

**AUDITORS' REPORT TO THE MEMBERS OF
S. THOMAS COLLEGE GURUTALAWA OLD BOYS ASSOCIATION**

We have examined the Balance Sheet and Income and Expenditure Account with the books and records maintained by S. Thomas College - Gurutalawa Old Boys Association and have obtained all explanations that we require.

(a) Though the Association is liable for income tax under Section 90(1) of the Inland Revenue Act No. 28 of 1979, they are not registered for tax. Further, a computation for taxation had not been prepared by the Association.

In our opinion, except for the adjustment or disclosure that may be required in the Financial Statement due to the matter referred to in paragraph (a) above, the Balance Sheet as at 31st December 2002 and the statements of Income & Expenditure for the year then ended, exhibit a true and fair view of the state of affairs of the Association, according to the best of our information and explanations given to us and shown by the books of the Association.

SJMS ASSOCIATES
Chartered Accountants.
Colombo

27th January, 2003

**S. THOMAS COLLEGE GURUTALAWA
OLD BOYS ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**

1. ACCOUNTING POLICIES

1.1 The Balance Sheet and related statements of Income and Expenditure of S. Thomas College - Gurutalawa Old Boy's Association have been prepared in conformity with the Generally Accepted Accounting Principles on a historical cost basis.

1.2 The accounting principles have been applied consistently and revenue and costs have been accrued and recorded in the Financial Statements of the period to which they relate.