention here that our members collectivity contributed approx. Rs.9.6m for the staff welfare bonus in December. From this Rs.500k has been allocated to the staff welfare fund while the balance was distributed equally among 83 staff members who had served for a period of one year in the minimum as has been the past practice. I am sure the staff hugely appreciated the generosity of our members, especially during these tough economic times.

Looking to the future there are some matters that the membership and the management committee's going forward will need to address. One matter is car parking for guests. After the last AGM we relaxed the carparking rule and allowed for guest parking up to 3pm on weekdays. However, there is a constant request for further relaxation. I would not recommend any further relaxation as we only have approx. 65 car parking slots and our statistics show that on an average evening, we have about 60 members present, with far more on 3 to 4 days of the week. Any relaxation therefore leaves the very real possibility that some members will not have parking on busy evenings, and at that point blaming the security or management for the lack thereof would be unfair.

Another is the increasing problem of retaining staff. The problem will become acute going forward with the resuscitation of the local tourism industry coupled with the vast amounts of hospitality staff going overseas for jobs. This has implications for the facilities we provide, our salary scales and administration costs.

I conclude with my acknowledgment of the tremendous support I have got from each member of my team. To each of my fellow committee members, I am very thankful and appreciative of the time and effort each one has expended. My thanks go to; Pam Pieris for her wise counsel, constant encouragement and support; to Harikesha Wijesekera for all the work he did during his stint as the General Secretary of the club and for the enormous amount of time and effort he has spent in carrying out that task. Like I said last year as well, it is a thankless job and I truly value his contribution. I am sorry that he was not able to complete his term due to his work commitments; to Sanjeev Jayasinghe for all the work he has done in the F&B area. I am also thankful that he has assisted in the House & Works area of the club – an area that he previously served for over eight years. I think we will all agree that without his hands-on monitoring, most of the past club development projects including the kitchen development, swimming pool construction, room refurbishment etc. would not have been done. I am also thankful that he agreed to step into the role of General Secretary when Harikesha stepped down; to Amalee for doing such an excellent job in the F&B area and being largely responsible for a lot of the improvement that has taken place in that very important aspect of club life; to Jit Warnakulasuriya for all the coordination, ideas and effort behind the scenes to make the entertainment events happen; to Suren de Silva for overlooking the sports facilities and services,

and readily taking on the task of organizing sports related events whenever called upon to do so; to Amar Raj Singh for the input, guidance and monitoring he has done in various aspects of the club operations; to Jehan Rajapakse the immediate past President for his assistance whenever called upon; and last but not least, our latest addition Malik Wickramanayake, who has in the few months he has been in the position, done such an excellent job in the House & Works area.

On behalf of the Committee, I also take this opportunity to profusely thank our staff for their dedicated service and commitment to the Club and its continued progress, especially during the extremely challenging times last year. My thanks to our Resident Manager Andrew for his courteous, friendly and customary politeness in dealing with our members and overlooking the service aspect of the club, our Head of Operations Namal Perera, who has stepped up to his new role very well and showing the leadership and dedication needed in a job such as this; our Executive Chef Priyadarshana and his team for their continued efforts to keep improving and improvising our ever-widening menu to meet the discerning tastes of our members; our F&B Manager Ruwan Hapuarachchi for his hands-on approach, ability to liaise with the members and managing his team very well; our Head of Finance Chamila Perera and his team, for their years of silent but efficient work behind the scenes, and Chamila for stepping up to take on his new role, our Sales and Marketing Manager Hasnika Weerakoon for all his contributions and the excellent performance of our room sales; our Executive Housekeeper Suranga and his team for maintaining the high standards expected of them and leading a team which has excelled in its area; our HR Executive Dimaya for her coordination of the employee related matters; our Member Relations Executive Madushika for her excellent handling of membership related matters; the front office staff led by Hasheli for their dedicated service at the front of house and with inhouse guest related matters; and the gym staff for their valued contributions.

I am also thankful to all our contactors, suppliers, service providers, including our security service and consultants. Without their support and labor we would not have been able to carry out any of our duties.

Last but certainly not least, all this would not be possible without you, the members. The club is now looking and feeling like one of the finest clubs in this part of the world. But a club is nothing without its members. The club has become what the members wished it to be – an elegant, stylish home away from home while retaining its timeless charm. I wish the members and the incoming committee all the very best and continued success.



Yours sincerely,

Kishan Karunaratne
President
Colombo Swimming Club



Committee Members



Kishan Karunaratne
President



Pamela Peiris
Vice President



Sanjeev Jayasinghe
General Secretary



Amalee Perera
Food & Beverage Member



Amar Raj Singh
Asst. Food & Beverage Member



Malik Wickramanayake
House & Works Member



Suren De Silva
Club Captain



Jit Warnakulasuriya
Entertainment Member



Jehan Rajapakse
Immediate Past President

Management Team



Andrew Milhuisen
Resident Manager



Namal Perera
Head of Operations



M.P.C.K. Priyadarshana
Executive Chef



Ruwan Hapuaratchchi
F&B Manager



Chamila Perera
Manager Finance



Suranga Ranaweera
Executive Housekeeper



Hasnika Weerakoon
Sales & Marketing Manager



Luwanjan Kaluaarachchi
Chief Engineer



Year at a *Glance*...



Member's Night





- *ROCKLAND DRY GIN
BOTTLE 109.00
HALF BOTTLE 375ML \$450
- *ROCKLAND WHITE RUM
BOTTLE 10.900
HALF BOTTLE 375ML \$450
- *KEROFF VODKA
BOTTLE 10.900
HALF BOTTLE 375ML \$450
- *PELICA ISLAND COLA 415
- *PELICA ISLAND SODA 415
- *PELICA ISLAND TONIC 415

Christmas Cake Mixing





A large, decorated Christmas tree stands in a hallway with a black and white checkered floor. The tree is covered in red ornaments, white lights, and red bows. A red star sits atop the tree. In the background, an arched doorway leads to another room where a person is visible. A blue banner with white text is overlaid on the bottom half of the image.

Lighting of The Christmas Tree





31st Night





Financial Statements

Independent Auditor's Report



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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 2022, 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 2022 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/-)

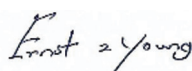
Independent Auditor's Report

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.

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.



10th March 2023
Colombo

Statement Of Financial Position

Year ended 31 December 2022

ASSETS	Note	2022 Rs.	2021 Rs.
Non-Current Assets			
Property, Plant and Equipment	10	1,813,420,479	1,705,440,457
Intangible Asset	11	6,444,024	8,714,237
		1,819,864,503	1,714,154,695
Current Assets			
Inventories	12	49,718,933	9,489,292
Members' due and Other Receivables	13	91,041,313	60,255,416
Deposits, Prepayments and Advances	14	61,212,802	28,508,968
Short Term Investments	18	265,144,616	346,003,282
Cash and Cash Equivalents	16	118,488,615	191,121,006
		585,606,280	635,377,964
Total Assets		2,405,470,783	2,349,532,659
FUNDS AND LIABILITIES			
Members' Funds			
Accumulated Fund		1,796,734,667	1,935,559,844
Total Equity		1,796,734,667	1,935,559,844
Non Current Liabilities			
Employee Benefit Liability	17	15,130,700	12,895,301
Deferred Tax Liability	21	347,714,139	170,445,472
		362,844,838	183,340,773
Current Liabilities			
Trade and Other Payables	18	110,602,571	105,147,631
Members Refundable Deposits		107,854,088	101,482,087
Bank Overdraft	16	22,992,558	-
Income Tax Payable		4,442,060	24,022,920
		245,891,277	230,652,638
Total Equity and Liabilities		2,405,470,783	2,349,532,659



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.

3/10/2023

Colombo

Income And Expenditure Statement

Year ended 31 December 2022

	Note	202 Rs.	20 Rs.
Revenue			
Members' Subscription	3	64,495,192	62,929,851
Entrance Fees		24,202,512	21,694,445
Other Income	4	29,160,587	16,419,177
Finance Income	19	54,801,057	251,682,886
		172,659,347	352,726,359
Net Profit/(Loss) on Operations			
Food and Beverages	5	(18,095,334)	(20,127,365)
Hire of Rooms	6	16,762,151	252,388
Sports	7	2,726,810	1,463,921
Library	8	-	(584,418)
Business Center	9	370,433	(794,784)
		1,764,061	(19,790,259)
Expenditure			
Administrative Expenses		(154,347,937)	(107,772,315)
Finance Cost	20	(1,500)	(750)
Excess of Income over Expenditure Before Taxation		20,073,971	225,163,035
Income Tax Expense	21	(158,878,552)	(36,096,430)
Deficit of Income over Expenditure for the Year		(138,804,581)	189,066,606

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

Statement Of Changes In Accumulated Fund

Year ended 31 December 2022

	Note	Accumulated Fund Rs.	Total Rs.
As at 31 December 2020		1,746,472,642	1,746,472,642
Excess of Income over Expenditure for the Year		189,066,606	189,066,606
As at 31 December 2021		1,935,539,248	1,935,539,248
Excess of Income over Expenditure for the Year		(138,804,581)	(138,804,581)
As at 31 December 2022		1,796,734,667	1,796,734,667

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 2022

	Note	2022 Rs.	2021 Rs.
Cash Flow From Operating Activities			
Excess/(Deficit) of Income over Expenditure Before Income Tax Expense		20,073,971	225,163,035
Adjustments for			
Depreciation and Amortisation	10,11	29,690,118	25,264,020
Provision for Defined Benefit Plans	17	3,650,964	1,550,208
Finance Income	19	(54,801,057)	(251,682,886)
Finance Costs	20	1,500	750
Disposal Loss of Property, Plant and Equipment		-	21,521
Operating Income Before Working Capital Changes		(1,384,504)	316,648
(Increase)/ Decrease in Inventories		(40,229,641)	(3,195,389)
(Increase)/ Decrease in Member's due and Other Receivables		(30,785,897)	(22,055,415)
(Increase)/ Decrease in Short Term Investments		80,858,666	(136,999,259)
(Increase)/ Decrease in Deposits, Prepayments and Advances		(32,703,834)	(12,692,868)
Increase/ (Decrease) in Trade and Other Payables		5,454,940	18,484,477
Increase/ (Decrease) in Members Refundable Deposits		6,372,001	5,502,818
Cash Generated From Operating Activities		(12,418,270)	(150,638,988)
Interest Paid	20	(1,500)	(750)
Defined Benefit Plan Costs Paid	17	(1,415,565)	(2,091,380)
ESC and Income Tax Paid		(1,170,151)	(3,253,496)
Net Cash From Operating Activities		(15,005,486)	(155,984,614)
Cash Flow From/(Used) Investing Activities			
Acquisition of Property, Plant and Equipment	10	(135,241,925)	(47,574,294)
Acquisition of Intangible Assets		(158,000)	(7,825,885)
Proceeds from Sale of Property, Plant & Equipment		-	13,888
Interest Received	19	54,801,057	251,682,886
Net Cash Used in Investing Activities		(80,598,869)	196,296,595
Net Increase in Cash and Cash Equivalents		(95,604,354)	40,311,983
Cash and Cash Equivalents at the Beginning of the Year	16	191,121,006	150,809,023
Cash and Cash Equivalents at the End of the Year	16	95,516,653	191,121,006

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 2022

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 2022 were authorized for issue by the Management Committee on 10 March 2023.

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 2022 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 s 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 operation.

Due to the significant uncertainty arising from the COVID-19 pandemic, the management committee evaluated the resilience of its business considering a wide range of factors, relating to expected revenue streams, cost management, profitability management of capital expenditure, debt repayment, cash reserves and sources of financing facilities, to be able to continue business under current global economic conditions.

Having presented the outlook and after due consideration of the range and likelihood of outcomes, the management committee satisfied that the Company, has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting theses financial statements.

Notes To The Financial Statements

Year ended 31 December 2022

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.

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 2022

2.4.2 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 the estimated cost necessary to make the sale.

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%
Electrical Fittings	20%
Furniture & Fittings	10%
Computer Equipment	20%
Sports Equipment	20%

Notes To The Financial Statements

Year ended 31 December 2022

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 2022

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 liability

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 2022

3. MEMBERS' SUBSCRIPTION	2022 Rs.	2021 Rs.
Members Subscription	64,232,556	62,809,944
Temporary Member Fee	262,637	119,907
	64,495,192	62,929,851

4. OTHER INCOME	2022 Rs.	2021 Rs.
Guest Fees	3,706,886	2,300,243
Sponsorship Income	35,000	13,889
Hall/Area Charges	-	3,241
Cover Charges	-	1,663,041
Surcharge Income	11,018,113	6,446,050
Laundry Income	325,924	10,432
Reversal of Provision for bad debts	2,600,414	-
Other Income	1,594,185	1,358,919
Parking Charges-Income	16,955	11,574
Rental Fee Income	1,950,000	1,481,000
Ticket Sales	7,913,110	3,130,788
	29,160,587	16,419,177

5. SURPLUS/(DEFICIT) ON FOOD AND BEVERAGES	2022 Rs.	2021 Rs.
Revenue	210,576,614	91,440,703
Other Income	147,209	85,216
Total Income	210,723,823	91,525,919
Direct Cost	(120,605,386)	(55,751,589)
Personnel Cost	(63,599,933)	(37,081,576)
Overheads	(44,613,838)	(18,820,119)
Total Expenses	(228,819,157)	(111,653,284)
Surplus	(18,095,334)	(20,127,365)

Notes To The Financial Statements

Year ended 31 December 2022

6. SURPLUS/(DEFICIT) ON HIRE OF ROOMS	2022 Rs.	2021 Rs.
Hire Income	28,064,268	5,936,008
Total Income	28,064,268	5,936,008
Direct Cost	(3,112,235)	(1,089,891)
Personnel Cost	(919,300)	(1,991,710)
Overheads	(7,270,582)	(2,602,019)
Total Expenses	(11,302,117)	(5,683,620)
Surplus	16,762,151	252,388

7. SURPLUS/(DEFICIT) ON SPORT SERVICES	2022 Rs.	2021 Rs.
Service Income	10,754,381	6,047,906
Total Income	10,754,381	6,047,906
Personnel Cost	(3,053,655)	(2,315,869)
Overheads	(4,973,916)	(2,268,117)
Total Expenses	(8,027,571)	(4,583,986)
Surplus/(Deficit)	2,726,810	1,463,921

8. SURPLUS/(DEFICIT) ON LIBRARY SERVICES	2022 Rs.	2021 Rs.
Subscription Income	-	-
Other Income	-	-
Total Income	-	-
Personnel Cost	-	(510,200)
Overheads	-	(74,219)
Total Expenses	-	(584,418)
Deficit	-	(584,418)

Notes To The Financial Statements

Year ended 31 December 2022

9. SURPLUS/(DEFICIT) ON BUSINESS MEETING ROOM	2022 Rs.	2021 Rs.
Revenue	739,805	369,444
Other Income	544	610
Total Income	740,349	370,054
Overheads	(369,916)	(281,368)
Personnel Cost	-	(883,470)
Total Expenses	(369,916)	(1,164,838)
Surplus / (Deficit)	370,433	(794,784)

Notes To The Financial Statements

Year ended 31 December 2022

10. PROPERTY, PLANT AND EQUIPMENT

10.1 Gross Carrying Amounts

	Balance As at 01.01.2022 Rs.	Additions Transfers/ Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2022 Rs.
Land	1,235,773,772	-	-	1,235,773,772
Buildings	512,883,007	76,801,631	-	589,684,638
Furniture and Fittings	42,648,444	4,369,379	-	47,017,822
Electrical and Fittings	80,390,318	39,188,475	-	119,578,793
Computer Equipment	9,528,271	5,905,431	-	15,433,701
Sports Equipment	18,930,436	8,977,010	-	27,907,446
Total Gross Carrying Amount	1,900,154,248	135,241,925	-	2,035,396,174

10.2 Depreciation

	Balance As at 01.01.2022 Rs.	Additions Transfers/ Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2022 Rs.
Buildings	75,379,931	12,822,075	-	88,202,006
Furniture and Fittings	28,709,422	3,504,951	-	32,214,373
Electrical and Fittings	66,144,223	9,096,041	-	75,240,264
Computer Equipment	5,802,137	1,553,174	-	7,355,311
Sports Equipment	18,678,078	285,663	-	18,963,741
Total Depreciation	194,713,791	27,261,904	-	221,975,695

10.2 Net Book Value

	2022 Rs.	2021 Rs.
Land	1,235,773,772	1,235,773,772
Buildings	501,482,632	437,503,076
Furniture and Fittings	14,803,449	13,939,022
Electrical and Fittings	44,338,529	14,246,095
Computer Equipment	8,078,390	3,726,134
Sports Equipment	8,943,705	252,358
Total Carrying Amount of Property and Equipment	1,813,420,479	1,705,440,457

10.4 During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 135,241,925/- (2021 - Rs.47,574,294/-) for the cash consideration.

10.5 Property, Plant and Equipment include fully depreciated assets having a gross carrying amounts of Rs. 90,217,696 /- (2021-Rs. 77,199,107/-)

Notes To The Financial Statements

Year ended 31 December 2022

11. INTANGIBLE ASSETS	202 Rs.	20 Rs.
Cost		
Cost as at the Beginning of the Year	15,127,294	7,301,409
Additions and Improvements	158,000	7,825,885
Adjustment done on opening balance	-	-
Cost as at the End of the Year	15,285,294	15,127,294
Amortisation & Impairment		
Amortisation as at the Beginning of the Year	6,413,057	4,404,283
Charge for the Year	2,428,213	2,008,774
Adjustment done on opening balance	-	-
Accumulated Amortisation as at the End of the Year	8,841,270	6,413,057
Net Book Value as at the End of the Year	6,444,024	8,714,237

11.1 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.

11.2 During the financial year, the Company acquired Intangible Assets to the aggregate value of Rs.158,000/- (2021 - Rs.7,825,885/-) for the cash consideration.

12. INVENTORIES	2022 Rs.	2021 Rs.
Bar	37,400,379	5,924,472
Catering	8,194,184	2,985,768
Stationery	330,171	222,341
Hardware and Electrical	2,871,969	216,792
Consumable and Other	922,230	139,919
	49,718,933	9,489,292

13. MEMBER'S DUE AND OTHER RECEIVABLES	2022 Rs.	2021 Rs.
Members' Due	96,393,279	62,052,535
Less: Provision for Impairment of Trade Debtors	(3,385,000)	(5,982,995)
Provision for Surcharge	(17,865,617)	(2,731,074)
	75,142,662	53,338,466
Other Receivables	15,898,651	6,916,950
	91,041,313	60,255,416

Notes To The Financial Statements

Year ended 31 December 2022

	2022 Rs.	2021 Rs.
Refundable Deposits	2,663,695	2,636,195
Prepayments	2,264,805	2,221,447
Advances	56,284,302	23,651,326
	61,212,802	28,508,968

INVESTMENTS	2022 Rs.	2021 Rs.
Fixed Deposits	265,144,616	346,003,282
	265,144,616	346,003,282

16. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT	2022 Rs.	2021 Rs.
Components of Cash and Cash Equivalents		
16.1 Favorable Cash and Cash Equivalent Balances		
Cash and Bank Balances	118,488,615	191,121,006
	118,488,615	191,121,006
16.2 Unfavorable Cash and Cash Equivalent Balances		
Bank Overdraft	(22,992,558)	-
	(22,992,558)	-
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	95,496,057	191,121,006

17. EMPLOYEE BENEFIT LIABILITY	2022 Rs.	2021 Rs.
Employee Benefits Obligation - Gratuity		
Balance as at 01 January	12,895,301	13,436,473
Charge for the Year	3,650,964	1,550,208
Benefits Paid	(1,415,565)	(2,091,380)
Balance as at 31 December	15,130,700	12,895,301

18. TRADE AND OTHER PAYABLES	2022 Rs.	2021 Rs.
Trade Payables	27,430,256	23,310,364
Other Payables	3,606,043	9,134,355
Sundry Creditors Including Accrued Expenses	9,137,233	8,759,908
Subscription in Advance	68,282,802	63,149,669
Room Income in Advance	2,146,237	793,335
	110,602,571	105,147,631

Notes To The Financial Statements

Year ended 31 December 2022

Staff welfare payable which comes under Other Payables, included an amount of Rs 9.1Mn, which was distributed among staff members who has worked for more than one year, as Christmas Bonus in December 2022. The contribution have been done by 1885 members of the club.

19. FINANCE INCOME	2022 Rs.	2021 Rs.
Interest Income on Fixed Deposits	46,203,832	14,843,368
Interest on Savings Accounts	8,597,225	8,257,131
Interest on Land compensation	-	228,582,387
	54,801,057	251,682,886

20. FINANCE COST	2022 Rs.	2021 Rs.
Interest Expense on Bank Overdraft	1500	750
	1500	750

21. INCOME TAX		
The major components of income tax expense for the year are as follows :	2022 Rs.	2021 Rs.
Current Income Tax		
Current Income Tax charge (Note 21.1)	4,442,060	26,554,293
Under/(Over) Provision of Taxes in respect of Prior Years	(22,832,175)	932,512
Deferred Taxation (reversal) /Charge (Note 21.2)	177,268,667	(8,609,625)
Income Tax Expense Reported in the Income and Expenditure Statement	(158,878,552)	(36,096,430)

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

	2022 Rs.	2021 Rs.
Assessable Business Income	-	160,696,343
Interest Income - Fixed Deposits	54,801,057	16,903,354
Losses transferred from Business	(36,292,472)	-
Taxable Income	18,508,584	177,599,697
Income Tax @ 24% (2021 - @ 14%)	4,442,060	26,554,293
Current Income Tax Expense	4,442,060	26,554,293

Notes To The Financial Statements

Year ended 31 December 2022

21. INCOME TAX (Contd...)

21.2 Deferred Tax Assets, Liabilities and Income Tax Relates to the Followings

	Statement of Financial Position		Income Statement	
	2022	2021	2022	2021
	Rs.	Rs.	Rs.	R
Deferred Tax Liability				
Surplus on Land Revaluation	290,323,850	135,484,463	154,839,386.6	-
Capital Allowances for tax purposes	93,481,454	36,766,351	56,715,103.0	8,533,861
Deferred Tax Assets				
Defined Benefit Plans	(4,539,210)	(1,805,342)	(2,733,867.8)	75,764
Business Loss	(25,176,770)	-	(25,176,770.0)	
Provision for Impairment	(6,375,185)	-	(6,375,185.0)	
Deferred Tax Expense /(Revenue)			177,268,667	8,609,625
Deferred Tax (Assets) /Liabilities (Net)	347,714,139	170,445,472		

21.3 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.

22. COMMITMENTS AND CONTINGENCIES

22.1 Capital Commitments

22.1.1 There are no capital commitments as at the reporting date which require disclosure in the financial statements.

22.2 Contingencies

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

24. ASSETS PLEDGED

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

25. GUARANTEES

The Club has no guarantees as at the reporting date.

Notes To The Financial Statements

Year ended 31 December 2022

SERVICE CHARGE	2022 Rs.	2021 Rs.
Laundry Income	324,808	64,090
Food and Beverages	210,027,347	91,525,919
Room income	26,390,780	5,936,008
Business center Income	488	610
	236,743,423	97,526,627
Service Charge 10%	23,674,342	9,752,663

27. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE COMPANY

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

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

28. 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.

29. LITIGATIONS

The Club does not have pending litigations as at the reporting

30. RECLASSIFICATION	2022 Rs.	Reclassification Rs.	2021 Rs.
Net profit/(loss) on operations on bar, catering, sundowner, and pastry recorded for the year 2021 has been amalgamated and reclassified as Net profit/(loss) on operations from food and beverages for better presentation purposes.			
	Previous		After Reclassification
Net Profit/(Loss) on Operations			
Bar	4,814,659	(4,814,659)	-
Catering	(21,902,813)	21,902,813	-
Sundowner	(1,178,099)	1,178,099	-
Pastry	(1,861,112)	1,861,112	-
	(20,127,365)	20,127,365	
Net Profit/(Loss) on Operations	-	(20,127,365)	(20,127,365)
Food and Beverages	-	(20,127,365)	(20,127,365)

Detailed Income Statements

Year ended 31 December 2022

STATEMENT I	2022 Rs.	2021 Rs.
Administrative Expenses		
Staff cost	63,530,863	42,839,790
Upkeep and Maintenance Expenses	1,785,358	2,776,258
Depreciation	17,214,273	15,424,764
Amortization of Intangible Assets	2,428,186	2,008,775
Electricity	7,388,503	6,668,597
Security Charges	4,082,919	3,976,007
Insurance	817,083	741,436
Printing and Stationery	1,211,488	812,661
Tourist Development Levy	4,378,328	1,413,165
Postage	131,515	348,785
Rates	942,480	942,480
Credit Card Commission	5,347,503	2,432,388
Bank Charges	610,732	357,800
License	248,932	105,953
Water	1,607,884	794,397
Function Expenses	7,182,907	7,486,836
Auditors Remuneration	451,456	373,895
Legal And Professional Charges	5,631,620	506,715
Advertising	1,278,835	552,019
Laundry Expenses	2,668,055	235,264
Linen Expense	768,774	-
Sundry Expenses	459,754	320,930
Travelling and Transport	806,596	493,360
Telephone	1,960,553	806,121
WIFI Expense	722,490	1,116,063
Bad Debt	-	3,497,171
Staff Quarters Expenses	53,900	6,800
Parking Expense	20,000	12,500
Repair & Maintenance	11,538,163	5,918,228
Computer Repair & Maintenance - General	4,956,327	2,308,929
Tax Penalty	47,675	78,209
Telephone Repair & Maintenance Charges	202,392	265,065
Loss On Fixed Asset Disposal	-	21,521
Other Purchases	3,872,395	2,129,435
	154,347,937	107,772,315