



# OUR FAMILY OUR HERITAGE



Annual Report 2019

# Colombo Swimming Club

Annual Report 2019

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

A photograph of a bedroom. In the center is a four-poster bed with a white canopy and white bedding. The bed is flanked by two bedside tables, each with a lit lamp. A ceiling fan is mounted on the ceiling. The room is lit with warm, yellow light. The text is overlaid on a semi-transparent grey rectangle at the bottom of the image.

## Our Family. Our Heritage

The year 2019 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,  
Warm greetings!

It is my pleasure to submit the Annual Report of the year 2019. It has been an incredibly challenging year for all in Colombo and the rest of the Island. The committee faced many issues from the month of April, although elaborate plans were made for the year to stage many events and functions for the members.

Thanks to my predecessor Tony and team, all construction matters were completed before my tenure. Therefore, my main emphasis was on F&B, maintenance, staff training and of course to concentrate on our major events, such as Jazz evenings and other popular annual events. After a quiet reflective couple of months, the first event we were able to host was the Quiz Night in the month of July at the Sundowner where we had 60 participants who eagerly followed the proceedings.

The prevailing rain situation in Colombo during the middle of the year did not help in planning most events.

The Member's Night was due to be held in August, but the date was constantly pushed back due to the weather situation. Finally, it was held on the 5th of October with over 500 members and guests in attendance. Jazz was the emphasis of the night; the highlight of the night was the 11-piece band called A Team led by Aruna Siriwardane. We were quite thankful to Aruna as his team who have never performed outside their usual venue. The surprise of the night was our very own staff band's performance for the first time ever in the club. All were pleasantly surprised that our staff had such musical talent. Now we have a full-on band for any gig in the club. Thanks to our Head of Finance, Namal and duty manager Ruwan for forming such a band.

The Annual Sports Gala was also effected by the prevailing situation in the country and was finally held from the 9th to 22nd September. Many members and children took part in various events, from swimming, badminton, squash, and table tennis. At the grand finale the participants and their families enjoyed the festivities with the participants been rewarded with awards.

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*The popular annual event, Lighting of the Christmas Tree which was held on the 30th of November was a bit tricky due to the persistent rain during this period. The constant rain did not stop over 450 members and guests from enjoying the music and the festivities. The ever popular Soundarie David and Voice Print were excellent, with all singing along to the carols.*

The Children's' Christmas party was held on the 14th of December, there too we had over 140 children and all had a jolly good time with Santa's presence and lots of presents.

During the festive season the Club was lit up with amazing décor and it was bustling with members and guests to taste the array of new items on the drinks and food menu.

Christmas Eve Dinner at the Sundowner had a full house with Chef Darshana's special treat, as well as the Christmas Day lunch at the restaurant with a scrumptious festive menu planned by Chef and his team.

New Year's Eve Dinner Dance this year's decision to maintain the same price on tickets as last year, without compromising on the bottles on the table, food and the entertainment resulted in the evening turning out to be a tremendous success. The demand for tickets from overseas guests and members due to this reason was evident. There were over 575 guests reveling the night to great music and a scrumptious dinner. The main band for the night was Heat and with DJ Bonny. Most guests stayed for the 4am breakfast before heading home.

Despite the severe setback faced by the Country, owing to the tragic events of Easter Sunday, the Club did manage after a period of instability to improve its revenue, especially in areas of Catering, Bar Sales and Sundowner functions.

Owing to the drastic drop in Room occupancy, we were forced to review the rates and introduce promotions to attract room guests. Revenue figures showed improvement towards the latter part of year with a slight year on year increase.

Due to good patronage by Members and Guests, revenue and contribution showed healthy improvement in the last quarter of the year.

My team has worked tirelessly to maintain the high standards at the club, my gratitude and a big thank you is extended to the following committee and staff members.

Fellow committee members for their support and dedication, Pam, Kishan, Tony, Sanjeev, Jith, Suren, Harikesha and Gayan.

GM Mr. Upul Atapattu for his untiring efforts in maintaining high standards.

Our executive chef Mr. Priyadarshana Pathirana and his team for the delicious menus...

The head of finance Mr. Namal Perera and his accounting team for maintaining management accounts and financial reports in clinical fashion.

To our F&B manager Hilary Jainudeen and his team for the weekly surprises in the menu and theme nights.

Member services/room division manager Ms. Avanthi and her team for the good work in keeping guests happy and dealing with the mini problems that arise on a day to day basis. Our chief engineer, Luwanjan and his energetic team for the maintenance, in ensuring that the club runs smoothly with minimum breakdowns or interruptions.

Executive housekeeper, Suranga and his team for up keeping the club's tidiness.

Our gym team for helping members stay fit and making sure they do so in a safe manner.

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*Finally, I am most grateful and thankful to all the members for your patronage.*

*I Hope you continue to enjoy our prestigious club with your family and friends.*

*Happy Clubbing!*



Jehan Rajapakse  
**President**





# Committee Members



## First Row - Left to Right :

Pamela Pieris (**Vice President**), Jehan Rajapakse (**President**),  
Kishan Karunaratne (**General Secretary**)

## Second Row - Left to Right :

Suren De Silva (**Club Captain**), Harikesha Wijsekera (**Food & Beverage Member**),  
Sanjeev Jayasinghe (**House & Works Member**), Gyan Amerasinghe (**Asst. Food & Beverage Member**)  
Tony De Livera (**Immediate Past President**)

Absent – Jit Warnakulasuriya (**Entertainment Member**)

# Management Team

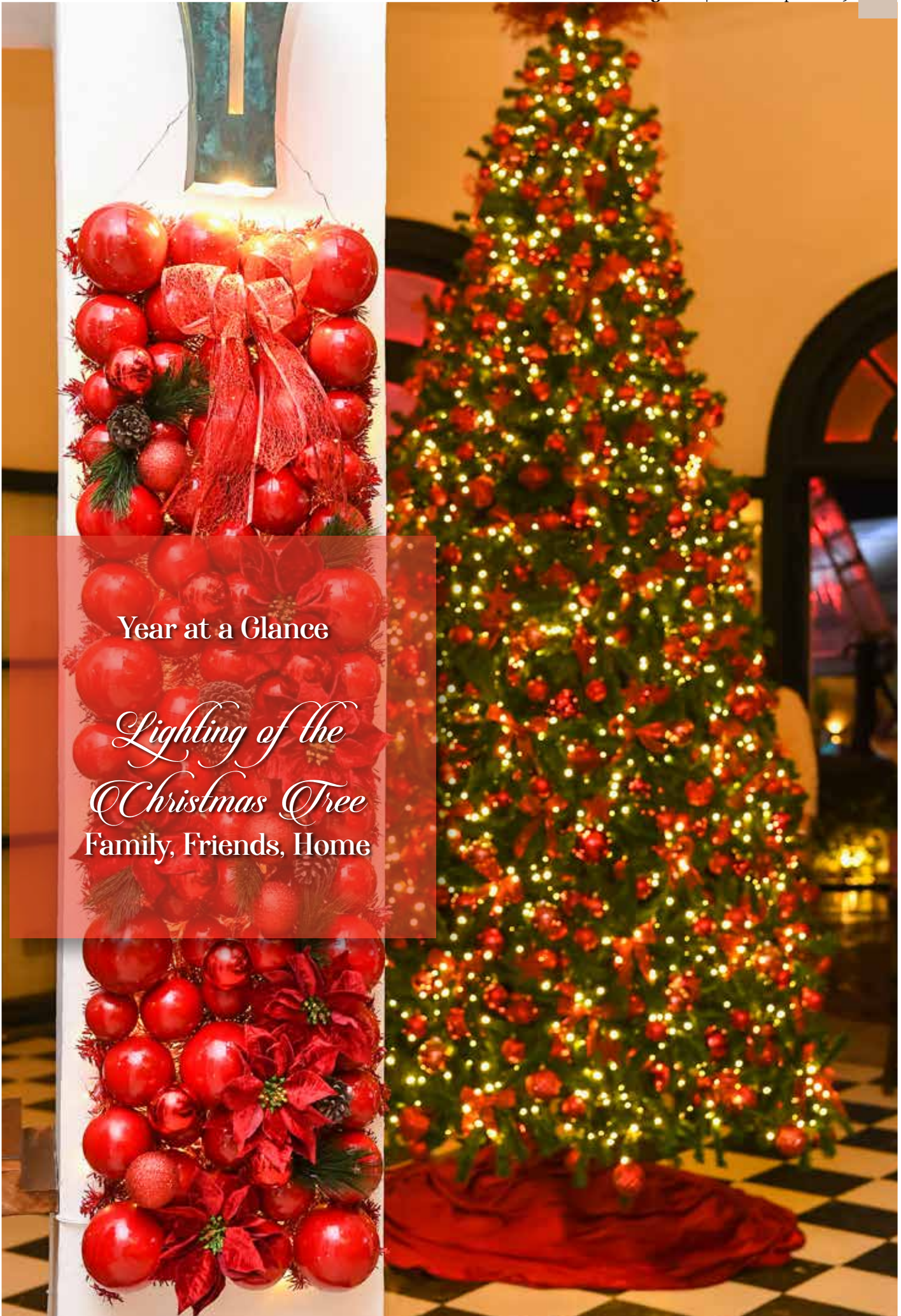


## First Row - Left to Right :

Namal Perera (**Head of Finance & IT**), Mr. Upul Attapattu (**General Manager**),  
Mr. M.P.C.K. Priyadarshana (**Executive Chef**)

## Second Row - Left to Right :

Avanthi Devapriya (**Member Services & Room Division Manager**),  
Suranga Ranaweera (**Executive Housekeeper**), Hilary Jainudeen (**Food & Beverage Manager**),  
Luwanjan Kaluaarachchi (**Chief Engineer**), Krishani Virajinie (**Manager – Sales & Marketing**)



Year at a Glance

*Lighting of the  
Christmas Tree*  
Family, Friends, Home









Year at a Glance

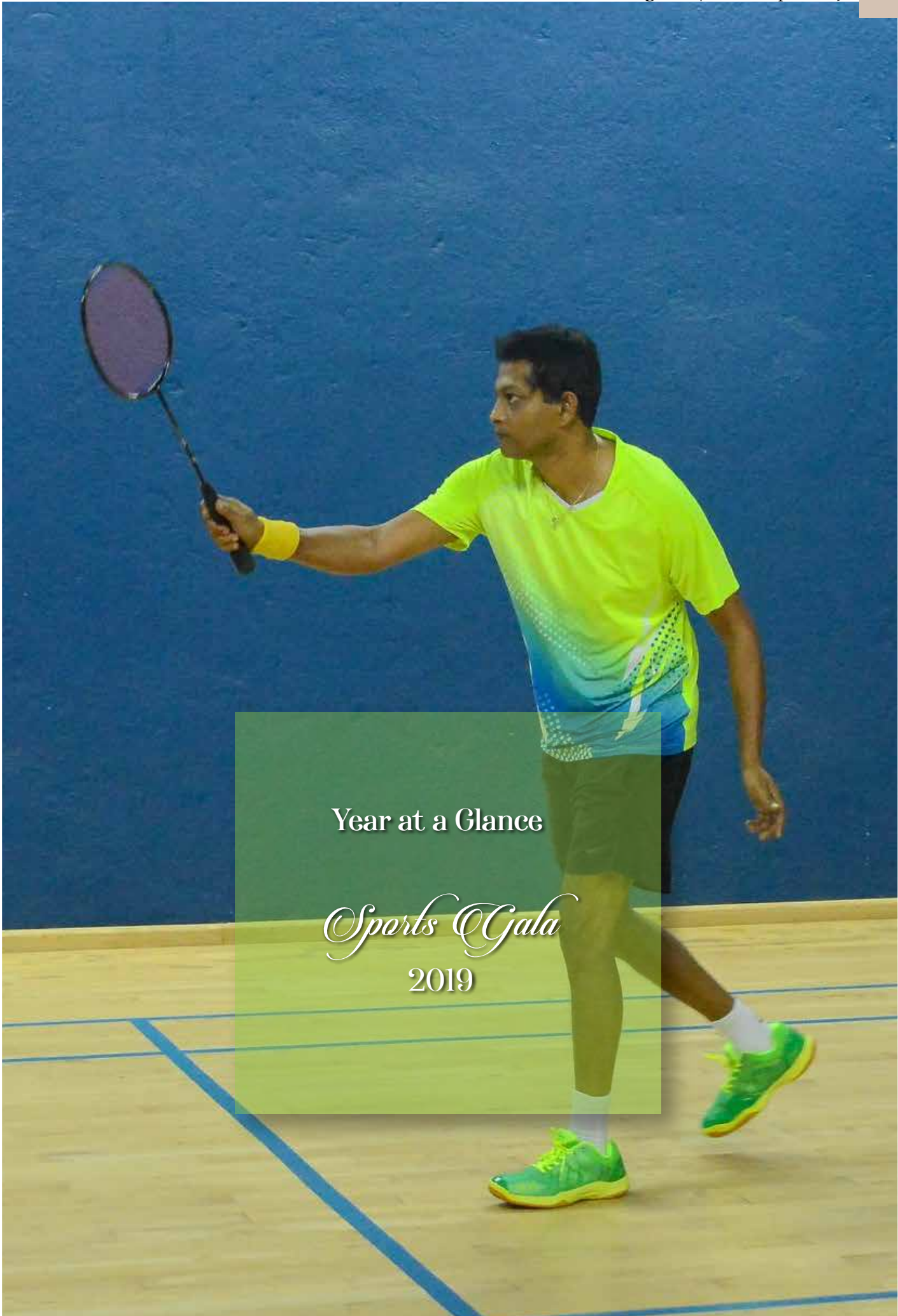
*Kiddie's  
Christmas Party*  
Reaching for the Stars











Year at a Glance

*Sports Gala*  
2019









Year at a Glance

*Swimming Gala*

2019











Year at a Glance

*Member's Night*

2019









Year at a Glance  
*31<sup>st</sup> Night*  
2019











# 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  
eysl@lk.ey.com  
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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 2019, 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 2019 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.

#### Emphasis of Matter

We draw attention to Note 16.1 in the financial statements, which describes the current status of long due compensation receivable from the Road Development Authority relating to the acquisition of the land for the extension of the Marine drive. Our opinion is not modified in respect of this matter.

#### 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.

# Independent Auditor's Report

## 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.

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.



23 April 2020  
Colombo

# Income And Expenditure Statement

As at 31 December 2019

	Note	2019 Rs.	2018 Rs.
<b>Revenue</b>			
Members' Subscription	3	53,505,041	44,740,023
Entrance Fees		26,508,339	32,054,522
Other Income	4	32,711,837	99,102,924
Finance Income	22	3,536,529	5,214,480
		116,261,746	181,111,949
<b>Net Profit/(Loss) on Operations</b>			
Bar	5	8,366,010	8,953,852
Catering	6	1,254,820	(8,235,940)
Hire of Rooms	7	16,720,465	14,025,327
Sports	8	5,825,758	1,502,052
Library	9	(171,641)	(69,850)
Sundowner	10	2,393,592	810,665
Pastry	11	1,746,028	(204,060)
Business Center	12	366,117	316,271
		36,501,148	17,098,316
<b>Expenditure</b>			
Administrative Expenses		(128,542,517)	(111,349,848)
Finance Cost	23	(9,689)	(10,761)
<b>Excess of Income over Expenditure Before Taxation</b>		24,210,688	86,849,655
Income Tax Expense	24	(7,621,690)	(38,783,070)
<b>Excess of Income over Expenditure for the Year</b>		16,588,998	48,066,585

The accounting policies and notes on pages 07 through 19 form an integral part of these Financial Statements.

# Statement Of Financial Position

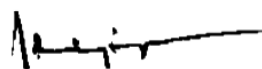
As at 31 December 2019

ASSETS	Note	2019 Rs.	2018 Rs.
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	1,704,975,989	1,723,774,746
Intangible Asset	14	3,861,529	326,911
		1,708,837,518	1,724,101,657
<b>Current Assets</b>			
Inventories	15	9,175,985	9,091,624
Members' due and Other Receivables	16	376,586,946	381,902,187
Deposits, Prepayments and Advances	17	9,200,218	6,281,739
Short Term Investments	18	47,573,188	5,453,865
Cash and Cash Equivalents	19	28,163,705	38,414,920
		470,700,042	441,144,334
<b>Total Assets</b>		2,179,537,560	2,165,245,991
<b>FUNDS AND LIABILITIES</b>			
<b>Members' Funds</b>			
Accumulated Fund		1,765,272,255	1,748,683,257
<b>Total Equity</b>		1,765,272,255	1,748,683,257
<b>Non Current Liabilities</b>			
Employee Benefit Liability	20	13,953,000	11,411,847
Deferred Tax Liability	24	163,733,679	159,361,484
		177,686,679	170,773,330
<b>Current Liabilities</b>			
Trade and Other Payables	21	94,424,237	94,990,925
Members Refundable Deposits		96,407,574	90,919,041
Income Tax Payable		39,350,772	43,258,987
Bank Overdraft	19	6,396,043	16,620,451
		236,578,626	245,789,404
<b>Total Equity and Liabilities</b>		2,179,537,560	2,165,245,991



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 19 form an integral part of these Financial Statements.

23 April 2020  
Colombo



# Statement Of Changes In Accumulated Fund

As at 31 December 2019

	Note	Accumulated Fund Rs.	Total Rs.
<b>As at 01 January 2018</b>		1,700,616,672	1,700,616,672
Excess of Income over Expenditure for the Year		48,066,585	48,066,585
<b>As at 31 December 2018</b>		1,748,683,257	1,748,683,257
Excess 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

The accounting policies and notes on pages 07 through 19 form an integral part of these Financial Statements.

# Cash Flow Statement

As at 31 December 2019

	Note	2019 Rs.	2018 Rs.
<b>Cash Flow From Operating Activities</b>			
Excess of Income over Expenditure Before Income Tax Expense		24,210,688	86,849,655
<b>Adjustments for</b>			
Depreciation	13,14	29,311,818	24,899,205
Amortization of Intangible Assets		754,091	
Provision for Defined Benefit Plans	20	3,419,526	1,762,848
Finance Income	22	(3,536,529)	(5,214,480)
Finance Costs	23	9,689	10,761
Disposal (Profit)/ Loss of Property, Plant and Equipment		348,803	(70,714,693)
<b>Operating Income Before Working Capital Changes</b>		<b>54,518,086</b>	<b>37,593,297</b>
(Increase)/ Decrease in Inventories		(84,361)	(957,976)
(Increase)/ Decrease in Trade and Other Receivables		8,212,849	(21,168,604)
(Increase)/ Decrease in Short Term Investments		(42,119,323)	82,119,067
(Increase)/ Decrease in Deposits, Prepayments and Advances		(2,918,479)	(2,085,904)
Increase/ (Decrease) in Trade and Other Payables		(7,724,398)	65,074,415
Increase/ (Decrease) in Members Refundable Deposits		5,488,533	8,725,900
<b>Cash Generated From Operating Activities</b>		<b>15,372,907</b>	<b>169,300,195</b>
Interest Paid		(9,689)	(10,761)
Defined Benefit Plan Costs Paid	20	(878,374)	(688,830)
ESC and Income Tax Paid		(2,897,609)	-
<b>Net Cash From Operating Activities</b>		<b>11,587,235</b>	<b>168,600,603</b>
<b>Cash Flow From/(Used) Investing Activities</b>			
Acquisition of Property, Plant and Equipment	13	(11,020,701)	(154,203,086)
Acquisition of Intangible Assets		(4,288,709)	-
Proceeds from Sale of Property, Plant & Equipment		158,838	59,699
Interest Received	22	3,536,529	5,214,480
<b>Net Cash Used in Investing Activities</b>		<b>(11,614,043)</b>	<b>(148,928,907)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(26,807)</b>	<b>19,671,694</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>	19	<b>21,794,468</b>	<b>2,122,774</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	19	<b>21,767,662</b>	<b>21,794,468</b>

The accounting policies and notes on pages 07 through 19 form an integral part of these Financial Statements.

# Notes To The Financial Statements

As at 31 December 2019

## 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 2019 were authorized for issue by the Management Committee on 23 April 2020.

## 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 2019 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

As at 31 December 2019

## 2.3.1 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

As at 31 December 2019

## 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 derecognized. 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

As at 31 December 2019

## 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

As at 31 December 2019

## 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

As at 31 December 2019

<b>3. MEMBERS' SUBSCRIPTION</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Members Subscription	53,236,517	44,582,371
Temporary Member Fee	268,523	157,652
	<b>53,505,041</b>	<b>44,740,023</b>
<b>4. OTHER INCOME</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Guest Fees	5,591,265	3,306,138
Income from 31st December Dinner Dance	4,856,713	4,239,778
Sponsorship Income	1,224,812	922,538
Hall/Area Charges	14,336	11,078
Cover Charges	4,659,111	4,263,581
Surcharge Income	12,704,151	11,513,568
Laundry Income	166,138	116,471
Aquafit Income	258,600	13,200
Flyer Income	175,833	149,355
Marquee Charges-Income	4,261	14,487
Other Income	682,874	517,208
Parking Charges-Income	117,044	17,043
Rental Fee Income	1,331,000	1,222,413
Ticket Sales	524,005	308,913
Yoga Income	-	2,556
SSC Pool Fee	-	311,885
Tickets Sales - Kiddies XMas Party	274,074	257,783
Other Sundry Receipts	127,620	65,763
Bad-debts Reversal	-	1,134,470
Fixed Assets Disposable Gain or Loss A/C	-	70,714,693
	<b>32,711,837</b>	<b>99,102,924</b>
<b>5. SURPLUS/(DEFICIT) ON BAR</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Revenue	57,632,795	54,130,793
Other Income	116,826	64,118
<b>Total Income</b>	<b>57,749,621</b>	<b>54,194,911</b>
Direct Cost	(32,541,167)	(31,504,757)
Personnel Cost	(9,399,108)	(8,114,012)
Overheads	(7,443,336)	(5,622,291)
<b>Total Expenses</b>	<b>(49,383,611)</b>	<b>(45,241,059)</b>
<b>Surplus/(Deficit)</b>	<b>8,366,010</b>	<b>8,953,852</b>



# Notes To The Financial Statements

As at 31 December 2019

6. SURPLUS/(DEFICIT) ON CATERING	2019	2018
	Rs.	Rs.
Revenue	84,246,359	70,338,380
Other Income	54,453	72,494
<b>Total Income</b>	<b>84,300,812</b>	<b>70,410,874</b>
Direct Cost	(35,815,730)	(37,992,006)
Personnel Cost	(33,149,949)	(27,888,759)
Overheads	(14,080,313)	(12,766,049)
<b>Total Expenses</b>	<b>(83,045,992)</b>	<b>(78,646,815)</b>
<b>Surplus/(Deficit)</b>	<b>1,254,820</b>	<b>(8,235,940)</b>
7. SURPLUS/(DEFICIT) ON HIRE OF ROOMS	2019	2018
	Rs.	Rs.
Hire Income	28,752,078	26,357,365
<b>Total Income</b>	<b>28,752,078</b>	<b>26,357,365</b>
Direct Cost	(1,785,220)	(3,147,404)
Personnel Cost	(2,379,682)	(2,507,153)
Overheads	(7,866,712)	(6,677,481)
<b>Total Expenses</b>	<b>(12,031,614)</b>	<b>(12,332,038)</b>
<b>Surplus/(De ficit)</b>	<b>16,720,465</b>	<b>14,025,327</b>
8. SURPLUS/(DEFICIT) ON SPORT SERVICES	2019	2018
	Rs.	Rs.
Service Income	15,576,315	11,494,146
Other Income	72,331	115,349
<b>Total Income</b>	<b>15,648,646</b>	<b>11,609,494</b>
Personnel Cost	(2,900,072)	(4,062,995)
Overheads	(6,922,816)	(6,114,639)
<b>Total Expenses</b>	<b>(9,822,888)</b>	<b>(10,177,634)</b>
<b>Surplus/(De ficit)</b>	<b>5,825,758</b>	<b>1,431,860</b>
9. SURPLUS/(DEFICIT) ON LIBRARY SERVICES	2019	2018
	Rs.	Rs.
Subscription Income	998,742	1,002,796
Other Income	109,580	143,171
<b>Total Income</b>	<b>1,108,322</b>	<b>1,145,967</b>
Personnel Cost	(599,333)	(552,146)
Overheads	(680,629)	(663,671)
<b>Total Expenses</b>	<b>(1,279,962)</b>	<b>(1,215,817)</b>
<b>Surplus/(De ficit)</b>	<b>(171,641)</b>	<b>(69,850)</b>

# Notes To The Financial Statements

As at 31 December 2019

10. SURPLUS/(DEFICIT) ON SUNDOWNER	2019 Rs.	2018 Rs.
Revenue	13,783,282	11,984,810
Other Income	197,255	104,156
<b>Total Income</b>	<b>13,980,537</b>	<b>12,088,966</b>
Direct Cost	(5,222,860)	(4,676,414)
Personnel Cost	(2,420,061)	(2,566,299)
Overheads	(3,944,025)	(4,035,589)
<b>Total Expenses</b>	<b>(11,586,946)</b>	<b>(11,278,301)</b>
<b>Surplus/(Deficit)</b>	<b>2,393,592</b>	<b>810,665</b>

11. SURPLUS/(DEFICIT) ON PASTRY	2019 Rs.	2018 Rs.
Revenue	12,672,774	9,723,337
<b>Total Income</b>	<b>12,672,774</b>	<b>9,723,337</b>
Direct Cost	(5,229,911)	(4,797,623)
Personnel Cost	(3,271,078)	(3,008,116)
Overheads	(2,425,756)	(2,121,658)
<b>Total Expenses</b>	<b>(10,926,745)</b>	<b>(9,927,397)</b>
<b>Surplus / (Deficit)</b>	<b>1,746,028</b>	<b>(204,060)</b>

12. SURPLUS/(DEFICIT) ON BUSINESS MEETING ROOM	2019 Rs.	2018 Rs.
Revenue	1,247,376	1,204,366
Other Income	27,069	20,162
<b>Total Income</b>	<b>1,274,445</b>	<b>1,224,527</b>
Direct Cost	(522,949)	(109,426)
Personal Cost	(385,380)	(406,029)
Overheads	-	(392,801)
<b>Total Expenses</b>	<b>(908,329)</b>	<b>(908,256)</b>
<b>Surplus / (Deficit)</b>	<b>366,117</b>	<b>316,271</b>

# Notes To The Financial Statements

As at 31 December 2019

## 13. PROPERTY, PLANT AND EQUIPMENT

13.1 Gross Carrying Amounts	Balance As at 01.01.2019 Rs.	Additions Transfers/ Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2019 Rs.
Land	1,235,773,772	-	-	1,235,773,772
Buildings	403,391,748	5,938,047	-	409,329,795
Sports Complex	64,127,804	-	-	64,127,804
Furniture and Fittings	40,537,617	491,292	-	41,028,909
Electrical and Fittings	70,433,383	3,831,484	(408,485)	73,856,382
Computer Equipment	9,362,524	854,825	(3,430,968)	6,786,381
Sports Equipment	18,683,215	218,422	-	18,901,636
<b>Total Gross Carrying Amount</b>	<b>1,842,310,063</b>	<b>11,334,070</b>	<b>(3,839,453)</b>	<b>1,849,804,680</b>

## 13. PROPERTY, PLANT AND EQUIPMENT (Contd...)

13.2 Depreciation	Balance As at 01.01.2019 Rs.	Charge for the year Rs.	Disposals/ Transfers Rs.	Balance As at 31.12.2019 Rs.
Buildings	29,661,099	10,282,864	-	39,943,963
Sports Complex	10,127,464	1,603,195	-	11,730,659
Furniture and Fittings	18,103,956	3,629,561	-	21,733,517
Electrical and Fittings	40,073,070	10,802,241	(233,207)	50,642,104
Computer Equipment	5,743,627	1,310,307	(2,926,727)	4,127,207
Sports Equipment	14,826,101	1,825,140	-	16,651,241
<b>Total Depreciation</b>	<b>118,535,317</b>	<b>29,453,308</b>	<b>(3,159,934)</b>	<b>144,828,691</b>

13.3 Net Book Value	2019 Rs.	2018 Rs.
Land	1,235,773,772	1,235,773,772
Buildings	369,385,832	373,730,649
Sports Complex	52,397,144	54,000,339
Furniture and Fittings	19,295,393	22,433,661
Electrical and Fittings	23,214,277	30,360,313
Computer Equipment	2,659,175	3,618,898
Sports Equipment	2,250,395	3,857,114
<b>Total Carrying Amount of Property and Equipment</b>	<b>1,704,975,989</b>	<b>1,723,774,746</b>

# Notes To The Financial Statements

As at 31 December 2019

- 13.4** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs.11,020,701/- (2018 - Rs.154,203,086/-) for the cash consideration.
- 13.5** Property, Plant and Equipment include fully depreciated assets having a gross carrying amounts of Rs.40,824.022/- (2018-Rs. 31,041,621/-)
- 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

As at 31 December 2019

14. INTANGIBLE ASSETS	2019	2018
	Rs.	Rs.
<b>Cost</b>		
Cost as at the Beginning of the Year	3,012,700	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	3,012,700
<b>Amortisation &amp; Impairment</b>		
Amortisation as at the Beginning of the Year	2,685,789	2,465,593
Charge for the Year	754,091	220,196
Accumulated Amortisation as at the End of the Year	3,439,880	2,685,789
Net Book Value as at the End of the Year	<b>3,861,529</b>	<b>326,911</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	2019	2018
	Rs.	Rs.
Bar	6,130,784	6,480,173
Catering	1,972,473	1,847,820
Stationery	264,915	304,144
Hardware and Electrical	452,165	75,330
Consumable and Other	355,649	384,156
	<b>9,175,985</b>	<b>9,091,624</b>

16. TRADE AND OTHER RECEIVABLES	2019	2018
	Rs.	Rs.
Members' Due	56,909,609	62,395,732
Less: Provision for Impairment of Trade Debtors	(1,635,879)	(1,900,181)
Provision for Surcharge	(9,093,259)	(12,382,690)
	46,180,471	48,112,861
Other Receivables	2,381,475	5,764,326
Land Compensation Receivable A/C (Note 13.6)	328,025,000	328,025,000
	<b>376,586,946</b>	<b>381,902,187</b>

## 16.1. Land Acquisition for the extension of the Marine Drive

Part of the land that belonged to Colombo Swimming Club has been acquired by RDA and they have agreed to pay the compensation for the land portion by BR/134/2016/CL letter dated on 18.09.2018. RDA have issued a voucher for the payment on 18.10.2018 and it has been accepted and signed by Colombo Swimming Club and the compensation value on the voucher is amounting to Rs. 328,025,000. The Club is in the process of recovering this amount from the Road Development Authority. During the year, a letter dated on 01.03.2019 has been posted to RDA requesting to settle said amount and on going conversations and discussions are between RDA and the Club to recover this amount.

# Notes To The Financial Statements

As at 31 December 2019

<b>17. DEPOSITS, PREPAYMENTS &amp; ADVANCES</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Refundable Deposits	1,072,956	1,030,056
Prepayments	1,079,450	1,367,163
Advances	7,047,812	3,884,520
	<b>9,200,218</b>	<b>6,281,739</b>
<b>18. INVESTMENTS</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Fixed Deposits	47,573,188	5,453,865
	<b>47,573,188</b>	<b>5,453,865</b>
<b>19. CASH AND CASH EQUIVALENTS IN CASH FLOW STATEMENT</b>	<b>2019</b>	<b>2018</b>
<b>Components of Cash and Cash Equivalents</b>	<b>Rs.</b>	<b>Rs.</b>
<b>19.1 Favorable Cash and Cash Equivalent Balances</b>		
Cash and Bank Balances	28,163,705	38,414,920
	28,163,705	38,414,920
<b>19.2 Unfavorable Cash and Cash Equivalent Balances</b>		
Bank Overdraft	(6,396,043)	(16,620,451)
	(6,396,043)	(16,620,451)
<b>Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement</b>	<b>21,767,662</b>	<b>21,794,468</b>
<b>20. EMPLOYEE BENEFIT LIABILITY</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Employee Benefits Obligation - Gratuity</b>		
Balance as at 01 January	11,411,847	10,337,830
Charge/(Reverse) for the Year	3,419,526	1,762,848
Benefits Paid	(878,374)	(688,830)
Balance as at 31 December	<b>13,953,000</b>	<b>11,411,847</b>
<b>21. TRADE AND OTHER PAYABLES</b>	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Trade Payables - Others	9,869,676	12,867,971
Other Payables	5,022,318	7,114,162
Sundry Creditors Including Accrued Expenses	75,043,290	69,766,846
Room Income in Advance	4,488,953	5,241,946
	<b>94,424,237</b>	<b>94,990,925</b>

# Notes To The Financial Statements

As at 31 December 2019

22. FINANCE INCOME	2019	2018
	Rs.	Rs.
Interest Income on Fixed Deposits	3,074,613	4,408,047
Interest on NTB Mega Saving A/C	461,916	806,433
	<b>3,536,529</b>	<b>5,214,480</b>

23. FINANCE COST	2019	2018
	Rs.	Rs.
Interest Expense on Bank Overdraft	9,689	10,761
	<b>9,689</b>	<b>10,761</b>

24. INCOME TAX		
	2019	2018
	Rs.	Rs.
<b>The major components of income tax expense for the year are as follows :</b>		
<b>Current Income Tax</b>		
Current Income Tax charge	3,249,495	42,866,286
Under/(Over) Provision of Current Taxes in respect of Prior Years	-	224,400
Deferred Taxation (reversal) /Charge (Note 24.2)	4,372,195	(4,307,616)
<b>Income Tax Expense Reported in the Income and Expenditure Statement</b>	<b>7,621,690</b>	<b>38,783,070</b>

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

	2019	2018
	Rs.	Rs.
Net Annual Value (01.01.2019 - 31.12.2019)	-	561,000
Rental Income	1,331,000	-
Interest Income - Fixed Deposits	2,879,211	9,332,233
Business Income	19,000,470	296,454,810
Taxable Income	23,210,681	306,348,043
Income Tax @ 10%	-	56,100
Income Tax @ 14%	3,249,495	42,810,186
<b>Current Income Tax Expense</b>	<b>3,249,495</b>	<b>42,866,286</b>

# Notes To The Financial Statements

As at 31 December 2019

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

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

	Statement of Financial Position		Income Statement	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
<b>Deferred Tax Liability</b>				
Surplus on Land Revaluation	135,484,463	135,484,463	-	-
Capital Allowances for tax purposes	30,202,636	25,474,680	4,727,956	-
<b>Deferred Tax Assets</b>				
Defined Benefit Plans	(1,953,420)	(1,597,659)	(355,761)	-
<b>Deferred Tax Expense /(Revenue)</b>			<b>4,372,195</b>	<b>(4,307,616)</b>
<b>Deferred Tax (Assets) /Liabilities (Net)</b>	<b>163,733,679</b>	<b>159,361,484</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

As at 31 December 2019

28. SERVICE CHARGE	2019	2018
	Rs.	Rs.
Laundry Income A/C	166,138	116,471
Bar	57,700,730	54,166,053
catering	84,246,359	70,338,380
Hire income	28,752,078	26,357,365
Catering Sales Sundowner	12,755,797	10,493,065
Bar Sales Sundowner	511,370	1,074,182
Corkage-Sundowner	565,006	446,421
Sales Pastry	7,515,485	5,665,192
Catering Sales Coffee shop	3,410,365	2,652,683
Beverage Sales Coffee shop	1,746,924	1,405,460
Business center Income	27,069	20,162
	<b>197,397,321</b>	<b>172,735,436</b>
<b>Service Charge 10%</b>	<b>19,739,732</b>	<b>17,273,544</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	2019	2018
	Rs.	Rs.
Sales or Service	11,730	55,131
	<b>11,730</b>	<b>55,131</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.

# Detailed Income Statements

As at 31 December 2019

STATEMENT I	2019	2018
	Rs.	Rs.
<b>Administrative Expenses</b>		
Staff cost	51,244,117	43,740,806
Upkeep and Maintenance Expenses	2,973,750	2,901,813
Depreciation	17,389,008	13,813,468
Amortization of Intangible Assets	754,091	220,223
Electricity	4,396,418	3,480,774
Security Charges	4,745,189	4,842,365
Insurance	708,269	590,701
Printing and Stationery	1,288,089	1,759,000
Tourist Development Levy	3,447,749	3,580,148
Postage	529,850	687,495
Rates	942,480	942,480
Credit Card Commission	4,830,298	4,645,108
Bank Charges	539,288	419,250
License	4,000,779	1,531,448
Water	1,092,995	1,478,069
Function Expenses	6,921,359	5,050,275
Auditors Remuneration	446,336	381,656
Legal And Professional Charges	2,043,367	3,083,898
Advertising	652,105	633,214
Laundry	1,009,588	559,811
Sundry	207,907	599,440
Transport	410,761	445,520
Telephone	1,083,329	1,036,815
Website Hosting Charge & Wi Max	1,111,907	617,178
Bad Debt	1,368,182	-
Staff Quarters Expenses	324,786	575,260
Parking Expense	120,000	20,000
Repair & Maintenance - General	5,438,475	3,869,107
Computer Repair & Maintenance - General	1,308,461	819,459
Tax Penalty	120,724	11,365
31st Night Expenses	5,135,105	4,222,484
Telephone Repair & Maintenance Charges	156,400	207,269
Loss On Fixed Asset Disposal	348,803	-
Esc Write Off	-	1,373,709
Sport Instructure Expense	203,520	10,560
SSC Pool fee-Expense	-	1,787,870
IPG Set up & Maintenance	30,000	30,000
Printing & Stationary - Housekeeping	20,099	18,312
Laundry and Housekeeping	138,272	140,954
Other Purchases - Housekeeping	1,060,659	829,046
SLTA membership fee	-	393,500
	<b>128,542,517</b>	<b>111,349,848</b>

