

National Association of Fencing - 2015

The audit of financial statements of the National Association of Fencing for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of comprehensive income and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 9 of the Sports (Amendment) Act, No. 47 of 1993. In carrying out this audit, I was assisted by a Firm of Chartered Accountants in public practice. My comments and observations on the above financial statements appear in this report.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SMEs) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 -1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the National Association of Fencing as at 31 December 2015 and its financial performance and cash

flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities(SLFRS for SMEs).

2.2 Comments on Financial Statements

The statement of changes in equity/ net assets had not been submitted along with the financial statements for the year under review.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operation of the National Association of Fencing for the year ended 31 December 2015 had resulted in a surplus of Rs. 85,652 as compared with the corresponding surplus of Rs. 209,965 for the preceding year, thus indicating a deterioration of Rs. 124,313 in the financial results. The decrease of total income by Rs.192,289 as against the decrease in total expenditure by Rs.67,976 was the main reason attributed for this deterioration in the financial results.