

Our Ref : 1997 / A817 / SB / VB

FINANCIAL STATEMENTS OF

WELWORTH LANKA (PVT) LTD

FOR THE YEAR ENDED

31ST MARCH 2019

Kreston MNS & Co
Chartered Accountants

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
WELWORTH LANKA (PVT) LTD****Report on the Audit of the Financial Statements****Opinion**

We have audited the Financial Statements of Welworth Lanka (Pvt) Ltd ('the Company') which comprise the Statement of Financial Position as at 31st March 2019, and the Statement of Comprehensive Income, 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 exhibited on pages 4 to 15.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2019, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard applicable to Small and Medium - sized Entities.

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 Company in accordance with the ethical requirements of the Code of Ethics issued by Chartered Accountants of Sri Lanka that are relevant to our audit of the Financial Statements 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.

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 Standard applicable to Small and Medium – sized Entities 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, 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 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 Company's financial reporting process.

**Kreston MNS & Co**
Chartered Accountants

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Partners

Ms. Y Shirani de Silva FCA, FCMA ; Ms. Sivaselvi Balachandran FCA, FCMA ; S Rajanathan FCA, FCMA (UK) ; N K Atukorala FCA, ACMA

Ms. H D S C A Tillekeratne FCA, ACMA ; K I Skandadasan B.Sc. (Madras), FCA, ACMA ; R L R Balasingham FCA, ACMA ; N K G V Bandara B.Sc.(Acc) Sp, ACA, ACMA

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 Sri Lanka Auditing Standards 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 Sri Lanka Auditing Standards, 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 Company'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 Company'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 Company 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.



Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.
 - the Financial Statements of the Company comply with the requirements of section 151 of the Companies Act No. 07 of 2007.

Kreston MNS & Co
CHARTERED ACCOUNTANTS
COLOMBO
20TH APRIL 2019
SB/VB/bn
SB-Welworth Lanka (2019)-C9



STATEMENT OF FINANCIAL POSITION AS AT

		31.03.2019 Rs.	31.03.2018 Rs.
ASSETS	Note		
Non Current Assets			
Property, Plant & Equipment	4	1,032,020.94	1,138,586.06
		<u>1,032,020.94</u>	<u>1,138,586.06</u>
Current Assets			
Inventories - Land	5	124,790,688.65	124,790,688.65
Work in Progress	6	84,140,367.00	82,250,062.00
Amount due from Related Company	7	397,437.25	
Other Receivables	8	5,604,124.00	5,604,124.00
Cash and Cash Equivalents	10	196,028.73	24,492,689.51
		<u>215,128,645.63</u>	<u>237,137,564.16</u>
Total Assets		<u>216,160,666.57</u>	<u>238,276,150.22</u>
EQUITY & LIABILITIES			
Equity			
Stated Capital	11	355,850,000.00	355,850,000.00
Retained Profit		<u>(141,556,001.61)</u>	<u>(118,470,569.83)</u>
		<u>214,293,998.39</u>	<u>237,379,430.17</u>
Current Liabilities			
Amounts due to Related Company	12	789,183.08	382,678.73
Other Payables	13	1,077,485.10	514,041.32
		<u>1,866,668.18</u>	<u>896,720.05</u>
Total Equity & Liabilities		<u>216,160,666.57</u>	<u>238,276,150.22</u>

The Accounting Policies and the Notes on pages 7 to 15 form an Integral part of these Financial Statements.

I certify that the above Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Mr. A.P.

Finance Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by

Mr. R.P.

1.

Directors

Mr. A.P.
2.

Date : 20th April 2019



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED

		31.03.2019 Rs.	31.03.2018 Rs.
	Note		
Operating Income		-	-
Administrative Expenses		(23,085,431.78)	(16,058,567.57)
Operating Profit / (Loss) before Tax	14	(23,085,431.78)	(16,058,567.57)
Tax Expense	15	-	-
Profit / (Loss) after Tax		(23,085,431.78)	(16,058,567.57)
Other comprehensive income		-	-
		-	-
Total comprehensive income for the year		(23,085,431.78)	(16,058,567.57)

The Accounting Policies and the Notes on pages 7 to 15 form an Integral part of these Financial Statements.



STATEMENT OF CHANGES IN EQUITY

	Stated Capital Rs.	Retained Profit Rs.	Total Rs.
Balance as at 31st March 2017	289,840,000.00	(102,412,002.26)	187,427,997.74
Shared Issued during the year	66,010,000.00	-	66,010,000.00
Profit / (Loss) for the year	-	(16,058,567.57)	(16,058,567.57)
Balance as at 31st March 2018	355,850,000.00	(118,470,569.83)	237,379,430.17
Profit / (Loss) for the year	-	(23,085,431.78)	(23,085,431.78)
Balance as at 31st March 2019	355,850,000.00	(141,556,001.61)	214,293,998.39

The Accounting Policies and the Notes on pages 7 to 15 form an Integral part of these Financial Statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

		31.03.2019 Rs.	31.03.2018 Rs.
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before Tax		(23,085,431.78)	(16,058,567.57)
Adjustments:			
Depreciation	4	106,565.12	106,565.12
Operating Profit / (Loss) before Changes in Working Capital		<u>(22,978,866.66)</u>	<u>(15,952,002.45)</u>
(Increase) / Decrease in Work in Progress	6	(1,890,305.00)	(13,400,570.00)
Increase / (Decrease) in Other Receivable	8	-	(1,140.00)
Increase / (Decrease) in Other Payables	13	563,443.78	(2,160,218.44)
Cash Generated from / (used in) Operations		<u>(1,326,861.22)</u>	<u>(15,561,928.44)</u>
Net Cash from / (used in) Operating Activities		<u>(24,305,727.88)</u>	<u>(31,513,930.89)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property Plant & Equipment		-	-
Net Cash from / (Used in) Investing Activities		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Shares	11	-	66,010,000.00
Amount received from / (paid to) related Company	7 & 12	9,067.10	(13,454,944.02)
Net Cash from / (Used in) Financing Activities		<u>9,067.10</u>	<u>52,555,055.98</u>
Net Increase / (Decrease) in cash & cash Equivalents		<u>(24,296,660.78)</u>	<u>21,041,125.09</u>
Cash & Cash Equivalents at the beginning of the year		<u>24,492,689.51</u>	<u>3,451,564.42</u>
Cash & Cash Equivalents at the end of the year	10	<u>196,028.73</u>	<u>24,492,689.51</u>

The Accounting Policies and the Notes on pages 7 to 15 form an Integral part of these Financial Statements.



NOTES TO FINANCIAL STATEMENTS**NOTE 1 – CORPORATE INFORMATION**

Welworth Lanka (Pvt) Ltd (Formerly Puravankara Project Lanka (Pvt) Ltd.) is a Private Limited liability Company incorporated under the Companies Act No. 07 of 2007 (N(PVS) 44177) and domiciled in Sri Lanka. The address of its registered office and principal place of business is No. Level 8, East Tower, World Trade Centre, Echelon Square, Colombo 01. The Company was first registered on 05th December 2005.

The principal shareholder is Welworth Lanka Holdings (Private) Limited (Formerly Puravankara Lanka Holding (Pvt) Ltd.) which holds 99.99% of the shares of Welworth Lanka (Pvt) Ltd.

The principal activity of Welworth Lanka (Pvt) Ltd is Property Development.

NOTE 2 - GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH SRI LANKA ACCOUNTING STANDARD FOR SMALL AND MEDIUM SIZED ENTITIES (SLFRS FOR SMES)

The Financial Statements of the Company for the year ended 31st March 2019 have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka. They are presented in Sri Lankan Rupees (Rs), which is also the functional currency of the Company.

The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not intend either to liquidate or cease operations.

NOTE 3 - SUMMARY OF ACCOUNTING POLICIES**NOTE 3.1 - OVERALL CONSIDERATIONS**

The significant accounting policies that have been used in the preparation of these Financial Statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

NOTE 3.2 - FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items that are measured at historical cost are not retranslated. Non-monetary items that are measured at fair value are translated at the exchange rates at the date fair value was determined.

NOTE 3.3 - EVENTS OCCURING AFTER REPORTING DATE

All material events occurred after the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

NOTE 3.4 – REVENUE

Revenue arises from the sale of goods and the rendering of services. It is measured at the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

Sale of Goods

Sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods. Revenue from the sale of goods with no significant service obligation is recognised on delivery.



NOTES TO FINANCIAL STATEMENTS (CONTD.)**NOTE 3.5 - BORROWING COSTS**

All borrowing costs are expensed in the period in which they are incurred.

NOTE 3.6 – EXPENDITURE

Expenses are recognised in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income.

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year.

All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earnings capacity of the organisation have been treated as capital expenditure.

NOTE 3.7 - PROPERTY, PLANT AND EQUIPMENT

- (a) Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of Property, Plant and Equipment is the cost of purchase or construction together with any incidental expenses incurred in bringing the assets to its working condition for its intended use.

Advances paid towards acquisition of Property, Plant and Equipment before the period end are classified as capital work in progress.

Expenditure directly relating to expansion is capitalised only if it increases the life or functionality of an asset beyond its original standard of performance.

(b) **Depreciation**

Depreciation on Property, Plant & Equipment is provided on a straight line basis over the estimated useful lives of such assets.

The principal annual rates of depreciation used for this purpose which are consistent with previous years are as follows :-

Office Equipment & Interior work	4.75%
Furniture Fittings	6.33%

Assets individually costing less than Rs. 5,000/- are fully depreciated in the year of purchase.

Depreciation is provided on all Property, Plant & Equipment from the month the assets are available for use upto the month of disposal.

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.

NOTE 3.8 - IMPAIRMENT TESTING OF PROPERTY, PLANT AND EQUIPMENT

The carrying value of Property, Plant & Equipment is reviewed for impairment either annually or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount the assets are written down to their recoverable amount. Impairment losses are recognised in the Income Statement unless it reverses a previous revaluation surplus for the same asset.



NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 3.9 - FINANCIAL INSTRUMENTS

Financial Assets

Other receivables and cash and cash equivalents

These financial assets are recognised initially at the transaction price.

Other 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 recognised immediately in profit or loss.

Financial Liabilities

The Company's financial liabilities include Amounts due to Related Company and other payables. Financial liabilities are recognised initially at transaction price. After initial recognition they are measured at amortised cost using the effective interest method. Other payables are on normal credit terms and do not bear interest.

NOTE 3.10 - INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out method. Inventories are assessed for impairment at each reporting date. Impairment losses on inventory are recognised immediately in profit or loss and presented within 'cost of sales'.

NOTE 3.11 - TAXES

Tax expense recognised in profit or loss comprises the current tax not recognised in other comprehensive income or directly in equity.

(a) Current Taxes

The provision for income tax is based on the elements of the income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments thereto.

(b) Deferred Tax

Deferred 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 tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the Statement of Financial Position date.

NOTE 3.12 - EQUITY AND RESERVES

The total amount received by the Company or due and payable to the Company in respect of the issue of shares are referred to as "Stated Capital".



NOTES TO FINANCIAL STATEMENTS (CONTD.)**NOTE 3.13 - PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Provisions are made for all obligations existing as at the reporting date when it is probable that such an obligation will result in an outflow of resources and a reliable estimate can be made of the quantum of the outflow.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote.

All contingent assets are disclosed where inflow of economic benefits is probable.

NOTE 3.14 - CAPITAL COMMITMENTS

Capital commitments of the company are disclosed in the respective notes to the Financial Statements.

NOTE 3.15 - SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

- **Impairment**

In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

- **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

- **Inventories**

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.



NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 4 - PROPERTY PLANT & EQUIPMENT

Cost	As at 01.04.2018 Rs.	Addition during the year Rs.	As at 31.03.2019 Rs.
Furniture and Fittings	125,513.00	-	125,513.00
Telephone	115,000.00	-	115,000.00
Interior Work	1,786,175.00	-	1,786,175.00
Computer Equipment	49,888.95	-	49,888.95
	<u>2,076,576.95</u>	<u>-</u>	<u>2,076,576.95</u>

Accumulated Depreciation	As at 01.04.2018 Rs.	Charge for the year Rs.	As at 31.03.2019 Rs.
Furniture and Fittings	74,815.06	7,944.96	82,760.02
Telephone	51,438.70	5,462.52	56,901.22
Interior Work	788,872.75	84,843.32	873,716.07
Computer Equipment	22,864.38	8,314.32	31,178.70
	<u>937,990.89</u>	<u>106,565.12</u>	<u>1,044,556.01</u>

Written Down Value	As at 31.03.2019 Rs.	As at 31.03.2018 Rs.
Furniture and Fittings	42,752.98	50,697.94
Telephone	58,098.78	63,561.30
Interior Work	912,458.93	997,302.25
Computer Equipment	18,710.25	27,024.57
	<u>1,032,020.94</u>	<u>1,138,586.06</u>
	31.03.2019 Rs.	31.03.2018 Rs.

NOTE 5 - INVENTORIES

Land	<u>124,790,688.65</u>	<u>124,790,688.65</u>
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NOTE 6 - WORK IN PROGRESS

Balance Brought Forward	82,250,062.00	68,849,492.00
Expenditure incurred during the year	<u>1,890,305.00</u>	<u>13,400,570.00</u>
Balance carried forward	<u>84,140,367.00</u>	<u>82,250,062.00</u>



NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 7- AMOUNTS DUE FROM RELATED COMPANY

Welworth Lanka Holding (Pvt) Ltd.

31.03.2019
Rs.31.03.2018
Rs.

397,437.25	-
<u>397,437.25</u>	<u>-</u>

NOTE 8 - OTHER RECEIVABLES

Financial Assets

Rent Deposit	2,571,984.00	2,571,984.00
Electricity Deposit	31,500.00	31,500.00
Advance given for allotment of shares	3,000,000.00	3,000,000.00
Excess payment made to Kreston	640.00	640.00
	<u>5,604,124.00</u>	<u>5,604,124.00</u>

NOTE 9 - FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Assets

Financial Assets measured at amortised cost less impairment

Amount due from Related Company (Note 07)	397,437.25	-
Other Receivables (Note 08)	5,604,124.00	5,604,124.00
Cash and Cash Equivalents (Note 10)	196,028.73	24,492,689.51
Total	<u>6,197,589.98</u>	<u>30,096,813.51</u>

Financial liabilities

Financial Liabilities measured at amortised cost

Amounts due to Related Company (Note 12)	789,183.08	382,678.73
Other Payables (Note 13)	1,077,485.10	514,041.32
Total	<u>1,866,668.18</u>	<u>896,720.05</u>

NOTE 10 - CASH AND CASH EQUIVALENT

Cash at Bank	188,028.73	24,484,689.51
	<u>188,028.73</u>	<u>24,484,689.51</u>
Cash in Hand	8,000.00	8,000.00
	<u>8,000.00</u>	<u>8,000.00</u>
	<u>196,028.73</u>	<u>24,492,689.51</u>



NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 11 - STATED CAPITAL

The stated Capital of the Company consists only of fully paid ordinary shares

All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholder meetings of the company. All shares rank equally with regard to the company's residual assets.

	31.03.2019	31.03.2018
Number of Ordinary Shares issued & fully paid		
Balance on 1st April	35,585,000	28,984,000
Shares issued during the year	-	6,601,000
Balance on 31st March	35,585,000	35,585,000
Stated capital		
	Rs.	Rs.
Balance on 1st April	355,850,000.00	289,840,000.00
Shares issued during the year	-	66,010,000.00
Balance on 31st March	355,850,000.00	355,850,000.00
Shareholders		
Mr.Ashish Ravi Puravankara	1	1
Welworth Lanka Holding (Pvt) Ltd	35,584,999	35,584,999
	35,585,000	35,585,000

	31.03.2019	31.03.2018
	Rs.	Rs.
Welworth Lanka Holding (Pvt) Ltd.	-	9,262.75
Puravankara Limited - India	789,183.08	373,415.98
	789,183.08	382,678.73

NOTE 13 - OTHER PAYABLES

Financial liabilities

Varners		160.00
Electricity Charges	6,786.92	8,649.76
Kreston MNS & Co. - Audit Fees	360,000.00	271,400.00
- Tax Fees	172,637.50	52,500.00
- Accounting Charges	28,152.00	23,460.00
- Payroll Fee	56,304.00	28,152.00
- Filing of NBT Return Charges	-	14,663.00
Secretarial Charges	90,105.70	-
Salary and Allowance Payable	193,431.00	(9,476.00)
Retention on Land Clearing	31,380.00	31,380.00
Telephone Payable	34,543.98	36,934.40
Care Taker Fees Payable	30,000.00	-
Payable to Umesh	300.00	525.00
Internet Charges Payable	-	6,014.16
	1,003,641.10	464,362.32

Non Financial Liabilities

EPF Payable	34,200.00	30,000.00
PAYE Payable	32,864.00	13,529.00
ETF Payable	5,130.00	4,500.00
Stamp Duty Payable	1,650.00	1,650.00
	73,844.00	49,679.00
	1,077,485.10	514,041.32



NOTES TO FINANCIAL STATEMENTS (CONTD.)

31.03.2019
Rs.31.03.2018
Rs.

NOTE 14 - OPERATING PROFIT / (LOSS) BEFORE TAX

is stated after charging all expenses including

Depreciation

106,565.12

106,565.12

Audit Fees

360,000.00

271,400.00

Audit Fee under provision during the previous year

47,656.00

4,720.00

Staff Cost

3,120,000.00

5,123,579.00

EPF & ETF

295,200.00

477,525.00

NOTE 15 - TAX Expenses

The Agreement entered into with Board of Investment of Sri Lanka on 26.11.2015 was terminated.

The profit and income of the Company shall be charged at the normal income tax rate from the year of Assessment 2017 / 2018.

NOTE 16 - EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No circumstances have arisen since the Statement of Financial Position date which require adjustments to or disclosure in the Financial Statements.

NOTE 17 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no significant Contingent Assets and Contingent Liabilities as at year end.

NOTE 18 - RELATED PARTY TRANSACTIONS

Details of Related Party Transactions are given below.

	Relationship	31.03.2019 (Rs.)	31.03.2018 (Rs.)
Value of Shares issued to Welworth Lanka Holding (Pvt) Ltd.	Parent	Nil	66,010,000
Advances received from Welworth Lanka Holding (Pvt) Ltd.	Parent	Nil	52,232,000.00



SCHEDULES**31.03.2019****31.03.2018****Rs.****Rs.****SCH 1 - ADMINISTRATIVE EXPENSES**

Secretarial Charges	90,105.70	74,336.00
Extension of Project Implementation Period	-	201,620.50
Accommodation Charges	953,333.70	508,476.54
Bank Charges	43,997.91	34,458.51
Care taker Fees	360,000.00	360,000.00
Electricity Connection Charges	-	241,273.58
Electricity	55,430.48	5,000.56
Printing Charges	-	13,625.00
Car Park Charges	-	51,750.00
Consultancy Fees	6,200,592.84	343,750.00
Postage Charges	-	15,920.00
Salary & Allowances	2,760,000.00	4,763,579.00
ETF Expenses	59,040.00	95,505.00
EPF Expenses	236,160.00	382,020.00
F&F Settlement Expense	-	825,000.00
Travelling Expenses	1,472,959.23	638,835.98
Telephone Charges	24,298.84	16,985.37
Depreciation	106,565.12	106,565.12
Stamp Duty on rent renewal	192,010.00	59,530.00
Rent	7,279,863.21	6,704,305.25
Administrative Charges paid to Overseas Reality	45,747.00	-
Accounting Charges	114,954.00	90,780.00
Accounting Charges under provision during the previous year	-	1,457.00
Audit Fees	360,000.00	271,400.00
Audit Fee under provision during the previous year	47,656.00	4,720.00
Tax Fees	172,637.50	52,500.00
Tax Computation Charges under provision during the previous year	9,669.00	913.00
Charges for Tax opinion on VAT & NBT	58,650.00	-
Legal Fee	1,710,494.25	115,000.00
Charges for Valuation of Land & Shares	703,800.00	-
Payroll Processing Fee	28,152.00	52,377.00
Payroll Processing Fee under provision during the previous year	-	1,000.00
Expenses Written Off - Varners	(685.00)	-
Food Expense	-	5,207.00
Charges for Filling of NBT Return	-	14,663.00
Internet Charges	-	6,014.16
	<u>23,085,431.78</u>	<u>16,058,567.57</u>

SCH 2 - CASH AT BANK

HNB - A/c No. 003010375121

188,028.7324,484,689.51