

Kreston MNS & Co

Our Ref: 1997 / A817 / SB / KA

Chartered Accountants
P.O. Box 210
50/2, Sir James Peiris Mawatha,
Colombo 02, Sri Lanka.
T +94 (0) 11 2323571
F +94 (0) 11 2433388
E audit@kreston.lk
[www: webasia.com/kreston](http://www.webasia.com/kreston)

FINANCIAL STATEMENTS OF

WELWORTH LANKA (PVT) LTD.

FOR THE YEAR ENDED

31ST MARCH 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WELWORTH LANKA (PVT) LTD

Report on the Financial Statements

We have audited the accompanying Financial Statements of **WELWORTH LANKA (PVT) LTD** as at 31st March 2016, which comprise the Statement of Financial Position as at 31st March 2016, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, exhibited on pages 3 to 14.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

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 judgment, 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 entity's preparation of the - Financial Statements that give a true and fair view 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 entity'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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as at 31st March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard applicable to Small and Medium – sized Entities.



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, give a true & fair view of its financial position as at 31st March 2016, and of its financial performance & cash flows for the year then ended in accordance with Sri Lanka Accounting Standard applicable to Small and Medium – sized Entities
 - The Financial Statements of the Company comply with the requirements of Section 151 of the Companies Act.

Kreston MNS & Co
CHARTERED ACCOUNTANTS
COLOMBO
22nd APRIL 2016
SB/KA/bn
SB-WelworthLankaIFRS-cd1c9.doc



STATEMENT OF FINANCIAL POSITION AS AT

		31.03.2016 Rs.	31.03.2015 Rs.
ASSETS	Note		
Non Current Assets			
Property, Plant & Equipment	4	1,351,716.30	1,406,313.89
		<u>1,351,716.30</u>	<u>1,406,313.89</u>
Current Assets			
Inventories - Land	5	124,790,688.65	124,790,688.65
Work in Progress	6	54,192,953.00	27,205,464.00
Other Receivables	7	5,367,432.00	5,367,432.00
Cash and Cash Equivalents	9	18,435,203.54	10,263,895.17
		<u>202,786,277.19</u>	<u>167,627,479.82</u>
Total Assets		<u>204,137,993.49</u>	<u>169,033,793.71</u>
EQUITY & LIABILITIES			
Equity			
Stated Capital	10	261,700,000.00	215,000,000.00
Retained Profit		(87,946,817.50)	(74,514,007.18)
		<u>173,753,182.50</u>	<u>140,485,992.82</u>
Current Liabilities			
Amounts due to Related Company	11	28,082,622.75	26,946,142.75
Other Payables	12	2,302,188.24	1,601,658.14
		<u>30,384,810.99</u>	<u>28,547,800.89</u>
Total Equity & Liabilities		<u>204,137,993.49</u>	<u>169,033,793.71</u>

The Accounting Policies and the Notes on pages 7 to 14 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.


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

1. 
Directors

2. 
Date :



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED

		31.03.2016 Rs.	31.03.2015 Rs.
	Note		
Operating Income		-	-
Administrative Expenses		(13,432,810.32)	(10,351,084.15)
Operating Profit / (Loss) before Tax	14	(13,432,810.32)	(10,351,084.15)
Tax Expense	15	-	-
Profit / (Loss) after Tax		(13,432,810.32)	(10,351,084.15)
Other comprehensive income		-	-
Total comprehensive income for the year		(13,432,810.32)	(10,351,084.15)

The Accounting Policies and the Notes on pages 7 to 14 form an Integral part of these Financial Statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2016

	Stated Capital Rs.	Retained Profit Rs.	Total Rs.
Balance as at 31st March 2014	215,000,000.00	(64,162,923.03)	150,837,076.97
Profit / (Loss) for the year	-	(10,351,084.15)	(10,351,084.15)
Balance as at 31st March 2015	<u>215,000,000.00</u>	<u>(74,514,007.18)</u>	<u>140,485,992.82</u>
Shared Issued during the year	46,700,000.00	-	46,700,000.00
Profit / (Loss) for the year	-	(13,432,810.32)	(13,432,810.32)
Balance as at 31st March 2016	<u>261,700,000.00</u>	<u>(87,946,817.50)</u>	<u>173,753,182.50</u>

The Accounting Policies and the Notes on pages 7 to 14 form an Integral part of these Financial Statements.



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED

		31.03.2016 Rs.	31.03.2015 Rs.
	Note		
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before Tax		(13,432,810.32)	(10,351,084.15)
Adjustments:			
Depreciation	4	104,486.54	98,250.80
Operating Profit / (Loss) before Changes in Working Capital		<u>(13,328,323.78)</u>	<u>(10,252,833.35)</u>
(Increase) / Decrease in Work in Progress	6	(26,987,489.00)	(3,486,666.00)
Increase / (Decrease) in Other Payables	12	700,530.10	854,504.54
Cash Generated from / (used in) Operations		<u>(26,286,958.90)</u>	<u>(2,632,161.46)</u>
Net Cash from / (used in) Operating Activities		<u>(39,615,282.68)</u>	<u>(12,884,994.81)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquition of Property Plant & Equipment		(49,888.95)	-
Net Cash from / (Used in) Investing Activities		<u>(49,888.95)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Shares	10	46,700,000.00	-
Amount received from / (paid to) related Company	11	1,136,480.00	23,140,000.00
Net Cash from / (Used in) Financing Activities		<u>47,836,480.00</u>	<u>23,140,000.00</u>
Net Increase / (Decrease) in cash & cash Equivalents		<u>8,171,308.37</u>	<u>10,255,005.19</u>
Cash & Cash Equivalents at the beginning of the year		<u>10,263,895.17</u>	<u>8,889.98</u>
Cash & Cash Equivalents at the end of the year	9	<u>18,435,203.54</u>	<u>10,263,895.17</u>

The Accounting Policies and the Notes on pages 7 to 14 form an Integral part of these Financial Statements.



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

Welworth Lanka (Pvt) Ltd (Formely 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 (Formely 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 2016 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

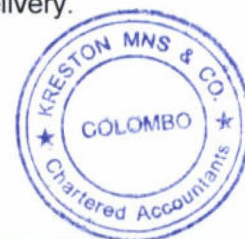
All material events occurred after the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

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.



NOTES TO FINANCIAL STATEMENTS (CONTD.)**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.

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 - INCOME TAXES

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

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.

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**

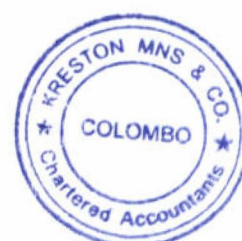
In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable 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 31.3.2015 Rs.	Addition during the year Rs.	As at 31.3.2016 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
Computers	-	49,888.95	49,888.95
	<u>2,026,688.00</u>	<u>49,888.95</u>	<u>2,076,576.95</u>

Accumulated Depreciation	As at 31.3.2015 Rs.	Charge for the year Rs.	As at 31.3.2016 Rs.
Furniture and Fittings	50,980.18	7,944.96	58,925.14
Telephone	35,051.14	5,462.52	40,513.66
Interior Work	534,342.79	84,843.32	619,186.11
Computers	-	6,235.74	6,235.74
	<u>620,374.11</u>	<u>104,486.54</u>	<u>724,860.65</u>

Written Down Value	As at 31.3.2016 Rs.	As at 31.3.2015 Rs.
Furniture and Fittings	66,587.86	74,532.82
Telephone	74,486.34	79,948.86
Interior Work	1,166,988.89	1,251,832.21
Computers	43,653.21	-
	<u>1,351,716.30</u>	<u>1,406,313.89</u>
	31.03.2016 Rs.	31.03.2015 Rs.

NOTE 5 - INVENTORIES

Land	<u>124,790,688.65</u>	<u>124,790,688.65</u>
------	-----------------------	-----------------------

NOTE 6 - WORK IN PROGRESS

Balance Brought Forward	27,205,464.00	23,718,798.00
Expenditure incurred during the year	26,987,489.00	3,486,666.00
Balance carried forward	<u>54,192,953.00</u>	<u>27,205,464.00</u>



NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 7 - OTHER RECEIVABLES

Note

31.03.2016
Rs.31.03.2015
Rs.

Financial Assets

Rent Deposit		2,337,432.00	2,337,432.00
Electricity Deposit		30,000.00	30,000.00
Advance given for allotment of shares		3,000,000.00	3,000,000.00
		<u>5,367,432.00</u>	<u>5,367,432.00</u>

NOTE 8 - FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial Assets

Financial Assets measured at amortised cost less impairment

Other Receivables	7	5,367,432.00	5,367,432.00
Cash and Cash Equivalents	9	18,435,203.54	10,263,895.17
Total		<u>23,802,635.54</u>	<u>15,631,327.17</u>

Financial liabilities

Financial Liabilities measured at amortised cost

Amounts due to Related Company	11	28,082,622.75	26,946,142.75
Other Payables	12	2,241,948.24	1,541,418.14
Total		<u>30,324,570.99</u>	<u>28,487,560.89</u>

NOTE 9 - CASH AT BANK

Cash at Bank	18,435,203.54	10,263,895.17
	<u>18,435,203.54</u>	<u>10,263,895.17</u>

NOTE 10 - 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.

Number of Ordinary Shares issued & fully paid

Balance on 1st April	21,500,000	21,500,000
Shares issued during the year	4,670,000	-
Balance on 31st March	<u>26,170,000</u>	<u>21,500,000</u>

Stated capital

Balance on 1st April	215,000,000.00	130,000,000.00
Shares issued during the year	46,700,000.00	85,000,000.00
Balance on 31st March	<u>261,700,000.00</u>	<u>215,000,000.00</u>



NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 11- AMOUNTS DUE TO RELATED COMPANY

Welworth Lanka Holding (Pvt) Ltd.

31.03.2016
Rs.31.03.2015
Rs.

28,082,622.75	26,946,142.75
<u>28,082,622.75</u>	<u>26,946,142.75</u>

NOTE 12 - OTHER PAYABLES

Financial liabilities

Varners	160.00	160.00
Electricity Charges	15,783.48	7,183.47
Kreston MNS & Co. - Audit Fees	198,135.00	186,813.00
- Tax Fees	38,494.20	35,098.20
- Accounting Charges	62,158.40	54,345.60
Secretarial Charges	-	25,415.00
Salary Payable	142,635.00	142,635.00
Rent Payable	1,387,320.89	924,880.60
Travelling Expenses Payable	100,000.00	100,000.00
Retention on Land Clearing	31,380.00	31,380.00
Consultancy Fee Payable	210,000.00	-
Telephone Payable	25,881.27	13,507.27
Care Taker Fees Payable	30,000.00	20,000.00
	<u>2,241,948.24</u>	<u>1,541,418.14</u>

Non Financial Liabilities

EPF Payable	35,000.00	35,000.00
PAYE Payable	18,340.00	18,340.00
ETF Payable	5,250.00	5,250.00
Stamp Duty Payable	1,650.00	1,650.00
	<u>60,240.00</u>	<u>60,240.00</u>
	<u>2,302,188.24</u>	<u>1,601,658.14</u>

NOTE 13 - OPERATING PROFIT / (LOSS) BEFORE TAX

is stated after charging all expenses including

Depreciation	104,486.54	98,250.80
Audit Fees	198,135.00	186,813.00
Staff Cost	3,620,000.00	3,540,000.00
EPF & ETF	<u>315,000.00</u>	<u>315,000.00</u>



NOTE 14 - TAX EXPENSE

Income Tax

In accordance with the agreement entered in to with Board of Investment Srilanka on 26.11.2015

The Enterprise shall make an investment of United States Dollars five hundred thousand (USD 500,000) or its Rupee equivalent in the project within a period of Twenty Four (24) months from the date hereof as represented in the Application dated 22nd March 2006.

Construct a minimum of 25 housing units within a maximum of four (04) locations.

For a period of five (05) years reckoned from the year of assessment as may be determined by the Board ('the tax exemption period') the provisions of the Inland Revenue Act No.10 of 2006 relating to the imposition payment and recovery of Income Tax shall not apply in respect of the profits and income of the Enterprise.

For the above purpose, the year of assessment shall be reckoned from the year in which the enterprise commences to make profits in relation to its transaction in that year or any year of assessment not later than two (02) years from the date of commencement of commercial operations of the Enterprise, whichever year is earlier, as may be specified in a certificate issued by the Board.

After the expiration of the aforesaid tax exemption period referred above, the profits and income of the Enterprise shall be charged at the rate of 10% for a period of two years immediately succeeding the last date of the tax exemption period during which the profits and income of the Enterprise is exempted from the income tax ("the concessionary tax rate of ten per cent").

After the expiration of the aforesaid concessionary tax rate of ten percent (10%) referred to in sub clause (ii) above the profits and income of the Enterprise shall for any year of assessment be charged at the rate of 20%.

NOTES TO FINANCIAL STATEMENTS (CONTD.)

NOTE 15 - 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 16 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

NOTE 17 - RELATED PARTY TRANSACTIONS

Details of Related Party Transactions are given below.

	31.03.2016 (Rs.)	31.03.2015 (Rs.)
Value of Shares issued to Welworth Lanka Holding (Pvt) Ltd	46,700,000	-
Advances received from Welworth Lanka Holding (Pvt) Ltd	48,000,000.00	23,140,000.00



SCHEDULES

31.03.2016

31.03.2015

Rs.

Rs.

SCH 1 - ADMINISTRATIVE EXPENSES

Secretarial Charges	60,207.00	22,392.00
Accounting Charges	61,138.80	52,844.40
Tax Fees	37,362.00	35,098.20
Audit Fees	198,135.00	186,813.00
Agreement Charges - BOI	79,953.60	-
Annual Fee - BOI Registration	962,165.83	-
Annual Fees - Company registration	60,000.00	-
Bank Charges	16,740.00	30,400.00
Care taker Fees	320,000.00	240,000.00
Electricity	9,320.00	3,950.00
Printing Charges	20,684.00	-
Car Park Charges	14,610.00	-
Fuel Expenses	4,000.00	-
Consultancy Fees	1,622,258.00	-
Postage Charges	-	3,136.00
ETF Expenses	63,000.00	63,000.00
EPF Expenses	252,000.00	252,000.00
Work Shop Expenses	94,845.00	-
Foreign Travelling	-	42,206.00
Salary	2,100,000.00	2,100,000.00
Reimbursement of Travelling Expenses	1,200,000.00	1,200,000.00
Telephone Charges	23,424.00	16,339.45
Depreciation	104,486.54	98,250.80
Lawyer Fees	-	665,264.00
Property Tax	367,600.00	-
Stamp Duty	192,330.00	-
Rent	5,549,303.15	5,371,377.50
Rent Renewal Charges	19,247.40	-
Over Provision of Tax Fees	-	(31,987.20)
	<u>13,432,810.32</u>	<u>10,351,084.15</u>

SCH 2 - CASH AT BANK

HNB - A/c No. 0030665438

18,435,203.5410,263,895.17

YEAR OF ASSESSMENT 2015/2016

Profit / (Loss) as per Accounts		(13,432,810)
Add : Disallowed Expenses		
Depreciation	104,487	
Stamp Duty on Shares Issue	192,330	296,817
		<hr/>
		(13,135,994)
Less : Allowable Deductions - Capital Allowances (Annex 1)		(26,847)
		<hr/>
Assessable / Taxable Income		(13,162,841)
		<hr/>
Income Tax Loss brought forward from 2014/2015		68,250,001
Income Tax Loss for the year 2015/16		13,162,841
		<hr/>
Income Tax Loss carried forward to 2016/2017		81,412,842
		<hr/>



ANNEXURES

ANNEX 1 - CAPITAL ALLOWANCES

			Balance as at 31.03.2015	Capital Allowance for the year	Balance as at 31.03.2016	Tax WDV as at 31.03.2016
2008/2009	Cost	Rate				
Furniture & Fittings	125,513	20%	125,513	-	125,513	-
Telephones	115,000	12.5%	100,625	14,375	115,000	-
Interior Works	1,677,966	20%	1,677,966	-	1,977,966	-
	<u>1,918,479</u>		<u>1,904,104</u>	<u>14,375</u>	<u>2,218,479</u>	<u>-</u>
2009/2010						
Interior Works	108,209	20%	108,209	-	108,209	-
	<u>2,026,688</u>		<u>1,904,104</u>	<u>14,375</u>	<u>2,218,479</u>	<u>-</u>
2015/2016						
Computer	49,889	25%	-	12,472	12,472	37,417
	<u>2,076,577</u>		<u>1,904,104</u>	<u>26,847</u>	<u>2,230,951</u>	<u>37,417</u>

ANNEX 2 - LIST OF SHAREHOLDERS AS AT 31.03.2015

Name & Address	No. of Shares
Mr. Ashish Puravankara	01
Welworth Lanka Holding (Pvt) Ltd (Formerly Purawankara Lanka Holding (Pvt) Ltd.) Level 8, East Tower, World Trade Centre, Echelon Square, Colombo 01.	26,169,999
	<u>26,170,000</u>



ANNEXURES

ANNEX 3 - DEFERRED TAX PROVISION

Accounting written down value of Property, Plant & Equipment (Note - 4)	1,351,716
Tax written down value of Property, Plant & Equipment (Annex - 1)	(37,417)
	<hr/>
Income Tax loss carried forward	1,314,300
	(81,412,842)
	<hr/>
Deductible temporary difference	(80,098,542)
	<hr/>

No deferred tax provision is required since there is a deductible temporary difference.

