

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 2020 comprising the statement of financial position as at 31 December 2020 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.

Because of the significance of the matters described in paragraph 1.5 of this report I do not express an opinion on the accompanying financial statements of the Company. 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	3,925,000	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 and total expenditure incurred on programme.
(b) Total Expenditure incurred on the Programme	12,443,706			

1.5.2 Going Concern of the Company

Audit issue

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. As at 30 December 2022 all liabilities have been settled. Liabilities amounting Rs. 248,000 had been incurred after the decision to stop the operation has been settled by Sri Lanka Cricket on 01 August 2023. A bank balance amounting to Rs.4,389,850 was existed as at 31 March 2022 and only Rs. 4,300,000 had transferred to the Sri Lanka Cricket bank account at the end of the year 2022. Remain bank balance amounting to Rs.89,850 had transferred to Sri Lanka Cricket bank account on 24 January 2023. 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.

Management Comment

It was acknowledged that transactions have been made on the dates mentioned in the observation. Although the company ceased operations two years ago, there is no possibility of liquidation due to lack of audited financial statements until 2021 as requested by the Registrar of Companies.

Recommendation

Action should be taken to follow the liquidation process.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a deficit of Rs. 248,500 and the corresponding surplus in the preceding year amounted to Rs 1,496,213. Therefore, a deterioration amounting to Rs. 1,744,713 of the financial result was observed. According to the recommendations given by the Ministry of Sports and Youth Affairs, on January 28, 2020, the Executive Committee of the Sri Lanka Cricket Institute decided to suspend the company's operations and non-collection of revenue during the year under review was the main reason for this deterioration.