

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2018

OF

**NINA LANKA CONSTRUCTION TECHNOLOGIES
(PRIVATE) LIMITED**

REGISTERED ADDRESS;

NO. 116/10, ROSMEAD PLACE, COLOMBO 07

DINITWAY PARTNERS
Chartered Accountants



Dinitway Partners

CHARTERED ACCOUNTANTS

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Colombo 10.

Tel :- +94 112 670 515

E-mail :- dinitwayp@sltnet.lk

:- dinitwayp@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Nina Lanka Construction Technologies (Private) Limited which comprise the Statement of Financial Position as at March 31, 2018 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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 plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position as at 31st March, 2018 and of its financial performance and cash flows for the period then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

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

- 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, the company maintained proper accounting records,
 - The financial statements of the company, comply with the requirements of section 151 of the Companies Act.

Dinitway partners
DINITWAY PARTNERS.

Chartered Accountants,

April 25, 2018

Partners - D.M.C.I Dasanayaka (ACA, BSc Accountancy (Spl) 1st Class) Hons.

K.S.C.P.K Gunasinghe (FCA, ACMA, MBA, B B Mgt Accountancy (Spl) Hons, M.K.G. Mendis (B.Com (Special), MBA (Sri J), FCA, FCMA

Director - G.D. Pradeep Nishantha (BCom, MAAT)

NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 Rs.
Revenue	3	52,184,846
Cost of sales	4	(43,615,531)
Gross Income		8,569,315
Administrative expenses	5	(1,265,595)
Results from operating activities		7,303,720
Finance expenses	6	(816,441)
Profit / Loss before tax		6,487,279
Tax expense		(731,342)
Profit / Loss after tax		5,755,937

The accounting policies and notes on pages 6 through 12 form an integral part of the financial statements.

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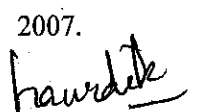
NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED

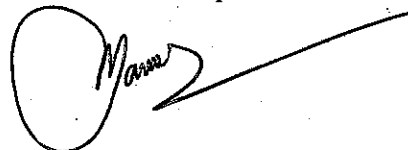
STATEMENTS OF FINANCIAL POSITION

As at 31 March 2018

	Notes	2018 Rs.
ASSETS		
Non-current assets		
Freehold Property, plant & equipment	7	<u>476,499</u>
Total non-current assets		<u>476,499</u>
Current assets		
Inventories	8	2,513,486
Trade and other receivables	9	10,268,980
Cash and cash equivalents	10	<u>2,921,757</u>
Total current assets		<u>15,704,223</u>
TOTAL ASSETS		<u>16,180,722</u>
EQUITY AND LIABILITIES		
Equity		
Stated capital	11	3,500,000
Retained earnings		<u>5,363,175</u>
Total equity		<u>8,863,175</u>
Current liabilities		
Income Tax Payable		517,820
Trade and other payables	12	<u>6,799,727</u>
Total current liabilities		<u>7,317,547</u>
TOTAL EQUITY AND LIABILITIES		<u>16,180,721</u>

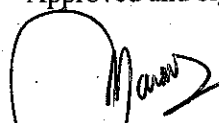
These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

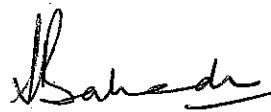

Head of Finance



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

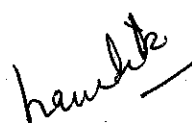
Approved and signed for and on behalf of the Board of Directors of the company


Director


Director

The accounting policies and notes on pages 6 through 12 form an integral part of the financial statements.

Date : April 25, 2018





NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Stated Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance At the Beginning	-	(392,762)	(392,762)
Issue of Shares	3,500,000	-	3,500,000
Profit for the period	-	5,755,937	5,755,937
Balance as at 31st March 2018	<u>3,500,000</u>	<u>5,363,175</u>	<u>8,863,175</u>

The accounting policies and notes on pages 6 through 12 form an integral part of the financial



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STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Taxation		6,094,517
ADJUSTMENTS FOR		
Depreciation/Amortization		238,249
Operating Profit before Working Capital Changes		<u>6,332,766</u>
(Increase)/Decrease in Inventories		(2,513,486)
(Increase)/Decrease in Trade and other receivables		(10,482,502)
Increase/(Decrease) in Trade and other payables		6,799,727
Net Cash from Operating Activities		<u>136,505</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Acquisitions of Fixed Assets		(714,748)
Net Cash used in Investing Activities		<u>(714,748)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Issue of Shares		3,500,000
Net Cash from (used in) Financing Activities		<u>3,500,000</u>
Net Increase/(Decrease) in Cash & Cash Equivalents		2,921,757
Cash & Cash Equivalents at the beginning of the year		-
Cash & Cash Equivalents at the end of the year		<u><u>2,921,757</u></u>
Analysis of Cash & Cash Equivalents		
Cash & Bank Balances	10	
Cash at Bank		2,636,757
Cash in hand		285,000
		<u>2,921,757</u>

The accounting policies and notes on pages 6 through 12 form an integral part of the financial statements.



NINA LANKA CONSTRUCTION TECHNOLOGIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. CORPORATE INFORMATION

1.1. General

Nina Lanka Construction Technologies (Private) Limited ("the Company") is in the business of waterproofing services. It offers end-to-end solutions in waterproofing. The Company has its major presence across the construction spectrum - including residential, commercial, industrial, and institutional and Infrastructure segments. The registered office of the Company and the principal place of business is located at No 116/10, Rosmead Place, Colombo 07. The Company was incorporated on February 20, 2017. The Company is subsidiary of Nina Waterproofing Systems Pvt Ltd

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements are prepared on the historical cost basis in accordance with Generally Accepted Accounting Principles and the Sri Lanka Accounting Standards for SMEs. No adjustment is made for inflationary factors affecting these accounts.

The said financial statements are presented in Sri Lankan Rupees which is the company's functional currency.

Comparative Information

Where necessary, comparative figures have been adjusted to confirm with the changes in the presentation in the current year.

2.2. Going Concern

When preparing the financial statements the Management has assessed the ability of the Company to continue as a going concern. The Management has its reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company does not foresee a need for liquidation or cessation of operations, taking into account all available information about future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

2.3. Taxation

Current Taxes

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



NINA LANKA CONSTRUCTION TECHNOLOGIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2.4. Financial Instruments

(i) Financial Assets

(a) Trade and Other Receivable

Trade and other receivable are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(ii) Financial Liabilities

(a) Trade and Other Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

(b) Liabilities and Provisions

All known liabilities as at the balance sheet date have been included in the financial statements. A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.5 Foreign Currency Translation

2.5.1 Functional and Presentation Currency

Transaction and balances included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Sri Lanka Rupees (LKR), which is the company's presentation currency.

2.5.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-

end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Translation differences related to changes in amortized cost are recognized in the statement of comprehensive income.

2.6 Property, Plant and Equipment

(a) Cost

Property, Plant and Equipment are stated cost less accumulated depreciation and any accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

(b) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of Property, Plant and Equipment. All other expenditure is recognized in the Income Statement as an expense as incurred.

(c) De-recognition

An item of Property, Plant and Equipment is derecognized upon disposal when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of asset is calculated as the difference between the net disposal proceeds and the carrying amount.

(d) Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital Work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

2.7 Inventories

Inventories are stated at the lower cost and net realizable value. Raw materials, consumables, work in progress and spares are stated at cost.

The cost includes purchase price of raw materials, consumables and spares determined using the weighted average cost method and actual cost.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

NINA LANKA CONSTRUCTION TECHNOLOGIES (PVT) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2.8 Income Statement

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognizing of revenue.

2.9 Expenditure Recognition

- (a) Expenses are recognized 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 the expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit/(loss) for the year.

2.10 Events occurring after the Reporting Period

The directors monitor events closely and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

2.11 Contingent Liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

2.12 Statement of Cash Flow

The cash flow statement has been prepared by using Indirect Method in accordance with the SLFRS for SME Section 7 on Cash flow statements.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.



NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

		2018
		Rs.
3	REVENUE	
	Construction Income	52,184,846
		<u>52,184,846</u>
4	COST OF SALES	
	Opening Stock	20,994,942
	Add : Purchases	17,974,970
	Direct Overheads	4.1 7,159,105
		46,129,017
	Less: Closing Stock	(2,513,486)
		<u>43,615,531</u>
4.1	DIRECT OVERHEADS	
	Site Staff Salaries & Wages	3,647,457
	Site Expenses	3,511,648
		<u>7,159,105</u>
5	ADMINISTRATIVE EXPENSES	
	Travelling and Conveyance Expense	436,280
	Rent expense	-
	Audit Fees	25,000
	Site Office expense	327,613
	Legal & Professional Fees	238,453
	Depreciation	238,249
		<u>1,265,595</u>
6	FINANCE EXPENSES	
	Bank Charges	266,552
	Exchange Loss	549,889
		<u>816,441</u>

The accounting policies and notes on pages 6 through 12 form an integral part of the financial statements.



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NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH

7 PROPERTY, PLANT & EQUIPMENT

(a) Cost / Valuation Free Hold Assets	Balance at the Beginning Rs.	Additions during the year Rs.	Disposals during the year Rs.	Balance As at 31.03.2018 Rs.
Plant & Machinery	-	714,748	-	714,748
	-	<u>714,748</u>	-	<u>714,748</u>

(b) Depreciation Free Hold Assets	Balance As at Beginning Rs.	Charge for the year Rs.	Disposals for the year Rs.	Balance As at 31.03.2018 Rs.
Plant & Machinery	-	238,249	-	238,249
	-	<u>238,249</u>	-	<u>238,249</u>

(c) Carrying Value Written Down Value	As at Beginning	As at 31.03.2018
	-	<u>476,499</u>

2018
Rs.

8 INVENTORIES

Raw Materials	2,513,486
	<u>2,513,486</u>

9 TRADE AND OTHER RECEIVABLES

Trade Debtors	7,482,592
Retention Receivable	2,786,388
ESC	-
	<u>10,268,980</u>

10 CASH AND CASH EQUIVALENTS

Cash at Bank	2,636,757
Petty Cash	285,000
	<u>2,921,757</u>

The accounting policies and notes on pages 6 through 12 form an integral part of the financial statements.



NINA LANKA CONSTRUCTION TECHNOLOGIES (PRIVATE) LIMITED

NOTE TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH

	2018
	Rs.
11 STATED CAPITAL	
Issued and Fully Paid	
350,000 Equity Shares @ Rs.10/-	3,500,000
12 TRADE AND OTHER PAYABLES	
Trade Creditors	6,561,205
Audit Fees	25,000
ESC Payable	213,522
	6,799,727
13 CAPITAL COMMITMENTS / CONTINGENCIES	
No known commitments / contingent liabilities exist as at the Statement of Financial Position date.	
14 EVENTS AFTER THE REPORTING PERIOD	
There have been no material events occurring after the Statement of Financial Position date that require adjustments or disclosures in the Financial statements .	

