

## **Cricket Aid (Guarantee) Limited - 2019**

### **1. Financial Statement**

#### **1.1 Disclaimer of Opinion**

The audit of the financial statements of the Cricket Aid (Guarantee) Limited (“the Company”) for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial activities, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My Comments and observations which I consider should be report to parliament appear in this report.

I do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in paragraph 1.5 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### **1.2 Basis for Disclaimer of Opinion**

My opinion is disclaimed based on the matters described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those auditing standards are further described in the Scope of Audit section of my report.

#### **1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’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 intend 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 Company’s financial reporting process.

As per Section 16(1) of the National Audit Act No.19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

#### **1.4 Scope of Audit**

My responsibility is to conduct an audit of the Company’s financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor’s report. However, because of the matters described in the Basis for Disclaimer of opinion section, I was not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## 1.5 Audit Observations on the preparation of Financial Statements.

### 1.5.1 Documentary Evidences not made available for Audit

Audit Issue	Amount Rs.	Evidence not available	Management Comments	Recommendation
(a) Total fund raised from the Chronic Kidney Disease Fund Raising Programme in the year 2016	3,295,000	Details in respect of number of tickets printed, price of the tickets, cost of the programme and expected income from the programme, period of the programme, selection procedure of the event management company and their role, payment for event management company, number of tickets sold, items put on auctioned. etc	Documents could not be submitted due to Covid -19 Pandemic	The documents should be adequately furnished to audit in order to verify the total fund raised.
(b) Total Expenditure incurred on the Chronic Kidney Disease Fund raising Programme in the year 2016	12,443,706	Payment vouchers Invoices, bank deposit slips, schedules	Documents could not be submitted due to Covid -19 Pandemic	The documents should be adequately furnished to audit in order to verify the total expenditure incurred on programme

### 1.5.2 Accounting Deficiencies

Audit issue	Management Comment	Recommendation
Internal audit fees relating to the year 2016 and 2017 amounting to Rs.514,653 had been accounted as expenditure of the year 2019. As a result, profit of the year under review was understated by that amount.	Invoice for the internal audit fees for the years 2016 and 2017 was received after finalizing the business of the financial accounts of the respective years, hence provision could not be made and it has been accounted in the year the invoice was received.	Audit fees relating to the year 2016 and 2017 should be accounted accurately.

### 1.5.3 Internal Control Over the Preparation of Financial Statements

<b>Audit issue</b>	<b>Management Comment</b>	<b>Recommendation</b>
<p>The Executive committee of Sri Lanka Cricket dated 28 January 2020 noted the recommendations made by Ministry of Sport and Youth Affairs and granted approval to discontinue operation of the Cricket Aid (Guarantee) Ltd, when that decision is made company had existed total assets amounting to Rs.5,014,680 and total liabilities amounting to Rs.710,689. Although, all liabilities had been settled on 30 December 2022, bank balance amounting to Rs.89,850 had not transferred to the Sri Lanka cricket up to now. As well as, even after more than two years have passed since the operations of the cricket aid (Guarantee) Ltd were ceased; the liquidation process has not been completed up to now.</p>	<p>A balance was retained to meet any incidental expenses arising in the liquidation process such as fees/charges if any payable to Registrar of Companies etc. However, a cheque has been raised to transfer the balance amount of Rs.89,850 to the account of Sri Lanka Cricket</p>	<p>Should be taken follow the liquidation process.</p>

## 2. Financial Review

### 2.1 Financial Results

The operating result of the year under review amounted to a surplus of Rs. 1,496,213 and the corresponding surplus in the preceding year amounted to Rs 546,017 Therefore, an improvement amounting to Rs.950,197 of the financial result was observed. The reason for the improvement was increase the revenue by Rs. 4,250,000 and expenditure by Rs.3, 299,803