CENTRAL ENGINEERING CONSULTANCY BUREAU

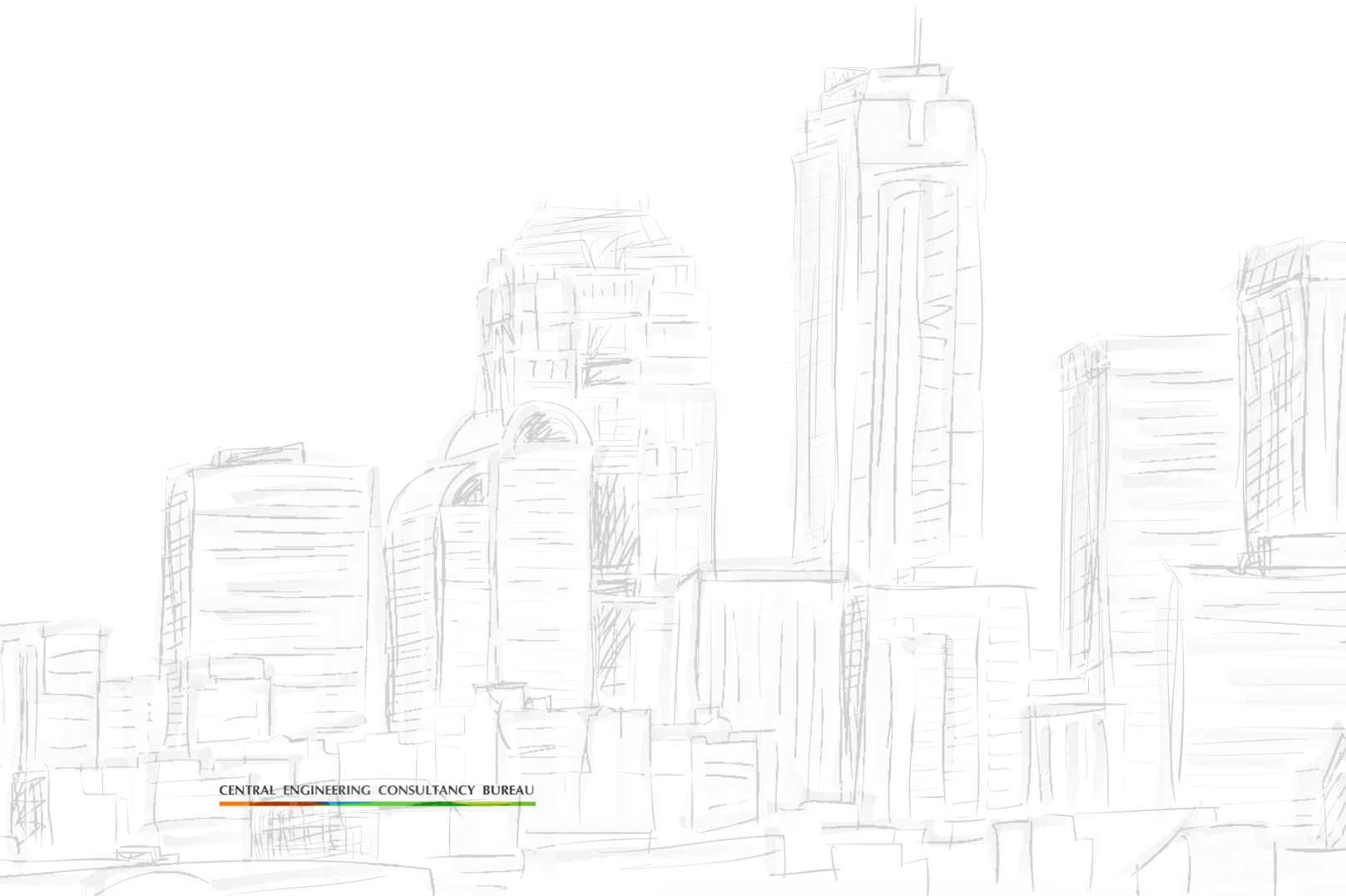


2016 ANNUAL REPORT

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2016 ANNUAL REPORT

CENTRAL ENGINEERING CONSULTANCY BUREAU



CENTRAL ENGINEERING CONSULTANCY BUREAU

Contents

- About Us 01
- Message from the Chairman 02
- Message from the General Manager 04
- Financial Highlights 06
- Board of Directors 08
- Management Team of CECB 12
- Director's Report 13
- Audit Committee Report 15
- Corporate Information and Accounting Policies 16
- Financial Statements
  - Statement of Comprehensive Income 23
  - Statement of Financial Position 24
  - Statement of Changes in Equity 25
  - Cash Flow Statement 26
  - Notes to the Financial Statement 27
- Auditor General's Report 36
- Comparative Financial Statements 45
- Performance of CECB 47
- Central Engineering Services (Pvt) Ltd – CESL 68

INSPIRED TO GO BEYOND

As the premier engineering consultancy firm in Sri Lanka, with a proud heritage of enabling the country's largest infrastructure development projects over four decades, while also ensuring a seamless service delivery to our clients both in public and private sector, today CECB has become THE one-stop-shop for all engineering design, consultancy and construction needs.

We have progressed rapidly over the years with our unwavering aim towards building 'A World Class Engineering Organization'. Our greatest enduring strength is our ability to engage the diversity of knowledge, experience and interests of our consultants and staff working across the country, and also internationally. It would be too easy to rest on our past successes and present reputation.

The CECB – Central Engineering Consultancy Bureau. The foremost consultancy Organization in Sri Lanka today: multi – disciplinary in function, futuristic in approach and, above all, gifted with a team of inspired professionals yearning to go forward.

That inspiration comes with a history – A history that has left indelible marks numerously on the face of this country from over two millennia ago: a history that flourished when the developed world of today was hardly awake.

Fortunately, those indelible marks – ingenious engineering feats – of that distant time are still with us, not as some lifeless artifact, but as something that runs though our veins….. Feeding us…. And breathing very life to our souls. And that sprouts inspiration in the men and women we have chosen.

At CECB, we give wings to such inspiration.

Vision

"To be a
WORLD CLASS Engineering
Organization"

Mission

"To be a World Class Engineering Organization, acquiring excellence in Engineering, Architecture and Quantity Surveying, utilizing state of the art technology, with a highly motivated, trained and skilled workforce rewarded appropriately for their contribution in the optimum use of resources for the maximum benefit to mankind"

A MESSAGE FROM THE

CHAIRMAN



It is my pleasure and privilege to present the Annual Report and Consolidated Accounts of Central Engineering Consultancy Bureau (CECB) for the financial year 2016. We closed year 2016 with Group revenue of Rs.11.7 billion reflecting a 2.2% increase over the previous year revenue. During the year under review, CECB continued to face significant challenges. However through effective management strategies and financial discipline we are successful in realizing a commendable pretax profit increase of 32% from Rs.699.7 million in 2015 to realize Rs.926.0 million in 2016. We contributed a total of Rs.385 million in taxes and other levies to the government coffers.

The operational and financial performances achieved thus are all the more creditable considering the institutional constraints faced by CECB as a self-earning state owned enterprise competing for a market share in a highly competitive engineering market that is active with local and foreign private players. All the while CECB operates with due compliance to financial and procurements guidelines and procedures governing for public enterprises. Though, CECB has strong controls and monitoring mechanisms in place to enhance governance and accountability and to reduce risk and which are continually assessed for improvement with Board directions. While the long delays experienced in the mandatory Standard Technical Committee approvals for claim certification has led to debilitating cash flow crisis and caused financial burden.

Looking at national level performances, the Central Bank reports a Sri Lankan economic growth of 4.4% in 2016 supported among others by a considerable Industry sector growth of 6.7%. The Central Bank notes that the industry sector growth was significantly driven by a 14.9% expansion in construction activities during the year under review. The recommencements of large scale government infrastructure projects and private sector investments have undoubtedly supported this economic growth.

The Central Bank (2016) estimates the Sri Lankan construction industry worth at current market prices in year 2016 as Rs.932.3billion which is a significant increase of 12.5% over the year 2015 worth of Rs.828.4billion. This expansion and growth in the national engineering construction sector is expected grow significantly in the coming years with the commencement of mega construction projects under the massive Megapolis Development programme, Central Expressway project, Outer Circular Highway project as well as recommencement of Southern Expressway Extension project, International Financial City, Industrial zone in Hambantota, Trincomalee, and North Western province etc. together with private sector investments in emerging condominiums and mixed development projects..

In the coming years, CECB and its construction subsidiary CESL will gear the engineering business portfolios to align with the national construction growth segments for a valuable share of the engineering consultancy and construction opportunities unfolding in Sri Lanka. Accordingly, we have started implementing our Business Plan 2016- 2020 designed to secure a share of this construction industry growth. We will continue to endeavor to build and expand upon our renowned multi-disciplinary resource capabilities and engineering excellence reputation to ensure success. We are actively cooperating and contributing to Blue Green Environmental Sustainability project under the SRI LANKA NEXT Programme launched by H.E. Maithreepala Sirisena, President of Sri Lanka.

In conclusion, I thank my fellow Board Members for their valuable support and advice, the General Manager for his leadership and commitment, to the senior management for their dedication and above all to our staff who are our greatest asset towards achievement of our set goals.



Chairman

Eng. G.D.A. Piyatilake

BSc.Eng., PG.Dip (Const.Mgt), PG.Dip (Ports & Coastal) Norway, MIE (SL), C Eng, MASCE

A MESSAGE FROM THE

GENERAL MANAGER





As already noted by the Chairman in his review, year 2016 was a year of mixed results for CECB. The national construction industry recovered from the 2.7% slump in year 2015 to record a substantial growth of 14.9% in 2016 mainly due to the recommencement of large-scale infrastructure projects by the government.

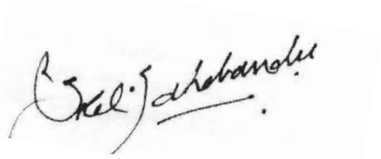
The Central Bank reports that the main focus of the governments infrastructure development drive during 2016 was on regional connectivity through development of road networks and on Megapolis development programme. CECB succeeded in securing new high value consultancies in the Central Expressway project and several consultancy and Design and Build projects under the Megapolis Development programme. CECB is proud to have been selected as the construction Supervision Consultant in the development of the iconic 42 storied, four tower AVIC Astoria super luxury residential apartment/penthouse complex launched this year in Colombo by a Chinese developer. It is noteworthy that CECB is one of the very few engineering consultancy organizations with structural design engineer licensed to design unlimited number of Stories in high-rise building development in Sri Lanka.

The Consultancy Division maintained a healthy revenue growth and realized Rs.2.1 billion in year 2016 achieving a commendable 7.4% increase over the year 2015 performances while the construction revenue improved marginally by 1.11% to Rs.9.6 billion over the year 2015. CECB with its renewed emphasis in engineering consultancy and multidisciplinary expertise looks forward for further growth in consultancy sectors in the coming years. As in the past years, the Bureau continued to make valuable contributions to national economy through its value engineering consultancies in the development of nationally important infrastructure such as Kaluganga, Moragahakanda, Uma Oya, Broadlanda, Matara-Beliatta Railway etc.

At CECB, we are not just into developing physical infrastructure, but are equally focused into development of our valued human resources. CECB employs 530 engineers, 39 Architects, 19 quantity surveyors, 11 geologists in its 1519 staff of various categories. Our human resources management processes cover continuous learning and knowledge update opportunities, career advancement, performance oriented rewards and recognition systems. The Bureau places high importance on the health and safety of employees while providing health insurance cover, paid medical leave for recuperation to cover unforeseen events.

We strongly believe in the importance of developing our intellectual capital to inspire excellence to go beyond. During 2015, CECB invested Rs.5.4 million in providing Post Graduate training placements to 21 staff members in universities while Rs.4.9 million was used to support outdoor skill development programmes of staff. The Bureau also contributed to national engineering education through providing Industrial training placements for over 600 students from universities and Technical/Vocational training institutions free of charge. We have also worked a system to engage retired senior engineers with a wealth of knowledge, experience and skills to let them pass on their know how to the next generation of engineers while contributing to the nationally important projects... CECB actively contributes to the development national standards and specifications and quality assurance mechanisms for engineering sector in association with Sri Lanka Standards Institute and CIDA.

I believe our success is the result of our cooperation and collaboration. I thank Chairman, Board Senior Management and all Staff members for their continued support and the confidence they had in my leadership to advance our respected and reputed niche in the engineering industry in Sri Lanka. We were able to achieve our targets, and we are positively looking forward to accomplishing our future goals in the coming years.



General Manager

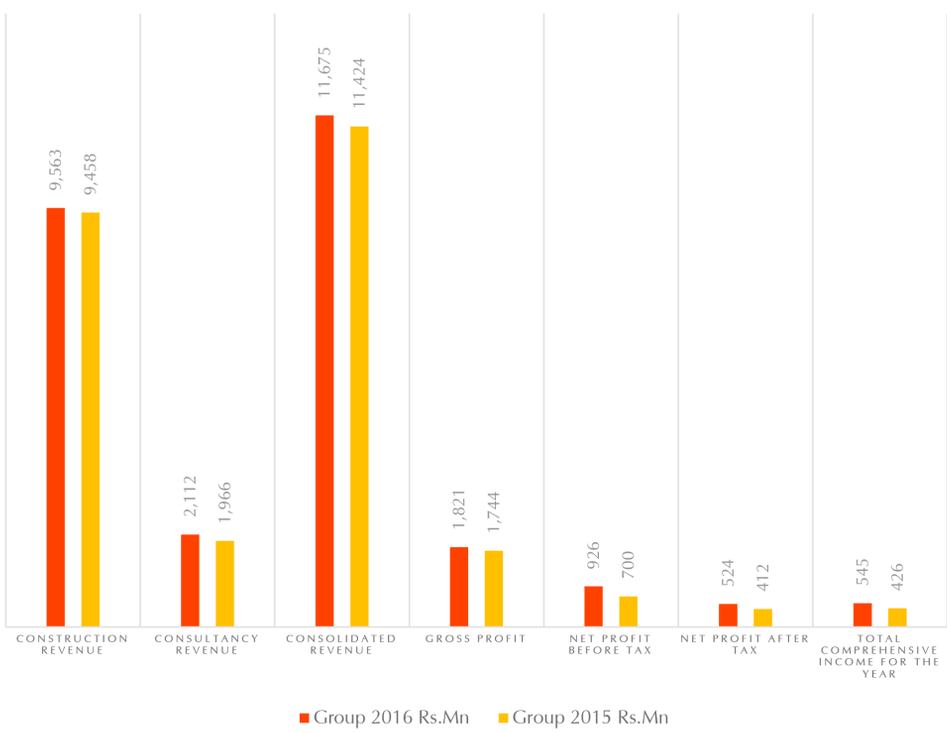
Eng. K.L.S. Sahabandu

Bsc.Eng (Hons), PG Dip (Hyd), MSc.(Struct.),CEng,
MICE (London),MIE (SL), M.Cons E(SL), FSSE (SL)

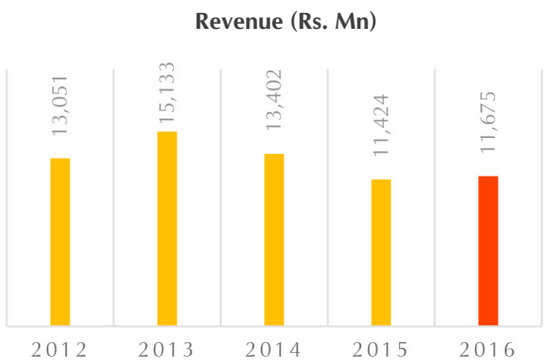
FINANCIAL HIGHLIGHTS

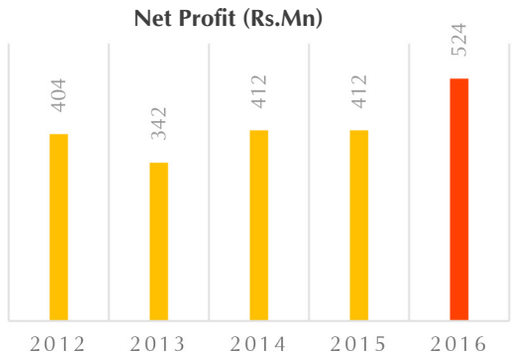
	Group		CECB	
	2016 Rs. Mn	2015 Rs. Mn	2016 Rs. Mn	2015 Rs. Mn
Construction Revenue	9,563	9,458	8,209	8,734
Consultancy Revenue	2,112	1,966	2,124	1,976
Consolidated Revenue	11,675	11,424	10,333	10,710
Gross Profit	1,821	1,744	1,153	1,262
Net Profit Before tax	926	700	816	582
Net profit after tax	524	412	440	331
Total Comprehensive Income for the Year	545	426	460	345
Total assets	19,945	16,804	18,434	16,607
Contributed Capital	0.50	0.50	0.50	0.50
Total Equity	5,501	4,956	5,208	4,748
Total Equity Equilibrium	19,945	16,804	18,434	16,607
Current Assets	17,001	13,676	15,878	13,876
Current Liabilities	14,265	11,653	13,069	11,683

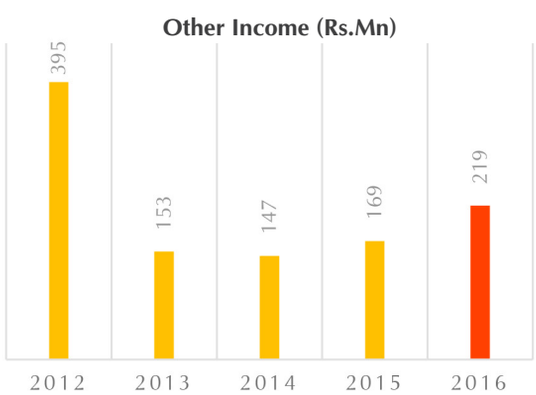
FINANCIAL HIGHLIGHTS of GROUP

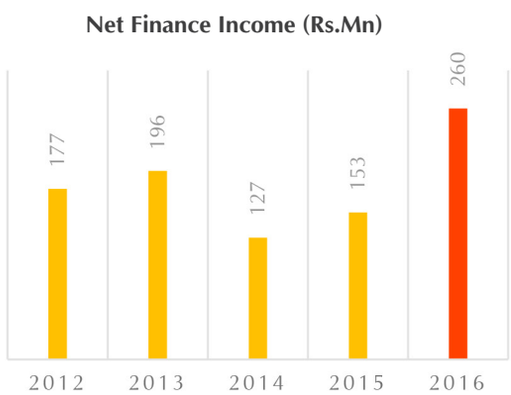


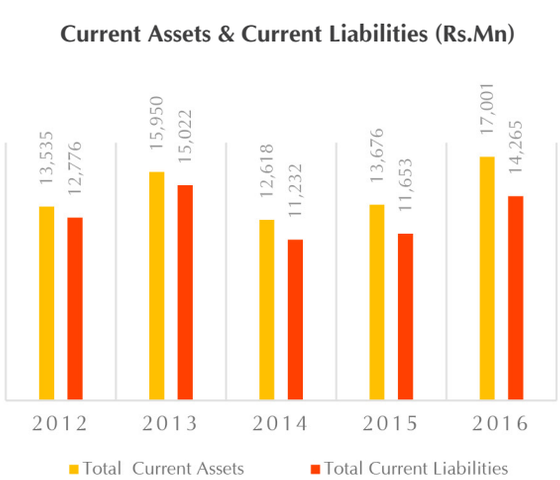
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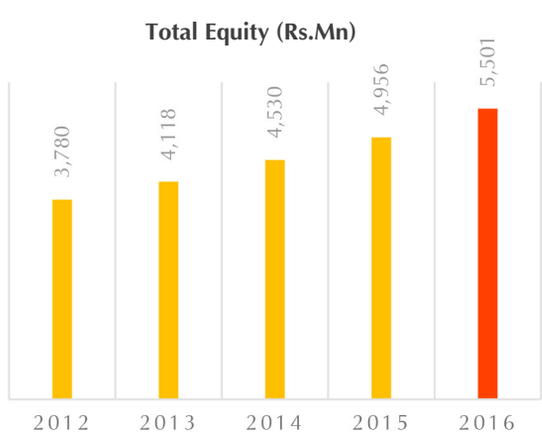


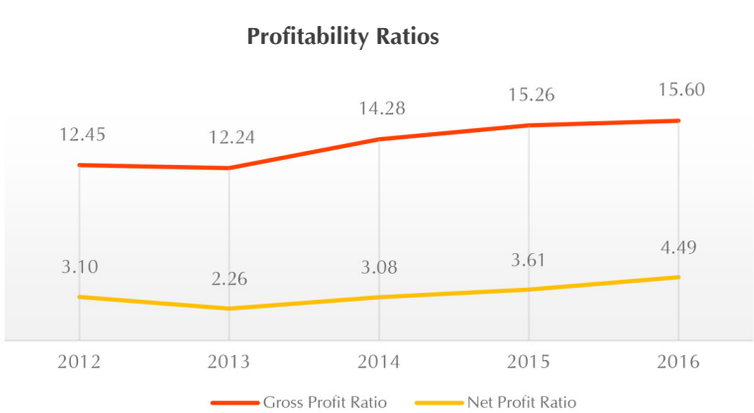












Board of Directors



Eng. H.B. Jayasekara
Director

Mr. P.B.S.C. Nonis
Director

Mr. S.M.N.L. Senanayake
Director



Eng. G.D.A. Piyatilake
Chairman

Eng. N. Rupasinghe
Director

Mr. M.R.G. Ranathunge
Working Director

Eng. S.P.P. Nanayakkara
Director

Eng. G.D.A. Piyatilake

Chairman

BSc.Eng.Hons, PG. Dip. (Const.Mgt), PG. Dip. (Port & Coastal Eng.) Norway, MIE(SL), CEng., MASCE

Appointed as the Chairman of the Board in 2015. Functions concurrently as Chairman of the Central Engineering Services (PVT) Ltd, the construction Engineering arm of CECB. Since 2010 provided direct support to the Board in its deliberations as Corporate Additional General Manager (EPC). Possess over 34 years of wide experience in Engineering and Management all of which gained in CECB in various capacities and starting his career as Resident Engineer in Victoria Hydropower Project in 1983 and gaining progressive responsibilities and promotions over the years as Project Engineer (1995), Project Team Leader (1996), Deputy General Manger (2005) and as Additional General Manager in 2010. He brings to the Board his specialized knowledge and wide expertise of the Civil Engineering field gained in managing diverse projects he had undertaken in his long career.

Mr. M.R.G. Ranathunge

Working Director

LL.B (Sri Lanka), Attorney-at-Law, Notary Public, Company Secretary, Actg. Magistrate.

Appointed to the Board as Working Director in 2015. Previously served as Working Director, CECB during 2007 to 2010. Concurrently serves as Director, Central Engineering Services (PVT) Ltd. Concurrently functioning as Director, Department of Health, Director, Ministry of Defence. Previously held the posts of Director, Water Resources Board, Director, Fertilizer Corporation and Secretary Rakhna Lanka (Pvt) Ltd. Earlier served as Zonal Vice President of the North Central Province, Bar Association of Sri Lanka.

Eng. N. Rupasinghe

Director

BSc. Eng.(Hons),PG Dip. (Hydropower)Norway, C.Eng.,MIE (SL), MICE (London), Licd. Surveyor

Appointed to the Board as Director in 2015. Holds nationally important development responsibilities as Secretary, Ministry of Megapolis and Western Development from 2015. Served as Chairman CECB from 2005 to 2014. Possess over 34 years of extensive Engineering and Management experience in the Bureau having joined CECB as Civil Engineer in 1981 and served as Civil Engineer, Resident Engineer, Chief Resident Engineer, Project Manager, Additional General Manager and General Manager. Pioneered the establishment of Engineering Procurement and Construction (EPC) Division starting as the Project Manager (Infrastructure Construction) and as Additional General Manager (EPC).

Eng. H.B. Jayasekara

Director

BSc.(Eng.), C.Eng., MICE(UK), FIE(SL)

Appointed to the Board as Director in 2015. Has earlier functioned as Chairman, CECB from 2000 to 2004.Extensive experiences in engineering and management gained nationally and overseas. Worked at State Engineering Corporation of Sri Lanka as Design Engineer (1965 to 1967), Resident Engineer (1967-1968) and Resident Construction Manager (1970 to 1972). Joined Central Engineering Consultancy Bureau as a Chief Project Engineer (1977), promoted as Deputy General Manager (1978 – 1985), as Additional General Manager Water Resources Planning (1986 – 1995) and elevated as General Manager, CECB (1995 to 1996). Served overseas in the Forestry Commission, Head Office, U.K (1968 to 1970) and as Deputy Section Engineer, Kent Country Council, UK (1972 to 1977)

Mr. S.M.N.L. Senanayake

Director

BSc., Dip. Mgt., FCA, Chartered Accountant.

Reappointed to the Board as Director in 2015, having functioned as Director, CECB since 2004. Functioned as Company Secretary, Central Engineering Services (PVT) Ltd till June 2016. Possess extensive finance management and accounting experiences. Functions as Director, Corporate Vision (Pvt) Ltd., since 1988 and as Director, Financial Consultants and Allied Services (Pvt) Ltd since 1994.

Mr. P.B.S.C. Nonis

Director

B.Sc. (Business Admin) Hons – University of Sri Jayawardenapura, Master of Public Administration – Flinders University Australia, LICA, Institute of Chartered Accountants of Sri Lanka

Appointed in 2015 as Director representing Treasury in the CECB Board and functions as the current Chairman of the Audit Management Committee of CECB. Holds the substantive post of Director, Ministry of Finance and Department of Public Finance. Possess diverse and extensive Sri Lanka Administrative Service (SLAS) experiences. Started SLAS career in the Ministry of Fisheries and Aquatic Resources as Assistant Secretary(1998) and Ministry of Finance and Planning as Assistant Director, Department of Fiscal Policy & Economic Affairs (2002), Deputy Director of Department of Trade Tariff and Investment Policy (2009) and Director, Department of Fiscal Policy (2009) appointed as a Director of Customs in 2011 and as Additional Secretary (Procurement), Ministry of Petroleum Industries in 2014. Has served as Career Guidance Specialist, Ministry of Youth and Skills Development Skills Sector Development Program in 2014.

Eng. S.P.P. Nanayakkara

Director

B.Sc. Eng, C Eng, MICE (UK), MIE (SL)

Appointed to the Board as Director in 2016 and concurrently serves as Executive Director, Central Engineering Services (Pvt) Ltd. Functioned as Chief Executive Officer of Central Engineering Services (Pvt) Ltd till September 2016. Possess over 36 years of extensive Engineering and Management experience in the Bureau having joined CECB as a Civil Engineer in 1980 and served as Shift Engineer in Maduru Oya Irrigation and Hydropower Project, Design Engineer in the Canyon Hydropower Project, Civil Engineer in the Randenigala Hydropower Project, Senior Engineer at Samanalawewa Hydropower Project. In 2001 he started the EPC – Southern Province Section as a Project Manager and served there as Deputy General Manager (EPC-SP) from 2006 to 2007 and as Additional General Manager (EPC-SP) from 2007 to 2015 and as Corporate Additional General Manager (EPC) till September 2016.

MANAGEMENT TEAM

Eng. G.D.A. Piyatilake
Chairman

Eng. K.L.S. Sahabandu
General Manager

Eng. T.D. Wickramarathna
Corporate AGM (Consultancy)

Eng. A.Galketiya
Corporate AGM (EPC) / AGM International / AGM (Special Projects-2)

Eng. G.D.A. Piyatilake
AGM (EPC-WP-1)

Eng. E.P.U.S. Karunaratne
AGM (EPC - Western Province-2)

Eng. D.R. Mithra
AGM (North Central)

Eng. H.M. Nandasena
AGM (EPC - Central Province)

Archt. W.K. Lalith Hewage
AGM (Architectural)

Eng. G.A.D.L.J. Seneviratne
AGM (Electro & Mechanical)

Eng. (Mrs.) H.M.S. Rupasinghe
AGM (Central Province)

Eng. K.L.S.R. Sahabandu
A/AGM (Design-1)

Eng. (Mrs.) A.A.P Adikari
A/ AGM (Design-2)

Eng. S.A.U.D.C Siriwardana
A/AGM (Water Resources Planning)

Eng. I.R.P Gunathilake
A/ AGM (Special Projects - 1)

Eng. G.R.A.S Gunathilake
AGM (EPC-East)

Eng. N.R. Pothuwila
A/AGM (Northern Roads)

Eng. M.N. Gunasena
A/ AGM (EPC - Uva Province)

Eng. T.G.D.T. Dharmawardana
A/ AGM (Projects)

Eng. W.E.P. Ranjan Kumara
A/ AGM (EPC - Sabaragamuwa)

Eng. P.M.P.C. Gunathilake
A/ AGM (EPC - South East)

Eng. S.S.A Kalugaldeniya
A/AGM (Design-3)

Eng. J.A.D.R.S Kumara
A/AGM (EPC-NC)

Eng. A.Pushparaj
A/AGM (EPC-North)

Eng. A.A. Virajh Dias
A/ AGM (NRM&LS)

Mrs. C.U. Amarathunga
DGM C&QS

Mr.U.N.B.Mawathagama
DGM Finance

Mrs. A.C. Jayathilake
DGM IT

Mr.E.R.S.Amarasekara
Chief Internal Auditor

Mrs. S.H.H.C.U.Senanayake
Senior Legal Officer

Mr. L.P.Jayasundara
DGM HR

DIRECTORS REPORT

ANNUAL REPORT OF THE BOARD OF DIRECTORS – 2016

Legal Status

The Central Engineering Consultancy Bureau (CECB) was established on 10th April 1973 to provide multi-disciplinary consultancy services for water resources development projects. It is a statutory body established under the State Industrial Corporation Act No. 49 of 1957.

Responsibilities of the Board of Directors

The Board should exercise its mandate rights and responsibilities with integrity and in good faith as the custodian of public resources. The Board should at all times be conscious of its onerous responsibilities, as the outcome of any decisions and actions carried out without proper planning will ultimately be borne by the public at large.

Best Practices

Best Practices in Corporate Governance advocate vigilant and well functioning Boards that debate strategic decisions openly and constructively in the best interests of the enterprise. For this purpose dissenting views of members should also be heard. It is possible that a single dissenter could make a huge difference on a Board. "The highest performing companies have extremely contentious Boards that regard dissent as an obligation and treat no subject as undiscussable"

Leadership Role

In its leadership role, the duties of the Board should include:

a) Determine the Mission of the enterprise and how best it could serve the interests of its shareholders and other stakeholders.

b) Ensure that legal requirements are fulfilled and the enterprise operates in accordance with the provisions of the Incorporation Act/ Memorandum and Articls of Association.

c) Frame policies for implementation by Management, so as to achieve optimum returns and benefits to its shareholders and other stakeholders.

d) Review public policy objectives periodically and provide strategic direction, to formulate long – term goals and objectives for further growth.

e) Ascertain that finances needed to meet goals and objectives are generated or obtained on a timely basis without interruptions, for the smooth functioning of the enterprise.

f) Ensure proper accountability by maintaining adequate records and books of Accounts.

g) Ensure that an effective risk management system is in place, to insulate the enterprise against disruptions, setbacks etc.

Oversight Role

As regards its oversight role the Board is responsible for the overall management of the enterprise and to establish effective systems of control as checks and balances with responsibility shared widely amongst Senior Managers.

For this purpose the responsibility of the Board will:

a) Ensure that Board policies are executed in the same spirit as it was framed and in the best interest of the institution and the public at large.

b) Monitor the activities of Management by means of Management Information reports and evaluate performance, to ensure that the enterprise is on track in its operations.

c) If results do not match desired expectations, take remedial action without delay to ensure that goals are achieved.

d) Appoint competent personnel as Managers and ensure that there is proper delegation and team spirit amongst the Senior Management, by providing a conductive environment to carry out their respective functions independently and in a responsible manner.

e) Report to shareholders at Annual General Meetings/attend Committee on Public Enterprises (COPE) meetings.

Composition of the Board of Directors

The Board comprises of Seven (07) Board Members, inclusive of the Chairman of Central Engineering Consultancy Bureau.

Members of the Board of Directors as follows;

Eng. G.D.A. Piyatilake	**- Chairman**
Mr. M.R.G. Ranathunga	**- Working Director**
Eng. N. Rupasinghe	**- Director**
Mr. S.M.N.L. Senanayake	**- Director**
Eng. H.B. Jayasekara	**- Director**
Mr. P.B.S.C. Nonis	**- Director**
Eng. S.P.P. Nanayakkara	**- Director**

Meetings & Attendance

The Board met in 13 occasions to the Financial Year 2016 and the attendance of the Board of Directors was as follows.

Name	Position	2016												
		13th Jan	25th Feb	31st Mar	28th April	31st May	29th June	06th July	28th July	14th Sept	03rd Oct	27th Oct	26th Nov	20th Dec
Eng. G.D.A. Piyatilake	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. M.R.G. Ranathunga	Working Director	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓
Eng. N. Rupasinghe	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. S.M.N.L. Senanayake	Director	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	-	✓
Eng. H.B. Jayasekara	Director	✓	✓	-	✓	✓	✓	✓	✓	-	-	✓	✓	✓
Mr. P.B.S.C. Nonis	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eng. S.P.P. Nanayakkara	Director	-	-	-	-	-	-	-	-	-	-	-	✓	✓



AUDIT COMMITTEE REPORT

The Audit and Management Committee is governed by the specific Terms of Reference (TOR) set out by the Board of Directors in terms of the Public Enterprises Circular No. PED 55. The Committee focuses on the objectives in discharging its responsibilities as per Terms of Reference and the requirements of the Government. The Audit Committee has the responsibility of assisting the Board in the task of overseeing to ensure that financial reporting is done in compliance with relevant Sri Lanka Accounting Standards and other applicable legal requirements. Further the committee should assist the Board to ensure that all relevant rules, regulations and Circulars issued by the Government and complied through continuous reviewing, monitoring, making recommendations to the Board on non- compliance. The Audit Committee should review the Internal/External Audit Reports, Management Letters, COPE recommendations, and help the Board to take remedial actions. Further it should assist the Board to introduce and implement adequate internal control system. The Committee shall meet at least once in three months and report its recommendations to the Board of Directors soon thereafter, along with the minutes of the meeting, to facilitate taking corrective measures. The Terms of Reference of the Audit Committee is issued by the Board of Directors.

Determination of the responsibilities of the Internal Audit Unit and review of the annual audit plans, Review and evaluate internal control systems for all activities of the entity, Review performance at regular intervals for cost effectiveness and to eliminate wasteful expenditure etc., Liaise with external auditors and follow up on Auditor General's / External auditors Management Letters, Ascertain whether statutes, regulations, rules and circulars are complied with, Review financial statements to ensure compliance with Accounting Standards, Review internal audit/external audit reports, Management Letters for remedial action, Review implementation of recommendations / directives of the Committee on Public Enterprises, Prepare report on the findings of the Committee for inclusion in the Annual Report, Address relevant issues concerning the subsidiaries of the enterprise, if any, on a regular basis.

Composition

According to the provisions of Public Enterprises Circular No. PED 55, the Audit Committee of Bureau comprises of three (03) Non- Executive Board members, inclusive of Treasury Representative who chairs the committee.

The Present Members of the Audit Committee are as follows:

- **Mr. P.B.S.C. Nonis** - **Director /Chairman of the Committee**
- **Mr. S.M.N.L. Senanayake** - **Director**
- **Eng. H.B. Jayasekara** - **Director**

The Committee has a blend of experience in the commercial and public sector with financial and management expertise.

Ms. S.H.H.C.U. Senanayake, Board Secretary functions as the Secretary to the Audit Committee and Mr. J.M.B. Jayaweera, Chief Internal Auditor functions as the Convener to the Audit Committee for the first two meetings and Mr. E.R.S. Amarasekara, Chief Internal Auditor functions as the Convener to the Audit and Management Committee for the next three meetings.

Meetings and Attendance

The Audit Committee met on five occasions during the financial year 2016 and their attendances are as follows:

Name	2016				
	3rd Feb	20th April	21st June	21st Sept	20th Dec
Mr. P.B.S.C. Nonis	✓	✓	✓	✓	✓
Mr.S.M.N.L.Senanayake	✓	✓	✓	✓	✓
Eng. H.B.Jayasekara	-	✓	✓	-	✓

Other Members of the Board, Senior Managers, as well as the External Auditors are invited to be present at the discussions where appropriate. The proceedings of the audit Committee are regularly reported to the Board of Directors.

Compliance

The Committee has ensured the Board to act in compliance with the relevant legislations and the regulatory requirements and to ensure that the financial statement complies with the Sri Lanka Accounting Standards. The Committee assessed the adequacy of existing controls and risk management procedures and made recommendation to the Board, for additional controls and risk mitigating strategies necessary to strengthen the existing internal control system. Further the Committee has reviewed the routine operations of the Bureau and assessed future prospects for its business operations and accordingly makes sure that the going concern assumption used in the preparation of the financial statements, is appropriate.

External Audit

The Auditor General acts as the External Auditor of the Bureau.

Mr. P.B.S.C. Nonis
Chairman - Audit and Management Committee

CORPORATE INFORMATION AND ACCOUNTING POLICIES

1 CORPORATE INFORMATION

1.1 Domicile and Legal Form

Central Engineering Consultancy Bureau is a State Corporation established under the provisions of the State Industrial Corporations Act no. 49 of 1957 and domiciled in Sri Lanka. The Bureau's registered office and the principal place of business are located at No.415, Bauddhaloka Mawatha, Colombo 07.

The Consolidated Financial Statements of Central Engineering Consultancy Bureau as at and for the year ended 31st December 2016 comprises the Bureau and its subsidiaries (together referred to as the "Group").

The Financial Statements of all Companies in the Bureau have a common financial year which ends on December 31st.

1.2 Principal Activities and Nature of Operations

Central Engineering Consultancy Bureau is primarily involved in the business of construction, consultancy and any engineering related activities.

Central Engineering Service (Private) Limited (CESL) is a fully owned subsidiary of CECB engage in the business of undertaking and executing Design-Build, Turnkey and other types of construction work in the field of civil, electrical and mechanical engineering and all aspects connected therewith or ancillary or incidental thereto on its own or as a member of joint venture or a member of a consortium in Sri Lanka or elsewhere.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Bureau and the Group comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the cash flow statement, together with the accounting policies and notes to the financial statements. These financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS and LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Financial Statements of the subsidiary is prepared in compliance with the Accounting policies of the Bureau unless stated otherwise.

2.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of Financial Position.

- Financial assets and Financial Liabilities that have been measured at fair value. (LKAS -39)
- Property Plant and Equipment are stated at fair value. (LKAS -16)
- Employee benefit liability recognized based on actuarial valuation (LKAS-19)

The Bureau's Directors have made an assessment of the Bureau's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of business.

2.3 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Bureau's functional currency.

2.4 Use of Significant Accounting Judgments, Estimates & Assumptions

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRSs) requires the management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses and disclosure of contingent liabilities. Actual results may differ from these estimates.

The Estimates and associated assumption are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from the other sources.

The Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Critical accounting estimate/ judgment	Note No	Page No
Contract revenue, cost and percentage of completion	09	27

2.4 Use of Significant Accounting Judgments, Estimates & Assumptions (Continued)

Information about assumptions and estimates uncertainties that have a significant risk of resulting in a material adjustment in the financial statements are included in the table below:

Critical accounting estimate/ judgment	Note No	Page No
Property, plant and equipment	15	28/29
Employee Benefits	22	31
Deferred Tax Liabilities	23	32

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Consolidation

(a) Business Consolidation

The group's financial statements comprise consolidation of the financial statements of the bureau, its subsidiaries in terms of the Sri Lanka Accounting Standards SLFRS 10-"Consolidated Financial Statements"

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Financial Statements of Subsidiaries are included in the consolidated Financial Statements from the date that control commences, until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

(c) Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealized income and expenses arising from intra Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2 Foreign Currency Transactions

All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

Foreign exchange differences arising on translation of foreign exchange transactions are recognized as a profit or loss in the statement of Profit or Loss.

3.3 Financial Instruments

(a) Financial assets

The Group initially recognizes loans and receivables and deposits on the date that they originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts intends either to settle on a net basis or realize the assets and settle the liability simultaneously.

The Group has the following financial assets: loans and receivables and available-for-sale financial assets.

(i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivable comprise cash and cash equivalents, investment in debenture and trade and other receivables, including related party receivables.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Held to Maturity

Non derivate financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortized cost using the Effective Interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortization is included in finance income in the statement of comprehensive income.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and that are not classified as any of the other financial assets. The Group's investments in equity securities are classified as available-for sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. However investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured therefore the equity instruments are measured at cost.

(b) Financial liabilities

Other financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contracted obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities in to the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost. Other financial liabilities comprise: loans and borrowings, trade and other payables.

3.4 Impairment

3.4.1 Non-derivative Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

3.4.2 Financial assets

The Group considers evidence of impairment for receivables at a specific asset level. All individually significant receivables are as assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reserved through profit or loss. Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

3.4.3 Non-financial assets

The carrying amounts of the Group's non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest Group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Groups of assets the ("cash generating unit").

3.4.3 Non-financial assets (Continued)

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (Group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.5 Property, Plant and Equipment

3.5.1 Recognition and Measurement

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Property, plant and equipment are stated at cost/ revaluation less accumulated depreciation and accumulated impairment losses.

3.5.2 Freehold Assets

The cost of an item of property, plant and equipment comprise of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of Self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the working condition for it intended use. This also includes cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted as separate items (major component) of property, plant and equipment.

3.5.3 Leasehold Assets

Leases in terms of which the Group assumes substantially all the risk and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured and capitalized at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

3.5.4 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied.Within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3.5.5 De-recognition

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on de-recognition are recognized in profit or loss.

3.5.6 Depreciation

Depreciation is recognized in profit or loss on the straight-line basis over the estimated useful lives of each part of item of Property, Plant and Equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Depreciation of an asset begins when it is available for use where as depreciation of an asset ceases at the earlier of the date that the assetis classified as held for sale (or included in a disposal Group that is classified as held for sale) and the date that the asset is derecognised. Depreciation is not charged on Freehold Land and Capital Work in Progress. The estimated useful lives are as follows:

Asset Category	Useful Lives
Freehold Building	13-14 Years
Office Equipment and Furniture and Fittings	8 Years
Construction Instruments and Equipment	4-5 years
Motor Vehicles	4 years
Plant & Machinery	5 years
Containers	5 years
Computers	5 years
Library Books	8 years

3.5.7 Capital Work in Progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as Capital Work-in-Progress, whilst the capital assets which have been completed during the year and available to use have been transferred to Property, Plant and Equipment.

3.6 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined on the weighted average cost basis and includes expenses incurred in acquiring the inventories and bringing them to their existing location and condition.

3.6.1 Work in Progress

Construction contracts in progress represent the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity. Construction contracts in progress is presented as part of trade and other receivables in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as part of trade and other payable in the statement of financial position.

3.7 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which contributions are made in to a separate fund and the entity will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined Contribution Plans - Employees Provident Fund and Employees Trust Fund

All employees who are eligible for Employees Provident Fund contribution and Employees Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations. The Group contributes 12 % and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

(b) Defined Benefit Plan - Gratuity

The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using Project Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in Other Comprehensive Income.

The Group expects to carry out actuarial valuation atleast once in every three years.

The gratuity liability is valued using the Projected Unit Credit (PUC) method considering the assumptions required to arrive at the present value of defined benefit obligation.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of 5 years of continued service.

3.8 Provisions

Provisions are recognized if, as a result of a past event the Group has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions and liabilities are recognized in the Statement of Financial Position. Provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the liability Unwinding of discount is recognized as finance cost.

3.9 Statement of Comprehensive Income

3.9.1 Revenue

(a) Construction Contracts

Contracts require Standard Technical Committee (STC) approval for the measurement of contract revenue.

The projects pending STC approval, the contract revenue is recognised only 90% of initial amount of revenue agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. And contract revenue is revised to the STC approved contract revenue once it is received.

The Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

(a) Construction Contracts (Continued)

As soon as the outcome of a construction Contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed with reference to the proportion that contract cost incurred for work performed to date bear to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

(b) Consultancy Services

The Group generates revenues from consultancy service related to construction work. Revenue from consultancy services is recognised in profit or loss in proportion to the stage of the transaction at the reporting date. The stage of completion is assessed with reference to survey of work performed.

3.9.2 Interest Income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the Statement of Comprehensive Income.

3.9.3 Dividend Income

Dividend income is accounted when the shareholders' right to receive payment is established.

3.9.4 Other Income

Profits or losses from disposal of property, plant and equipments recognized having deducted from proceeds on disposal, the carrying value of the assets and the related expenses.

Foreign currency gains and losses are reported on a net basis.

3.9.5 Expenditure Recognition

(a) Construction and consultancy Cost

Contract expenses are recognised as incurred unless they create an asset related to future Contract activity. Expected losses are recognized as an expense when it is probable that the total cost pertaining to construction contracts will exceed its revenue.

(b) Other Expenses

All 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 revenue in arriving at the profit for the year.

3.9.6 Taxation

(a) Current Taxes

Current Income tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditures reported in the Financial Statements and computed with in accordance with the provisions of the Inland Revenue Act.

The relevant details are disclosed in the respective notes to the Financial Statements.

(b) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nortaxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

4 ORDINARY SHARE CAPITAL

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

5 GOING CONCERN

The Management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

6 RELATED PARTY TRANSACTIONS

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged. The relevant details are disclosed in the Note 27 to the Financial Statements.

7 CASH FLOW STATEMENT

The Cash Flow Statement has been prepared using the indirect method in accordance with Sri Lanka Accounting Standard LKAS 7 – Statement of Cash Flows.

8 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Events after the reporting period are those events favourable and unfavourable that occurs between the end of the reporting period and the date when the Financial Statements are authorized for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

9 NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Company Financial Statements are disclosed below. The group intends to adopt these standards, if applicable, when they become effective.

(a) SLFRS 9 – Financial Instruments

SLFRS 9 as issued reflects the replacement of LKAS -39`-"Financial Insrument: Recognition and Measurement" and applies to the classification and measurement of financial assets and liabilities as defined in LKAS 39. This standard becomes effective for annual periods beginning on or after 1st January 2018. The adoption of SLFRS 9 will have an impact on the classification and measurement of the company's and group's financial instrument.

(b) SLFRS 15 – Revenue from Contracts with Customers

SLFRS 15 establish a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the existing revenue recognition guidance including LKAS18-"Revenue" and LKAS 11-"Construction Contracts". The adoption of SLFRS 15 is effective for annual periods beginning on or after 1st January 2018, with early adoption permitted.

The group will adopt these standards when they become effective. Pending a detailed review, the financial impact is not reasonable estimable as at the date of publication of these Financial statements.

FINANCIAL STATEMENTS

CENTRAL ENGINEERING CONSULTANCY BUREAU

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2016	Note	GROUP 2016 Rs.	GROUP 2015 Rs.	CECB 2016 Rs.	CECB 2015 Rs.
Revenue	9	**11,674,570,503**	11,423,636,967	**10,333,280,821**	10,710,472,734
Cost of Sales	10	(9,853,816,338)	(9,679,902,097)	(9,179,818,923)	(9,448,860,733)
Gross Profit		**1,820,754,165**	1,743,734,870	**1,153,461,898**	1,261,612,002
Other Income	11	218,971,425	168,515,920	272,930,388	173,393,789
Administration Expenses		(1,151,207,809)	(1,142,902,688)	(601,403,438)	(773,676,196)
Selling and Distribution Expenses		(222,937,513)	(222,249,855)	(213,573,602)	(220,503,209)
Results from Operating Activities		**665,580,269**	547,098,247	**611,415,245**	440,826,385
Finance Income		282,598,968	168,766,491	210,668,182	150,007,977
Finance Cost		(22,135,246)	(16,207,048)	(6,263,475)	(8,789,218)
Net Finance Income	12	**260,463,722**	152,559,443	**204,404,707**	141,218,758
Profit Before Tax	13	**926,043,990**	699,657,689	**815,819,952**	582,045,143
Income Tax Expense	14	(401,823,227)	(287,358,436)	(376,156,549)	(250,935,705)
Profit for the Year		**524,220,763**	412,299,253	**439,663,403**	331,109,438
Other Comprehensive Income					
Acturial Gain on post employment benefit obligations		20,297,204	13,927,098	20,282,110	13,927,098
Total Comprehensive Income for the Year		**544,517,967**	426,226,351	**459,945,513**	345,036,536

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on pages 27 to 35 form an integral part of these Financial Statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2016	Note	GROUP 2016 Rs.	GROUP 2015 Rs.	CECB 2016 Rs.	CECB 2015 Rs.
Assets					
Non-Current Assets					
Property, Plant and Equipment	15	**2,905,911,035**	3,088,678,195	**2,509,023,699**	2,686,829,682
Investments	16	**38,489,824**	39,477,863	**46,957,402**	44,253,587
Total Non-Current Assets		**2,944,400,859**	3,128,156,058	**2,555,981,101**	2,731,083,269
Current Assets					
Inventories	17	**785,057,154**	594,682,065	**16,857,933**	92,491,334
Trade and Other Receivables	18	**11,485,838,621**	8,937,778,990	**11,013,443,138**	9,443,009,084
Short term Investments	16	**4,081,356,846**	3,341,850,862	**3,035,639,354**	2,570,978,949
Cash and Cash Equivalents	20	**648,439,480**	801,392,970	**440,730,586**	622,427,835
Amount Due from Related Party Companies	19		-	**1,371,069,905**	1,147,466,029
Total Current Assets		**17,000,692,101**	13,675,704,887	**15,877,740,916**	13,876,373,232
Total Assets		**19,945,092,960**	16,803,860,945	**18,433,722,017**	16,607,456,501
Equity and Liabilities					
Contributed Capital		**500,000**	500,000	**500,000**	500,000
Capital Reserve	26	**3,028,000**	3,028,000	**3,028,000**	3,028,000
Retained Earning		**5,496,994,903**	4,952,476,935	**5,204,313,332**	4,744,367,819
Total Equity		**5,500,522,903**	4,956,004,935	**5,207,841,332**	4,747,895,819
Non-Current Liabilities					
Lease Creditors	21	**-**	-	**-**	-
Employee Benefits	22	**158,063,895**	177,457,833	**156,587,664**	176,438,911
Deferred Tax	23	**21,820,955**	17,617,814	**-**	-
Total Non-Current Liabilities		**179,884,851**	195,075,647	**156,587,664**	176,438,911
Current Liabilities					
Trade and Other Payables	24	**13,293,081,842**	10,877,454,823	**12,120,903,654**	10,931,756,058
Income Tax Payables	25	**971,603,364**	774,441,715	**948,389,368**	751,365,709
Lease Creditors	21	**-**	883,827	**-**	-
Total Current Liabilities		**14,264,685,206**	11,652,780,363	**13,069,293,022**	11,683,121,770
Total Liabilities		**14,444,570,057**	11,847,856,010	**13,225,880,686**	11,859,560,681
Total Equity and Liabilities		**19,945,092,960**	16,803,860,945	**18,433,722,017**	16,607,456,501

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on pages 27 to 35 form an integral part of these Financial Statements.

U.N.B.Mawathagama
DEPUTY GENERAL MANAGER (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 ;

Eng. G.D.A.Piyatilake
CHAIRMAN

M.R.G.Ranatunga
DIRECTOR

19 February 2018
Colombo

CENTRAL ENGINEERING CONSULTANCY BUREAU

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2016	CECB			
	Contributed Capital	Capital Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2015	500,000	3,028,000	4,399,331,283	**4,402,859,283**
Net Profit For the Year	-		331,109,438	**331,109,438**
Other Comprehensive Income for the Year			13,927,098	**13,927,098**
Balance as at 31st December 2015	500,000	3,028,000	4,744,367,819	**4,747,895,819**
Balance as at 01st January 2016	500,000	3,028,000	4,744,367,819	**4,747,895,819**
Net Profit For the Year	-	-	439,663,403	**439,663,403**
Other Comprehensive Income for the Year			20,282,110	**20,282,110**
Balance as at 31st December 2016	**500,000**	**3,028,000**	**5,204,313,332**	**5,207,841,332**

FOR THE YEAR ENDED 31ST DECEMBER 2016	GROUP			
	Contributed Capital	Capital Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2015	500,000	3,028,000	4,526,250,584	**4,529,778,584**
Net Profit For the Year	-	-	412,299,253	**412,299,253**
Other Comprehensive Income for the Year			13,927,098	**13,927,098**
Balance as at 31st December 2015	500,000	3,028,000	4,952,476,935	**4,956,004,935**
Balance as at 01st January 2016	500,000	3,028,000	4,952,476,935	**4,956,004,935**
Profit For the Year			524,220,763	**524,220,763**
Other Comprehensive Income for the Year			20,297,204	**20,297,204**
Balance as at 31st December 2016	**500,000**	**3,028,000**	**5,496,994,903**	**5,500,522,903**

The Notes to the Financial Statements set out on pages 27 to 35 form an integral part of these Financial Statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2016	GROUP		CECB	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Cash Flows from Operating Activities				
Profit Before Tax	**926,043,990**	699,657,689	**815,819,952**	582,045,143
Adjustments for:				
Depreciation on Property, Plant and Equipments	**349,758,461**	427,194,180	**208,416,548**	270,578,458
Provision for Bad and Doubtful Debts	**216,792,372**	243,149,506	**210,702,562**	239,395,936
Reversal of Bad and Doubtful Debts	**(134,410,740)**	(67,849,238)	**(130,120,258)**	(66,248,516)
Provision / (Reversal) for Gratuity	**28,667,377**	33,419,970	**28,186,313**	32,401,048
Net Finance Income	**(260,463,722)**	(152,559,447)	**(204,404,707)**	(141,218,758)
(Profit) / Loss on disposal of Property, Plant and Equipments	**(10,563,480)**	(913,314)	**(5,719,648)**	(993,769)
Operating Profit before Working Capital Changes	**1,115,824,259**	1,182,099,347	**922,880,761**	915,959,538
		-		
(Increase)/Decrease in Inventories	**(190,375,089)**	67,056,988	**75,633,401**	228,388,283
(Increase)/Decrease in Trade and Other Receivables	**(2,630,441,263)**	(530,809,789)	**(1,651,016,359)**	(34,799,186)
(Increase)/Decrease in Amounts Due from Related Companies		-	**(223,603,876)**	130,560,941
Increase/(Decrease) in Trade and Other Payables	**2,415,627,019**	391,750,522	**1,189,147,596**	(793,078,348)
Increase in Inter Base current accounts				
Cash Generated from Operating Activities	**710,634,925**	1,110,097,071	**313,041,523**	447,031,231
		-		-
Interest paid	**(22,135,246)**	(16,207,044)	**(6,263,475)**	(8,789,218)
Tax paid	**(200,458,436)**	(239,673,323)	**(179,132,891)**	(216,609,058)
Gratuity paid	**(27,764,111)**	(24,200,356)	**(27,755,450)**	(24,200,356)
Net Cash Flows from Operating Activities	**460,277,133**	830,016,348	**99,889,707**	197,432,599
		-		-
Cash Flows from Investing Activities		-		-
Investment in Property Plant and Equipment	**(157,028,151)**	(234,793,003)	**(30,958,688)**	(61,687,770)
Investment in Capital Work in Progress	**(13,102,338)**	(1,000,000)		-
Sales Proceed on Disposal of Property Plant and Equipment	**13,702,671**	19,080,663	**6,067,772**	1,294,397
Investment / Disposal of Long Term Deposit	**988,039**	(4,956,200)	**(2,703,815)**	268,097
Investment / Disposal of Short Term Deposit	**(739,505,984)**	(588,726,766)	**(464,660,405)**	(113,664,981)
Interest Income	**282,598,968**	168,766,491	**210,668,182**	150,007,977
Net Cash Flows from Investing Activities	**(612,346,795)**	(641,628,816)	**(281,586,955)**	(23,782,280)
		-		
Cash Flows from Financing Activities		-		
Payment of Finance Lease Liabilities	**(883,827)**	(7,942,355)	**-**	(585,840)
Net Cash from Financing Activities	**(883,827)**	(7,942,355)	**-**	(585,840)
		-		
Net Increase/(Decrease) in Cash and Cash Equivalents	**(152,953,490)**	180,445,177	**(181,697,248)**	173,064,478
Cash and Cash Equivalent at the beginning	**801,392,970**	620,947,793	**622,427,835**	449,363,357
Cash and Cash Equivalent at the end (Note 20)	**648,439,480**	801,392,970	**440,730,586**	622,427,835

Figures in brackets indicates deductions.

The Notes to the Financial Statements set out on pages 27 to 35 form an integral part of these Financial Statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016		GROUP		CECB	
		2016	2015	**2016**	2015
		Rs.	Rs.	**Rs.**	Rs.
9	**Revenue**				
	Construction Revenue	**9,562,536,642**	9,457,853,907	**8,209,198,474**	8,734,403,246
	Consultancy Revenue	**2,112,033,861**	1,965,783,059	**2,124,082,347**	1,976,069,488
		11,674,570,503	11,423,636,967	**10,333,280,821**	10,710,472,734
10	**Cost of sales**				
	Construction Cost	**8,479,188,921**	8,332,292,766	**7,790,481,593**	8,078,502,315
	Consultancy Cost	**1,374,627,417**	1,347,609,331	**1,389,337,330**	1,370,358,418
		9,853,816,338	9,679,902,097	**9,179,818,923**	9,448,860,733
11	**Other Income**				
	Miscellaneous Revenue	**71,354,350**	77,168,913	**62,430,692**	54,141,541
	Hiring Income	**6,266,318**	12,136,776	**37,526,306**	4,348,474
	Gain on Disposal of Non C/A	**5,785,636**	1,047,791	**5,785,636**	1,047,791
	Reimbursable costs	**-**	9,399,663	**35,913,113**	46,693,928
	Foreign gain or loss	**1,154,382**	913,540	**1,154,382**	913,540
	Bad Debt Provision Reversal	**134,410,740**	67,849,238	**130,120,258**	66,248,516
		218,971,425	168,515,920	**272,930,388**	173,393,789
12	**Net Finance Income**				
	Finance Income				
	Interest Income	**282,598,968**	168,766,491	**210,668,182**	150,007,977
		282,598,968	168,766,491	**210,668,182**	150,007,977
	Finance Cost				
	Interest Expenses	**(22,135,246)**	(16,207,048)	**(6,263,475)**	(8,789,218)
	Finance Cost	**(22,135,246)**	(16,207,048)	**(6,263,475)**	(8,789,218)
	Net Finance Income	**260,463,722**	152,559,443	**204,404,707**	141,218,758
14	**Income Tax**				
14.1	Current Tax Expense	397,620,085	276,217,628	376,156,549	250,935,705
	Deferred Tax Provision	4,203,142	11,140,808	-	-
		401,823,227	**287,358,436**	**376,156,549**	**250,935,705**
14.2	**Reconciliation of Accounting Profit to Taxable Profit**				
	Tax on Construction Income @ 12%	27,050,366	52,456,906	27,050,366	27,174,983
	Tax on Other Income @ 28%	203,776,311	105,876,473	182,312,775	105,876,473
	Dividend Tax	166,793,408	117,884,249	166,793,408	117,884,249
	Current Income Tax Expenses	**397,620,085**	**276,217,628**	**376,156,549**	**250,935,705**

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 PROPERTY PLANT AND EQUIPMENT

15.1 CECB

FOR THE YEAR ENDED 31ST DECEMBER	Land	Buildings	Furniture & Fittings	Construction Instrument & Equipment	Office Equipment	Plant & Machinery	Containers	Computers	Motor Vehicles	Library Books	Capital Work In Progress	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost												
Balance as at 1st January 2016	1,701,736,867	818,776,395	63,974,381	216,973,484	69,087,307	503,709,533	12,380,896	131,808,392	384,782,011	1,733,041	19,331,449	3,924,293,757
Additions during the year	-	1,353,600	3,301,997	7,389,188	4,213,374	224,639	-	14,005,492	426,500	43,899	-	30,958,688
Disposals / Write off during the year	-	-	(238,481)	(643,547)	(661,134)	(1,394,130)	-	(1,138,534)	(2,500,000)	-	-	(6,575,826)
Balance as at 31st December 2016	1,701,736,867	820,129,995	67,037,896	223,719,126	72,639,548	502,540,042	12,380,896	144,675,350	382,708,511	1,776,940	19,331,449	3,948,676,619
Accumulated Depreciation												
Balance as at 1st January 2016	-	237,817,668	29,191,428	157,841,996	33,572,250	315,602,265	10,649,284	87,442,363	364,539,690	807,130	-	1,237,464,074
Charge for the year	-	65,355,674	7,291,472	23,856,161	9,042,707	73,589,838	1,466,241	19,086,015	8,508,794	219,646	-	208,416,548
Disposals during the year	-	-	(149,046)	(523,333)	(588,493)	(1,347,716)	-	(1,119,114)	(2,500,000)	-	-	(6,227,703)
Balance as at 31st December 2016	**-**	**303,173,342**	**36,333,855**	**181,174,824**	**42,026,463**	**387,844,388**	**12,115,525**	**105,409,263**	**370,548,485**	**1,026,776**	**-**	**1,439,652,920**
Net Book Value												
Balance as 31st December 2015	1,701,736,867	580,958,726	34,782,953	59,131,489	35,515,057	188,107,268	1,731,612	44,366,030	20,242,320	925,911	19,331,449	2,686,829,682
Balance as at 31st December 2016	1,701,736,867	516,956,653	30,704,042	42,544,302	30,613,085	114,695,655	265,371	39,266,086	12,160,026	750,164	19,331,449	2,509,023,699

15 PROPERTY PLANT AND EQUIPMENT

15.2 Group

FOR THE YEAR ENDED 31ST DECEMBER	Land	Buildings	Furniture & Fittings	Construction Instrument & Equipment	Office Equipment	Plant & Machinery	Containers	Computers	Motor Vehicles	Library Books	Capital Work In Progress *	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost												
Balance as at 1st January 2016	1,710,152,014	871,147,900	77,152,794	318,608,368	83,610,913	676,546,346	22,809,362	155,485,510	772,418,931	1,814,991	30,450,830	4,720,197,959
Additions during the year	-	5,706,529	7,991,009	63,573,311	13,953,898	29,209,140	5,381,000	25,432,645	5,371,500	409,118	13,102,338	170,130,489
Disposals during the year	-	-	(256,381)	(1,768,193)	(667,233)	(1,401,980)	-	(1,167,034)	(7,445,000)	-	-	(12,705,822)
Balance as at 31st December 2016	1,710,152,014	876,854,429	84,887,422	380,413,486	96,897,579	704,353,506	28,190,362	179,751,121	770,345,431	2,224,110	43,553,168	4,877,622,626
Accumulated Depreciation												
Balance as at 1st January 2016	-	250,412,671	32,256,096	195,041,932	37,812,757	369,068,546	15,256,258	96,004,698	634,854,287	812,517	-	1,631,519,761
Charge for the year	-	68,527,621	9,223,681	53,223,662	11,942,153	112,169,328	5,879,781	24,428,280	64,133,308	230,646	-	349,758,461
Disposals during the year	-	-	(152,672)	(1,404,707)	(593,103)	(1,352,916)	-	(1,138,151)	(4,925,082)	-	-	(9,566,631)
Balance as at 31st December 2016	**-**	**318,940,293**	**41,327,105**	**246,860,886**	**49,161,807**	**479,884,957**	**21,136,040**	**119,294,827**	**694,062,513**	**1,043,163**	**-**	**1,971,711,591**
Net Book Value												
Balance as 31st December 2015	1,710,152,014	620,735,229	44,896,699	123,566,436	45,798,156	307,477,800	7,553,103	59,480,812	137,564,644	1,002,474	30,450,830	3,088,678,195
Balance as at 31st December 2016	1,710,152,014	557,914,136	43,560,317	133,552,600	47,735,771	224,468,549	7,054,322	60,456,294	76,282,918	1,180,946	43,553,168	2,905,911,035

* Capital work in progress includes the cost of internally developed software in the subsidiary (Central Engineering Services (Pvt) Ltd) .The details are as follows

	As at 31.12.2016	As at 31.12.2015
Balance at the beginning of the year	2,785,714	-
Cost incurred during the year	2,000,000	2,785,714
	4,785,714	**2,785,714**

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	FOR THE YEAR ENDED 31ST DECEMBER 2016	GROUP		CECB	
		2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
16	**Investments**				
	Long term investment (Note 16.1)	**38,489,824**	39,477,863	**46,957,402**	44,253,587
	Short term investment (Note 16.2)	**4,081,356,846**	3,341,850,862	**3,035,639,354**	2,570,978,949
		4,119,846,670	3,381,328,725	**3,082,596,756**	2,615,232,536
16.1	**Long term investment**				
	Loans and receivable financial assets				
	Investment in Fixed Deposit	**36,489,824**	37,477,863	**34,957,382**	32,253,567
	Available for sale financial assets				
	Investment in Shares	**2,000,000**	2,000,000	**2,000,000**	2,000,000
		38,489,824	39,477,863	**36,957,382**	34,253,567
	Investment in subsidiary (Unquoted)				
	Central Engineering Services (Private) Limited	**-**	-	**10,000,020**	10,000,020
		-	-	**10,000,020**	10,000,020
		38,489,824	39,477,863	**46,957,402**	44,253,587
16.2	**Short term investment**				
	Repo	**58,749,548**	23,060,945	**58,749,548**	23,060,945
	Short term investments	**4,022,607,298**	3,318,789,917	**2,976,889,806**	2,547,918,004
		4,081,356,846	3,341,850,862	**3,035,639,354**	2,570,978,949
17	**Inventories**	**785,057,154**	594,682,065	**16,857,933**	92,491,334
18	**Trade and Other Receivables**				
	Trade Receivables (Note 18.1)	**11,144,567,276**	8,752,260,696	**8,051,064,521**	7,477,102,671
	Other Receivables (Note 18.2)	**74,425,943**	62,188,982	**56,874,387**	55,085,186
	Deposits, Prepayments and Advances (Note 18.3)	**266,845,402**	123,329,312	**2,905,504,230**	1,910,821,229
		11,485,838,621	8,937,778,990	**11,013,443,138**	9,443,009,085
18.1	**Trade Receivables**				
	Debtors	**6,838,763,494**	4,910,809,866	**5,863,186,580**	4,918,751,788
	Due from customers	**2,876,396,109**	2,323,950,223	**940,101,284**	1,061,164,764
	Retention receivables	**2,715,896,852**	2,738,974,863	**2,524,422,456**	2,710,616,323
	Less - Provision for Impairment (Note 18.1.1)	**(1,286,489,179)**	(1,221,474,257)	- (1,276,645,799)	(1,213,430,205)
		11,144,567,276	8,752,260,696	**8,051,064,521**	7,477,102,671
18.1.1	**Provision for Impairment**				
	Balance at the beginning of the year	**1,221,474,256**	1,085,729,714	**1,213,430,205**	1,081,439,232
	Impairment loss recognised	**216,792,372**	220,641,109	**210,702,562**	216,887,539
	Amounts written off/reversal	**(151,777,449)**	(84,896,566)	**(147,486,967)**	(84,896,566)
	Balance at the end of the year	**1,286,489,179**	1,221,474,257	**1,276,645,799**	1,213,430,205

The Group assesses at the reporting date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

18.2	**Other Receivables**				
	Staff Loans	**35,664,283**	38,553,373	**35,664,283**	38,073,373
	Prepaid Staff Cost	**3,624,582**	2,757,468	**3,624,582**	2,757,468
	General Suspense		(41,901)		(23,151)
	Sundry Debtors	**34,433,470**	20,123,687	**16,891,443**	13,481,141
	WHT Receivable	**703,608**	796,355	**694,079**	796,355
		74,425,943	62,188,982	**56,874,387**	55,085,186
18.3	**Deposits, Prepayments and Advances**				
	Deposits	**13,294,380**	12,725,152	**9,539,091**	9,180,234
	Mobilisation Advance paid	**47,878,609**	-	**2,862,914,925**	1,840,738,450
	Advances	**186,029,459**	95,901,885	**24,369,808**	52,130,015
	Prepayments	**19,642,954**	14,702,275	**8,680,405**	8,772,530
		266,845,402	123,329,312	**2,905,504,230**	1,910,821,229
19	**Amount Due from Related Party Companies**				
	Central Engineering Services (Private) Limited	**-**	-	**1,371,069,905**	1,147,466,029
		-	-	**1,371,069,905**	1,147,466,029

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	FOR THE YEAR ENDED 31ST DECEMBER 2016	GROUP		CECB	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
20	**Cash and Cash Equivalents**				
	Favorable Balances				
	Cash in hand and at bank	**625,895,435**	753,815,916	**430,012,186**	594,670,819
	Bank Imprest	**269,607**	269,607	**269,607**	269,607
	Cash in Transit	**22,274,438**	47,307,448	**10,448,793**	27,487,409
		648,439,480	**801,392,971**	**440,730,586**	**622,427,835**
	Unfavorable Balances				
	Bank Overdraft	**-**	-	**-**	-
	Cash and Cash Equivalents for the Cash Flow Purpose	**648,439,480**	**801,392,971**	**440,730,586**	**622,427,835**
21	**Lease Creditors**				
	Amount payable within one year	**-**	883,827	**-**	-
	Amount payable after one year	**-**	-	**-**	
		-	**883,827**	**-**	**-**
22	**Employee Benefits**				
	Balance as at 1st January	**177,457,833**	182,165,317	**176,438,911**	182,165,317
	Provision for the year	**28,667,377**	33,419,970	**28,186,313**	32,401,048
	(Gain)/loss from changes in assumptions or due to (over)/under provision in the previous year	**(20,297,204)**	(13,927,098)	**(20,282,110)**	(13,927,098)
	Payment made during the year	**(27,764,111)**	(24,200,356)	**(27,755,450)**	(24,200,356)
	Balance as at 31st December	**158,063,895**	**177,457,833**	**156,587,664**	**176,438,911**

a) The Employee benefit obligation of CECB as at 31st December 2016 are based on the actuarial valuation carried out by professionally qualified firms of actuaries Messers. Actuarial and Management Consultants (Pvt) Limited. Accordingly, the unfunded present value of defined benefit obligations as at 31st December 2016 of CECB and Group is Rs.158 million.

b) Key assumptions used in the computation includes the following;

Rate of Discount	**11%**	10%	**11%**	10%
Employee Turnover Factor	**0.01% - 0.18%**	0.01% - 0.18%	**0.01% - 0.18%**	0.01% - 0.18%
Retirement Age	**60 Years**	60 Years	**60 Years**	60 Years

c) Expenses on Defined Benefit Plan

Interest Cost	**17,681,182**	18,216,532	**17,643,891**	18,216,532
Current Service Cost	**10,986,195**	15,203,438	**10,542,422**	14,184,516
Net Acturial Gain/(Loss) recognised immidietly	(20,297,204)	(13,927,098)	**(20,282,110)**	(13,927,098)
Expenses recignised immidietly in the statement of Comprehensive Income	**8,370,173**	**19,492,872**	**7,904,203**	**18,473,950**

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	FOR THE YEAR ENDED 31ST DECEMBER 2016	GROUP		CECB	
		2016	2015	2016	2015
		Rs.	Rs.	Rs.	Rs.
23	**Deferred Tax**				
	Balance at the beginning of the year	**17,617,814**	6,477,006	**-**	
	Provision during the year	**4,203,142**	11,140,808	**-**	
	Balance at the end of the year	**21,820,955**	17,617,814		
24	**Trade and Other Payables**				
	Trade Payables (Note 24.1)	**12,486,695,002**	10,278,486,607	**11,768,254,216**	10,540,694,377
	Other Payables (Note 24.2)	**806,386,837**	598,968,216	**352,649,434**	391,061,682
		13,293,081,842	**10,877,454,823**	**12,120,903,654**	**10,931,756,058**
24.1	**Trade Payables**				
	Creditors	**2,929,131,100**	3,694,215,992	**4,061,207,167**	3,476,350,036
	Due to Customers	**4,674,673,186**	2,721,236,946	**2,400,071,753**	2,582,909,025
	Mobilization & Other Advances	**4,418,734,914**	3,494,653,710	**3,864,822,978**	3,296,111,961
	Retention Payables to Contractors	**464,155,803**	368,379,960	**1,442,152,319**	1,185,323,355
		12,486,695,002	**10,278,486,607**	**11,768,254,216**	**10,540,694,377**
24.2	**Other Payables**				
	Unpaid salaries	**964,983**	673,958	**214,870**	266,255
	Sundry Creditors	**51,829,482**	64,065,064	**47,498,952**	53,838,660
	Refundable Deposits	**8,538,310**	382,670	**8,437,970**	382,670
	Accrued Expenses	**505,205,680**	336,573,012	**201,586,760**	257,565,814
	PAYE Tax	**5,915,352**	5,864,442	**5,251,890**	5,675,798
	Other Taxes	**233,933,030**	191,409,071	**89,658,992**	73,332,485
		806,386,837	**598,968,216**	**352,649,434**	**391,061,682**
25	**Income Tax Payables**				
	Balance at the beginning of the year	**774,441,715**	737,897,410	**751,365,710**	717,039,064
	Income tax for the year	**397,620,085**	276,217,628	**376,156,549**	250,935,705
	Payments made during the year	**(183,500,000)**	(233,458,346)	**(165,000,000)**	(211,600,000)
	Withholding Tax	**(16,958,436)**	(6,214,977)	**(14,132,891)**	(5,009,058)
	Balance at the end of the year	**971,603,364**	**774,441,715**	**948,389,368**	**751,365,709**

26 Capital Reserve

Vehicles were revalued in 1995 and the result of such revaluation was incorporated in the financial statements under the Capital Reserve.

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2016

27.0 Related Party Transactions

27.1 Transaction with Subsidiaries

a) Eng.G.D.A.Piyatilake is the chairman of both parent (CECB) and subsidiary (CESL) of the group and Mr.M.R.G.Ranatunga and Eng.S.P.P.Nanayakkara who were Directors of CECB as at 31 December 2016, were also Directors of CESL . The Company has carried out transactions with CECB during the year and the details were as follows,

From the year 2016 Board of Directors were changed as follows

Name	Designation	
	CECB	CESL
Eng.G.D.A.Piyatilake	Chairman	Chairman
Mr.M.R.G.Ranatunga	Working Director	Director
Eng.N.Rupasinghe	Director	Director
Eng.S.P.P.Nanayakkara	Director	Executive Director

Further key management personnel of CECB and also Directors of CESL are as follows

Name	Designation	
	CECB	CESL
Eng.K.L.S.Sahabandu	General Manager	Director
Eng.T.D.Wickramaratne	Corporate Addl General Manager (Consul)	Director
Eng.A.Galketiya	Corporate Addl General Manager (EPC)	Director
Mr.U.N.B.Mawathagama	Deputy General Manager (Finance)	Director

b)

Nature of the Transactions	Amount	
	2016 Rs.	2015 Rs.
Sub Construction Costs	7,332,478,747	5,833,113,570
Machine Hiring Expense	33,133,098	39,406,657
Vehicle Hiring Expenses	17,747,240	-
IT Maintenance & other Services	11,499,743	-
Reimbursement of Salary over head	35,913,113	
Consultancy Fees	12,048,485	-
Other Miscellaneous Services	3,718,832	-
Workshop Income		1,270,314
Lab Testing Income		2,096,151

27.2 Terms and conditions of transactions with related parties

The Income from related party and expenditure incurred or purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This note should be read in conjunction with Note No. 19 to these Financial Statements.

Transactions with Key Management Personnel

LKAS 24 'Related Party Disclosures', Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non-Executive Directors) as key management personnel of the CECB/Group have been classified as Key Management Personnel.

	GROUP		CECB	
	2016 Rs.	2015 Rs.	2016 Rs.	2015 Rs.
Compensation paid to Key Management Personr				
Salaries and other Employment Benefits	3,293,250	2,811,789	1,730,000	1,371,968

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2016

28 Commitments and contingencies

There were no material Commitments and Contingent liabilities in CECB / Group as at the reporting date.

28.1 Contingencies

Legal cases filed against CECB

Case No	Description	Present status
FA 11/2015 Provincial High Court Holden at Kandy	The decision of District Court,Matale Case No MR/8748,was delivered on 2014.5.16 against CECB and case was appealed in Provincial Appellate High Court of the Central Province.(H.D.R.S Diddeniya & A.J.A.P Indrasiri are demanding Rs 8,000,000. for the damages occurred their house iwch situated near Dambulla-Kandalama Road. The order was delivered to pay Rs 3,000,000 as compensation.)	The case was firstly called on 26.01.2016 and Judgment delivered on 09.02.2017. CECB appealed to the Supreme Court and now case is proceeding in the Supreme Court.
296/Damages District Court of Ampara	C. Samantha Nanda Silva is claiming Rs. 2,500,000/- for the accident caused to death of his son by CECB Vehicle.	CECB was not recognized by its proper name from 2009 – 2015 and after the amendment of caption to the plaint, CECB intervene to the case in 2015. Accordingly case is fixed for Trial on 22.08.2016 and still case is proceeding.
155/Damages District Court of Kaduwe	Foreign Bureau has claimed to pay Rs. 1,664,677/- stating that their Power Generator was damaged by construction materials which were fallen down from CECB constructions site. As such materials were not used by CECB for construction works. CECB is contesting the case.	Trial had proceeded in year 2016 and Judgment to be delivered on 08.03.2018.
1564/13 District Court of Colomb	Eng W.K.P.I. Rodirigo filed a defamation case and claiming Rs 500,000,000. as compensation	The Plaintiff has been Cross-examined and still case is proceeding.
1820/13 DMR District Court of Colomb	Tuan Wamsa Caseem is claiming Rs 1,000,000.as labour cost from CECB	The initial stage of trial that the examination in Chief of the Plaintiff led on 06.06.2016 and still case is proceeding.

Having sought legal advise, the management is confident that no liability would arise on said cases. Therefore no provision has been made in the financial statements.

CENTRAL ENGINEERING CONSULTANCY BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST DECEMBER 2016

29 Financial risk management

overview

The group has exposure to the following risk arising from financial instruments

Credit risk

Liquidity risk

Market risk

The note presents information about the Group's exposure to each of the above risk, the Group's risk management objectives, policies and processes for measuring and managing risk and the Group's management of capital.

Risk management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Audit and Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Audit and Management Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Management Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Management Committee.

29.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers .

29.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses .

29.3 Market risk

Market risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in market price.The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk comprise the following types of risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities related to foreign operations.

AUDITOR GENERAL'S REPORT

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය எனது இல. My No. CEN/B/CECB/FA/2016 මෙහි අංකය உமது இல. Your No.

දිනය திகதி Date 27 May 2018

The Chairman,
Central Engineering Consultancy Bureau

Report of the Auditor General on the Financial Statements of the Central Engineering Consultancy Bureau and the Consolidated Financial Statements of the Bureau and its Subsidiary for the year ended 31 December 2016 in terms of Section 14(2)(c) of the Finance Act, No.38 of 1971.

The audit of financial statements of the Central Engineering Consultancy Bureau ("the Bureau") and the consolidated financial statements of the Bureau and its Subsidiary (the Group) for the year ended 31 December 2016 comprising the statements of financial position as at 31 December 2016 and the statements of comprehensive income, statements of changes in equity and cash flow statements for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 29 (2) of the State Industrial Corporation Act, No. 49 of 1957. My comments and observations which I consider should be published with the annual report of the Bureau in terms of Section 14(2)(c) of the Finance Act, appear in this report.

1:2 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 and for such internal controls as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, . - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

International Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 Bureau's preparation and fair presentation of the financial statements 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 Bureau'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. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 and 2.3 of this report.

2. Financial Statements

2.1 Opinion

(a) Qualified Opinion - Group

In my opinion, except for the effects of the matters described in paragraph 2.2 and 2.3 of this report, the consolidated financial statements give a true and fair view of the financial position of the Bureau and its Subsidiary as at 31 December 2016 and their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

(b) Qualified Opinion - Bureau

In my opinion, except for the effects of the matters described in paragraph 2.3 of this report, the financial statements give a true and fair view of the financial position of the Bureau as at 31

December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2. Comments on the Financial Statements of the Group

The Audited financial statements of the Central Engineering Services (Private) Limited, which is a fully owned Subsidiary of the Bureau had been taken for preparation of the consolidated financial statements of the Group. An unqualified audit opinion on the financial statements of the Subsidiary had been expressed by me on 03 April 2018.

The following observation is made on the financial statements of the Group.

Differences aggregating Rs.555,548 was observed between the cost of sales shown in the consolidated financial statements and the corresponding values shown in the respective schedules.

2.3 Comments on the Financial Statements of the Bureau

2.3.1 Accounting Policies

Consultancy revenue relating to the internal jobs of the Consultancy Division of the Bureau had been recorded on cash basis without being recorded on accrual basis. Hence, the consultancy income of the year under review shown in the financial statements had been understated by Rs.10,003,303.

2.3.2 Accounting Deficiencies

The following observations are made.

(a) Unrecovered mobilization advances aggregating Rs.56,657,977 had remained in the accounts in relation to 20 Projects of the Construction Division although these projects were fully completed as at 31 December 2016. However, according to Section 03 of Conditions of the Contract and Clause No.14.2 (b) of Standard Bidding Documents No. ICTAD/SBD/02 issued by then Institute for Construction Training and Development the mobilization advances should be fully recovered before the project arrived at 90 per cent completion stage.

(b) Credit balances of Rs.23,747,725 and Rs.2,733,200 relating to Northern Base Office had been set off against the balances of retention and mobilization advance receivable respectively. Therefore, the retention and mobilization advance receivables shown in the financial statements for the year under review had been understated by similar amounts.

(c) Abnormal debit and credit balance of Rs.4,974,379 and Rs.5,338,969 respectively relating to the Engineering Procurement Construction Division of UVA Base Office had been included in the creditor and debtor balances respectively shown in the financial statements for the year under review. Hence, creditor debtor balances shown in the financial statements had been understated by those amount.

(d) A sum of Rs.21,853,962 paid on behalf of consultancy income of a Consultancy Project (bearing No .C 802-40) to the General Hospital Karapitiya on December 2015 had been erroneously taken to the financial statements as revenue for the year 2016. Therefore, the revenue for the year under review had been overstated by that amount.

(e) As reported in my previous year audit reports, assets valued at Rs. 3,601 million had been received to the CECB from then Ministry of Economic Development as capital grant to carry out the road projects in the year 2012. However, out of this a sum of Rs.250 million had been recovered by then Ministry of Economic Development as a contract payment payable to the CECB in 2013. Moreover, without carrying out any professional valuation of those assets and ignoring the grant of Rs. 3,351 million, the Bureau had accounted them as Rs.250 million.

2.3.3 Lack of Evidence for Audit

Three Base Offices of Sabaragamuwa, North Central and Northern Province had not been submitted the detail schedules for sundry debtors aggregating Rs.2,554,283 shown in the financial statements for the year under review.

2.4 Accounts Receivable and Payable

The following observations are made.

(a) Debtor balances of Rs.727,952,222 in relating to 249 Projects of 10 Base Offices had remained outstanding for more than four years as at 31 December 2016 and it was not recovered even as at 31 December 2017.

(b) Advances amounting to Rs.2,710,426 had remained outstanding without being settled for more than three years as at 31 December 2016 and those balances even unrecovered as at 31 December 2017.

(c) The outstanding debtor balance of Rs. 162,604,471 relating to 95 projects had remained unrecovered by the Consultancy Division of the Bureau for over five years as at the date of audit on 31 December 2017.

2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

The following instances of non-compliance were observed in audit.

(a) A copy of the Draft Annual Report to be submitted together with the financial statements for the year under review to the Auditor General as per Section 14(1) of the Finance Act, No.38 of 1971, had not presented accordingly.

(b) According to the provisions in the Internal Circular No. CB/FIN/A-1278 dated 07 October 2004; the cash advances should be settled within 14 days. However, advance payments had been settled after one month without incurred any expenditure of the Special Project Unit of the Bureau. Further, two officers had not been settled their cash advances within the period of two and half years.

3 Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Bureau and the Group for the year under review had resulted in a pre-tax net profit of Rs.815,819,952 and Rs.926,043,990 respectively for the year under review as compared with the corresponding pre-tax net profit of Rs.582,045,143 and Rs.699,657,689 respectively for the preceding year, thus indicating an improvement of Rs.233,774,809 and Rs.226,386,301 or 40.1 per cent and 32.35 per cent respectively in the financial results for the year under review. Increase of consultancy revenue, other income and finance income of the Group and the Bureau as compared with the previous year was the main reason attributed for these improvements.

3.2 Analytical Financial Review

3.2.1 Profitability

The following observations are made.

(a) The Bureau had earned a pre – tax net profit of Rs.815 million during the year under review by utilizing its staff strength of 1,350 and total assets base of Rs.18,433 million. Hence, the profit represented 4.42 per cent of the total assets of the Bureau.

(b) Operating profit margin and net profit margin of the year under review was 11.16 per cent and 7.89 per cent respectively and as compared with the previous year, these margins had been slightly decreased by 0.61 per cent and increased by 2.46 per cent respectively.

4. Operating Review

4.1 Performance

According to the Action Plan of the Bureau, the Consultancy Division and the Construction Division had failed to achieve their setout targets relating to the activities such as industrial waste water investigation, testing and analysis works, non-destructive method concrete testing etc.

4.2 Ideal Bank Balances

The following observations are made

(a) Even though the Consultancy Service for Maldives Tsunami Construction Project had been fully completed in July 2014, a balance of Rs. 8,047,501 (MVR 856,016.91) had remained in a current account of the bank account maintaining in the Maldives Bank without being utilized for any purpose.

(b) A sum of Rs.2,514,979 had been remained in three Current Accounts maintaining by the International Division of the Bureau without being used for any transaction during the year under review.

4.3 Human Resource Management

A Consultant had been appointed on assignment basis for a period of 01 September to 31 December 2014 with a monthly allowance of Rs. 75,000. The main purpose of this appointment was to prepare a Scheme of Recruitments and Promotions (SOR) for the Bureau. However, it had not been prepared within the assignment period. Subsequently, the contract period had been extended up to 07 December 2016 and a monthly allowance of Rs.100,000 was paid for this period.

4.4 Transactions of Contentious Nature

The following observations are made.

(a) The Bureau pays Nation Building Tax (NBT) and Value Added Tax (VAT) on cash basis. However, the Bureau had not received approval to pay these taxes on cash basis even as at the end of the year 2016 from Commissioner General of Inland Revenue.

(b) Official Residencies at Sarana Road, Colombo 07 had been handed over to the outside parties by the Bureau during last 3 to 13 years. However, no rental had been received from those parties even up to the year under review. Further, it was observed that, electricity, and water charges for these residencies had been also paid by the Bureau without being recovered from the occupants.

(c) Board of Directors of the Bureau had approved several incentive schemes to its staff without obtaining prior approval from the General Treasury. Total amount of such incentives paid in the year 2016 was Rs. 391,732,587.

5. Accountability and Good Governance

5.1 Submissions of Financial Statements

Annual accounts should be rendered to the Auditor General within 60 days after the close of the financial year. However, the Bureau had submitted the financial statements for the under review to the Auditor General on 16 October 2017. Further, the amended financial statements for the year 2016 had been submitted only on 23 February 2018.

5.2 Budgetary Control

Significant variances were observed between the budgeted and actual figures, thus indicating that the budget had not been made use of as an effective instrument in management control.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Bureau from time to time. Special attention is needed in respect of the following areas of control.

	Areas	Observations
(a)	Accounts Payable and Receivable	Balance of payable and receivable had remained for more than four years without confirming by the respective parties.
(b)	Assets Management	Assets received from then Ministry of Economic Development for the road projects had not been fairly valued and brought to the financial statements even as at the end of the year under review.

(c)	Inventory Control and Stock Management	Inventory and returnable stocks at sites had not been valued and brought to the financial statements.
(d)	Accounting	Actual works done relating to Internal Jobs of the Consultancy Division had not been valued and taken to the financial statements.

H.M. Gamini Wijesinghe
Auditor General

COMPARATIVE FINANCIAL STATEMENTS

CENTRAL ENGINEERING CONSULTANCY BUREAU

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31st December

	2012		2013		2014		2015		2016	
	GROUP	CECB	GROUP	CECB	GROUP	CECB	GROUP	CECB	GROUP	CECB
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	13,051,404,569	13,051,404,569	15,132,718,158	15,131,164,037	13,401,582,667	13,259,699,366	11,423,636,967	10,710,472,734	11,674,570,503	10,333,280,821
Cost of Sales	(11,427,073,880)	(11,491,305,532)	(13,280,839,809)	(13,414,329,871)	(11,487,873,150)	(11,656,600,792)	(9,679,902,097)	(9,448,860,733)	(9,853,816,338)	(9,179,818,923)
Gross Profit	**1,624,330,689**	**1,560,099,037**	**1,851,878,349**	**1,716,834,166**	**1,913,709,517**	**1,603,098,574**	**1,743,734,870**	**1,261,612,002**	**1,820,754,165**	**1,153,461,898**
Other Income	394,515,789	378,235,199	153,445,158	144,727,925	147,476,316	169,674,146	168,515,920	173,393,789	218,971,425	272,930,388
Administration Costs	(1,183,162,649)	(1,118,904,881)	(1,255,752,763)	(1,151,711,425)	(1,189,348,793)	(1,033,810,083)	(1,142,902,688)	(773,676,196)	(1,151,207,809)	(601,403,438)
Selling & Distribution Expenses	(316,855,524)	(316,855,524)	(335,210,717)	(321,479,322)	(314,175,035)	(314,175,035)	(222,249,855)	(220,503,209)	(222,937,513)	(213,573,602)
Results from Operating Activities	**518,828,305**	**502,573,831**	**414,360,027**	**388,371,344**	**557,662,005**	**424,787,602**	**547,098,247**	**440,826,385**	**665,580,269**	**611,415,245**
Finance income	201,368,165	199,625,758	217,808,170	213,907,634	154,451,475	145,235,138	168,766,491	150,007,977	282,598,968	210,668,182
Financial Charges	(24,343,420)	(20,123,026)	(22,154,752)	(17,532,829)	(27,890,447)	(17,589,492)	(16,207,048)	(8,789,218)	(22,135,246)	(6,263,475)
Net Finance Income	177,024,745	179,502,732	195,653,418	196,374,805	126,561,028	127,645,646	152,559,443	141,218,758	260,463,722	204,404,707
Profit Before Income Tax	**695,853,050**	**682,076,563**	**610,013,445**	**584,746,149**	**684,223,033**	**552,433,247**	**699,657,690**	**582,045,143**	**926,043,990**	**815,819,952**
Income Tax	(291,677,345)	(285,794,064)	(267,791,716)	(256,524,029)	(271,949,391)	(243,267,389)	(287,358,436)	(250,935,705)	(401,823,227)	(376,156,549)
Net Profit For The Year	**404,175,705**	**396,282,499**	**342,221,729**	**328,222,120**	**412,273,642**	**309,165,858**	**412,299,254**	**331,109,438**	**524,220,763**	**439,663,403**
Other Comprehensive Income	-	-	-	-	-	-	13,927,098	13,927,098	20,297,204	20,282,110
Total Comprehensive Income for the Year	404,175,705	396,282,499	342,221,729	328,222,120	412,273,642	309,165,858	426,226,352	345,036,536	544,517,967	459,945,513

Figures in brackets indicate deductions

COMPARATIVE FINANCIAL STATEMENTS

CENTRAL ENGINEERING CONSULTANCY BUREAU

STATEMENT OF FINANCIAL POSITION

As at 31st December

	2012		2013		2014		2015		2016	
	GROUP	CECB	GROUP	CECB	GROUP	CECB	GROUP	CECB	GROUP	CECB
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS										
Non-Current Assets										
Property, Plant & Equipment	3,217,787,244	3,029,322,086	3,362,855,558	3,134,280,527	3,298,246,727	2,896,020,996	3,088,678,195	2,686,829,682	2,905,911,035	2,509,023,699
Investments	68,114,301	68,114,321	38,326,397	38,326,417	34,521,663	44,521,683	39,477,863	44,253,587	38,489,824	46,957,402
Total Non Current Assets	**3,285,901,545**	**3,097,436,407**	**3,401,181,955**	**3,172,606,944**	**3,332,768,390**	**2,940,542,679**	**3,128,156,058**	**2,731,083,269**	**2,944,400,859**	**2,555,981,101**
Current Assets										
Inventories	667,283,290	473,612,890	746,822,316	414,331,509	661,739,053	320,879,617	594,682,065	92,491,334	785,057,154	16,857,933
Trade & Other Receivables	10,760,043,614	8,586,558,801	13,034,273,723	9,465,446,814	8,582,269,469	9,581,357,319	8,937,778,990	9,443,009,084	11,485,838,621	11,013,443,138
Short Term Invesments	1,572,852,406	1,572,852,406	1,769,259,420	1,728,581,897	2,753,124,096	2,457,313,968	3,341,850,862	2,570,978,949	4,081,356,846	3,035,639,354
Cash and Cash Equivalents	534,761,471	464,311,326	399,435,851	310,353,679	620,947,793	449,363,357	801,392,970	622,427,835	648,439,480	440,730,586
Inter company current accounts	-	234,753,626	-	1,083,035,301	-	1,278,026,970	-	1,147,466,029	-	1,371,069,905
Total Current Assets	**13,534,940,781**	**11,332,089,049**	**15,949,791,310**	**13,001,749,200**	**12,618,080,411**	**14,086,941,231**	**13,675,704,887**	**13,876,373,232**	**17,000,692,101**	**15,877,740,916**
Total Assets	**16,820,842,326**	**14,429,525,456**	**19,350,973,265**	**16,174,356,144**	**15,950,848,801**	**17,027,483,910**	**16,803,860,945**	**16,607,456,501**	**19,945,092,960**	**18,433,722,017**
EQUITY AND LIABILITIES										
Contributed Capital	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Capital Reserves	3,028,000	3,028,000	3,028,000	3,028,000	3,028,000	3,028,000	3,028,000	3,028,000	3,028,000	3,028,000
Retained Earning	3,776,496,520	3,766,684,612	4,113,976,942	4,090,165,425	4,526,250,584	4,399,331,283	4,952,476,935	4,744,367,819	5,496,994,903	5,204,313,332
Total Equity	**3,780,024,520**	**3,770,212,612**	**4,117,504,942**	**4,093,693,425**	**4,529,778,584**	**4,402,859,283**	**4,956,004,935**	**4,747,895,819**	**5,500,522,903**	**5,207,841,332**
Non-Current Liabilities										
Lease Creditors	35,565,671	11,624,193	7,199,960	604,418	888,699	-	-	-	-	-
Retirement Benefit Obligation	228,787,990	228,787,990	204,004,898	204,004,898	182,165,317	182,165,317	177,457,833	176,438,911	158,063,895	156,587,664
Deferred Tax	76,387	-	228,141	-	6,477,006	-	17,617,814	-	21,820,955	-
Total Non Current Liabilities	**264,430,048**	**240,412,183**	**211,432,999**	**204,609,316**	**189,531,022**	**182,165,317**	**195,075,647**	**176,438,911**	**179,884,851**	**156,587,664**
Current Liabilities										
Trade & Other Payables	12,328,575,900	10,019,342,795	14,451,694,061	11,333,291,954	10,485,704,301	11,724,834,406	10,877,454,823	10,931,756,058	13,293,081,842	12,120,903,654
Income Tax Payables	382,092,902	374,116,600	546,972,887	531,111,429	737,897,410	717,039,064	774,441,715	751,365,709	971,603,364	948,389,368
Lease Creditors	36,544,774	18,740,207	23,368,376	11,650,020	7,937,483	585,840	883,827	-	-	-
Inter base Current Accounts	6,701,059	6,701,059	-	-	-	-	-	-	-	-
Inter company current accounts	22,473,123	-	-	-	-	-	-	-	-	-
Bank Overdrafts	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	**12,776,387,758**	**10,418,900,661**	**15,022,035,324**	**11,876,053,403**	**11,231,539,196**	**12,442,459,310**	**11,652,780,363**	**11,683,121,770**	**14,264,685,206**	**13,069,293,022**
Total Liabilities	**13,040,817,806**	**10,659,312,844**	**15,233,468,323**	**12,080,662,719**	**11,421,070,218**	**12,624,624,627**	**11,847,856,010**	**11,859,560,681**	**14,444,570,057**	**13,225,880,686**
Total Equity and Liabilities	**16,820,842,326**	**14,429,525,456**	**19,350,973,265**	**16,174,356,144**	**15,950,848,801**	**17,027,483,910**	**16,803,860,945**	**16,607,456,501**	**19,945,092,960**	**18,433,722,017**

Figures in brackets indicate deductions

PERFORMANCE OF CECB

Our Story

Central Engineering Consultancy Bureau (CECB) was established on 12th April 1973 to provide multi-disciplinary engineering consultancy services for water resources development projects. It is a statutory body established under the State Industrial Corporations Act No.49 of 1957.

As the acclaimed business icon for national engineering consultancy and construction excellence in Sri Lanka and Overseas, CECB spans 42 long years of solid engineering performances as a state owned, commercially successful self-financing entity. Our engineering roots entrenched firmly in the massive multipurpose Mahaweli Development infrastructure project has since then been extended and grown to add engineering expertise to the development of diversified array of social and economic infrastructures in Sri Lanka and overseas.

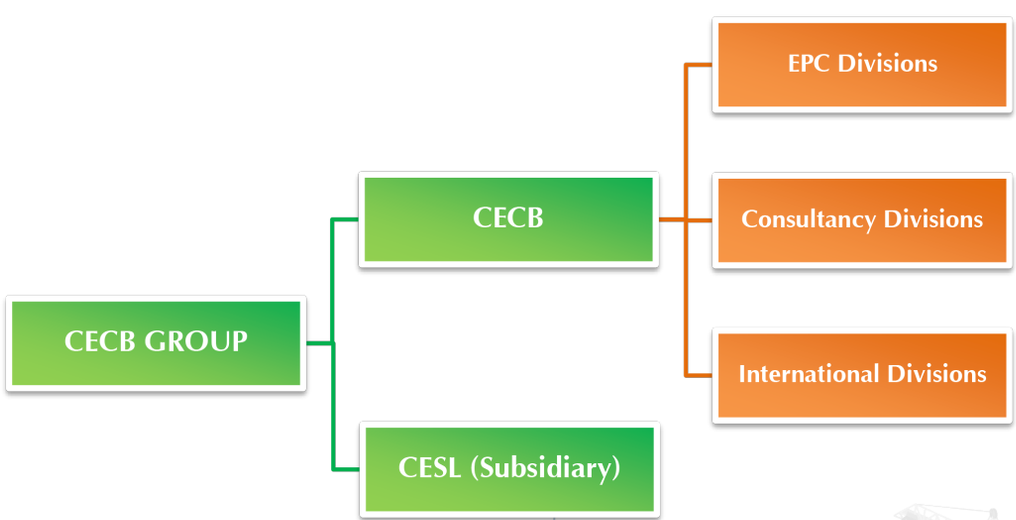
Our integrated strengths and capabilities covers – Dams, Tunnels, Hydropower Engineering (Sri Lanka/ Eastern Africa), Irrigation, Water Supply/Sanitation & Environmental Engineering, Highways, Bridges, Rail Roads, Airports, High-Rises, Buildings & Urban infrastructure, University Campuses, Laboratories, Health Care, Coastal & Marine, Defense infrastructure, Sri Lankan High Commissions overseas to name a few. Our range of expertise further covers environmental studies, natural resources management, socioeconomic aspects of resettlement, community development, ICT networks etc. Truly we are the one stop shop for all engineering design, consultancy and construction needs.

We have continuously met our national obligations towards the post conflict era changes and aspirations of our people. As we near our golden jubilee, our position is among the strongest in the industry. CECB with its trained multidisciplinary expertise and advanced engineering capabilities will redouble its efforts to face the future national challenges in protecting environment while creating attractive public and private infrastructures and utilities.

THE JOURNEY SO FAR

- Our Journey began in the year 1973 as a specialist for Water Resource and Hydro Power projects.
- We diversified into the construction consultancy sector after concluding of mahaweli accelerated program.
- The wings of CECB were further expanded beyond the borders to deliver overseas projects, giving international exposure to the human capital.
- In the year 2016 CECB made a strategic decision to exit from the Construction business and transferred the same to its fully owned subsidiary, Central Engineering Services (Pvt) Ltd (CESL).
- Today, CECB functions as a fully-fledged Engineering Consultancy and related services provider to both public and private sector clients.

MAIN DIVISIONS



HIGHLIGHTS OF THE YEAR 2016

Achievements up to the end of December 2016 - Consultancy Division

Number of new consultancy projects undertaken in the year 2016 – 80

Total value of consultancy services

LKR 2,140 Million

Numbers of consultancy projects completed in the year 2016 - 195

Total value of consultancy services

LKR 2,138 Million

Extension of Southern Expressway

Package/Description: Matara to Beliatta and Mattala to Hambantota

Total Value of the Project:

LKR 255,280 Million

Physical Progress

26.48% completed



Working Progress of Southern Expressway



Working Progress of Southern Expressway

Design of a Jetty at Naval Dockyard, Trincomalee

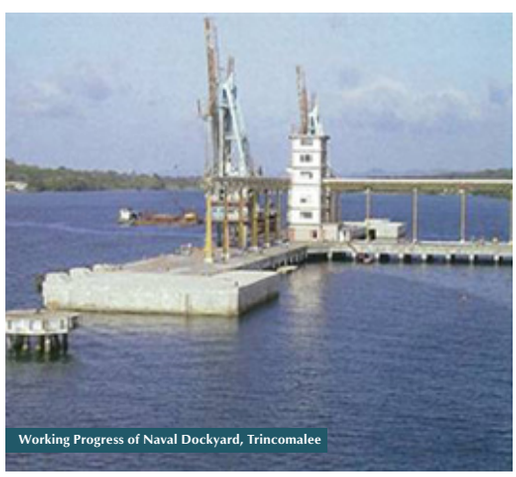
Total Value of the Project:

LKR 3000 Million

Physical Progress

40% completed





Working Progress of Naval Dockyard, Trincomalee

Construction of AVIC Residential Project, Colombo 3

Remarks: CECB is responsible for technical support from the design office for review of the documents and resident supervision.

Client: Avic Hotels Lanka Ltd

Total Value of the Project:

LKR 25 Billion

Physical Progress

49% completed



Working Progress of AVIC Residential Project



Structural view of AVIC Residential Project

Broadland Hydropower Project

CECB is responsible for the review of design and supervision of construction of this project.

Total Value of the Project:

LKR 11,480 Million

Physical Progress

23.9% completed



Working Progress of Broadland Hydropower Project



Working Progress of Broadland Hydropower Project

Shifting of Manning Market to Paliyagoda



3D Artistic Image of Manning Market at Paliyagoda

Total Value of the Project:

LKR 4,000 Million

Physical Progress

70% completed

Kaluganga Head Works Development Project

Total Value of the Project:

LKR 12,000 Million

Physical Progress

50% completed



Working Progress of Kalu Ganga Site

Colombo District Secretariat Building Complex

Total Value of the Project:

LKR 2,515 Million

Physical Progress

22% completed



Working Progress of Colombo District Secretariat



Building Complex Structural view of Colombo District Secretariat

Central Expressway Project – Stage 2

The project is still at initial stage at the end of 2016.

The Consultancy fee of this project:

LKR 200 Million

Construction of New Building for Attorney General's Department

The total value of the project:

LKR 900 Million

Physical Progress

25% Completed

Local Bank Funded Roads Rehabilitation Project (LBFP)

Total Value of the Project:

LKR 12,784 Million

Physical Progress

100% Successfully completed

Package/Description:

- Nagoda-Neboda & Awithtawa-Lewanduva Roads
- Naula-Elahera-Pallegama-Hettipola & Hasalaka - Handungamuwa Roads
- Haputhale – Boralanda – Keppetipola Road
- Bodagama-Hambegamuwa-Kalthota Road





Construction of Proposed Prison Complex at Angunakolapelassa

Total Value of the Project:

LKR 3,000 Million

Physical Progress

93% Completed







Moragahakanda Development Project – Elahera

Total value of the Project:

LKR 33,000 Million

Physical Progress

75% Completed



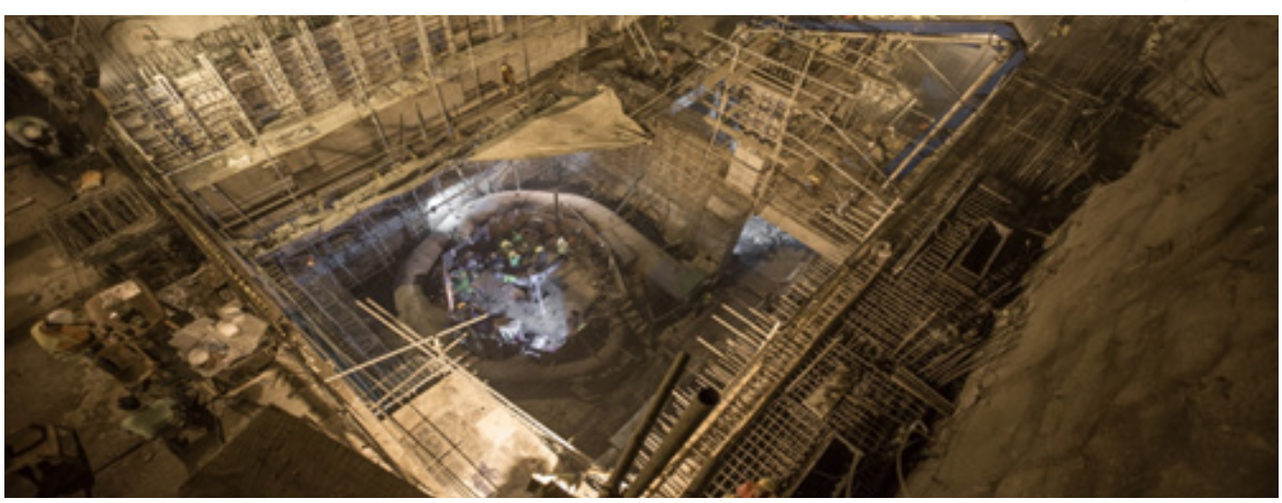
Uma Oya Development Project

Total Value of the Project:

LKR 71,400 Million

Physical Progress

30% completed





Balance Works of Proposed 704 Bed Teaching Hospital – Kotelawala Defence University

The Consultancy fee of this Project:

LKR 220 Million

Physical Progress

100% Successfully completed



Structural view of KDU



Construction of National School in Polonnaruwa

The Consultancy fee of this Project:

LKR 15 Million

Progress Achieved

50% Completed


Structural view of National School in Polonnaruwa



Reconstruction of Northern Railway Lines

Package/Description	Total Cost of the Works LKR Billions	% Physical Progress
Medawachchiya to Madhu Road	10.6	100
Omanthai to Pallai	24.0	100
Madhu Road to Thalaimannar	22.5	99
Pallai to Kankasanthurai	22.4	99
Signalling and Telecommunication Project	13	99







National Stroke Center Building Complex at Base Hospital, Mulleriyawa

Total Value of this project:

LKR 1,220 Million

Physical Progress

40% Completed

Achievements up to the end of December 2016 – Construction Division

Number of new construction (on the basis of design and construction) projects undertaken in the year 2016 - 145

Total contract value of the projects

LKR 10,794 Million

Number of construction (on the basis of design and construction) projects completed in the year 2016 - 145

Total contract value of the projects

LKR 10,707 Million

National Environment Secretariat Building at Battaramulla

Total Value of the Project:

LKR 1,126 Million

Physical Progress

95% completed



Structural view of National Environment Secretariat Building at Battaramulla

Construction of Proposed Building Complex for Accident Services, Theatre Complex, ICU and Wards - Stage III (Finishing) at North Colombo Teaching Hospital, Ragama.

Total Value of this project:

LKR 1,005 Million

Physical Progress

21% Completed

Construction of proposed Nephrology, Dialysis & Transplant Unit at Teaching Hospital, Karapitiya

Total Value of this project:

LKR 790 Million

Physical Progress

35% Completed

Construction of Head Office Building for Ministry of Health,Colombo

Total Value of this project:

LKR 3,355 Million

Physical Progress

2% Completed



Structural view of Head Office Building for Ministry of Health, Colombo

Construction of Jaffna Police Station

Total Value of this project:

LKR 360 Million

Physical Progress

99% Completed



Jaffna Police Station

Establishment of Emergency & Accident Center at Teaching Hospital, Batticaloa

Total Value of this project:

LKR 683 Million

Physical Progress

15% Completed



Working Progress Of Emergency & Accident Center at Batticaloa Hospital

Construction of Morana Reservoir

Total Value of this project:

LKR 1,210 Million

Physical Progress

54% Completed



Working Progress of Morana Reservoir

Construction of Accident & Emergency Treatment Unit, Teaching Hospital, Jaffna

Total Value of the Project:

LKR 531 Million

Physical Progress

39% completed



Working Progress of Accident & Emergency Treatment Unit, Teaching Hospital, Jaffna



Working Progress of Accident & Emergency Treatment Unit, Teaching Hospital, Jaffna

Kandy District Road Projects

Total Value of this project:

LKR 10 Billion

Physical Progress

82% Completed

Construction of Vincent Dias Ground at Badulla

Total Value of this project:

LKR 309 Million

Physical Progress

95% Completed

Construction of Proposed Cancer Treatment Center - Stage II, General Hospital (Teaching) – Kandy

This project is at initial stage.

Total Value of this project:

LKR 1,279 Million

Roads Improvement and Development Project in Anuradhapura District

This project is at initial stage.

Total Value of this project:

LKR 1,105 Million

Construction of Maternity Ward Complex at General Hospital, Kurunegala (Stage -111)

Total value of this project:

LKR 915 Million

Physical Progress

22% Completed



Construction of Proposed Museum at Polonnaruwa

Total value of the Project:

LKR 167 Million

Physical Progress

60% Completed





Construction of General Hospital, Hambantota

Remarks: 850 Bed Hospital

Total Value of this project:

LKR 1,654 Million

Physical Progress

100% Successfully Completed



Design and Construction of Ten Storied Dental Hospital Building, Colombo

Total Value of this project:

LKR 624 Million

Physical Progress

100% Successfully Completed





Construction of Four Storied Building for Polonnaruwa Hospital

Total Value of this project:

LKR 142 Million

Physical Progress

48% Completed

Roads Improvement and Development Project in Polonnaruwa District

Total Value of this project:

LKR 2,123 Million

Physical Progress

33% Completed

Proposed Prison Complex in Jaffna – 2nd Stage

Total Value of this project:

LKR 435 Million

Physical Progress

4% Completed

Achievements up to the end of December 2016 – International Division

Renovation/Refurbishment of Chancery and Official Residence of Sri Lanka High Commissioner in Myanmar

Total Value of this project:

LKR 42 Million

Physical Progress

100% Successfully completed



RECENT AWARDS

CIDA (ICTAD) NATIONAL AWARDS FOR CONSTRUCTION – 2016

The CIDA Award of Eminence-2016 for the life time contribution to the upliftment of the Construction Industry & the Profession of Engineering



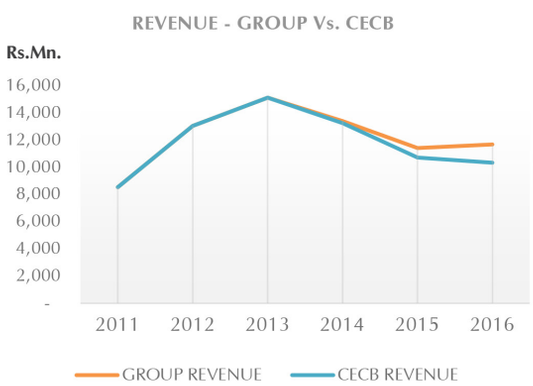
CECB FINANCIAL PERFORMANCE

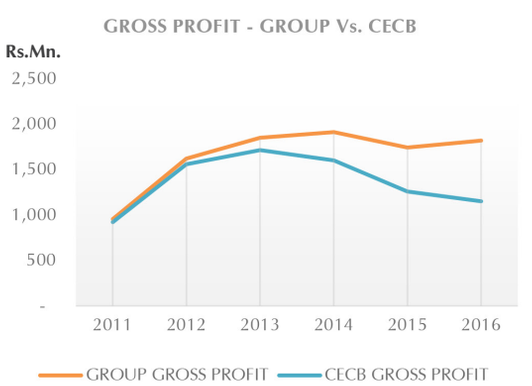
It is evident that the Bureau is becoming a change agent of the public sector in multi-disciplinary Engineering and has also been branded as a Public Sector organization which has capability and capacity to handle any dicey situation on a fast-track basis on behalf of the Government. In other words it is the only Public Sector Engineering Organization with a strong Human Resource base that consists of multi-disciplinary professionals and Technical staff representing various Engineering disciplines. It should also be noted that our organization is trained to think 'beyond Engineering' solutions as an organization, CECB acts as a result oriented team dedicated for the service. The team comprises of two major groups, namely, the technical/engineering staff and non-technical Staff. The staff is supported by teams of Para technical, technical, and secretarial staff who has a wide range of experience and skills in their respective fields.

The CECB Group Revenue of the year 2016 was Rs.11.7 billion reflecting a 2.2% increase over the previous year Revenue. CECB Revenue Comparing with the previous year reduced by 3.5% and Gross Profit also reduced by 8.5% due to all construction works assigned to CECB fully owned subsidiary of Central Engineering Services (Pvt) Limited (CESL).

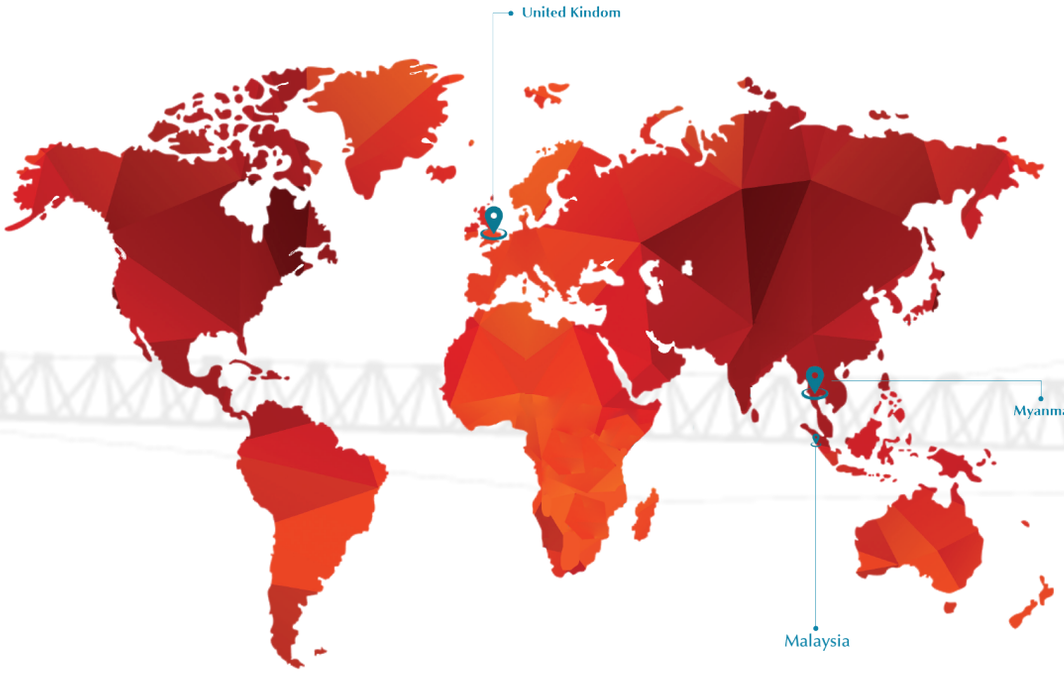
Operations of the CECB and the Group for the year 2016 had resulted a before tax profit of Rs. 816 million and Rs.926 million respectively as compared with the corresponding year before tax profit Rs.582 million and Rs.700 million respectively for the preceding year. CECB has increased it's profit by 40% and Group profit has increased by 32%. Total Assets Value of the Bureau Rs. 18,434 million and profit is represented 4.4% of the Total Assets of the Bureau.

The operational and financial performances achieved hence are all the more creditable considering the institutional constrains faced by the Bureau as a self – earning state owned enterprise (SOE) with due compliance to financial and procurements guidelines and procedures governing for public enterprises.

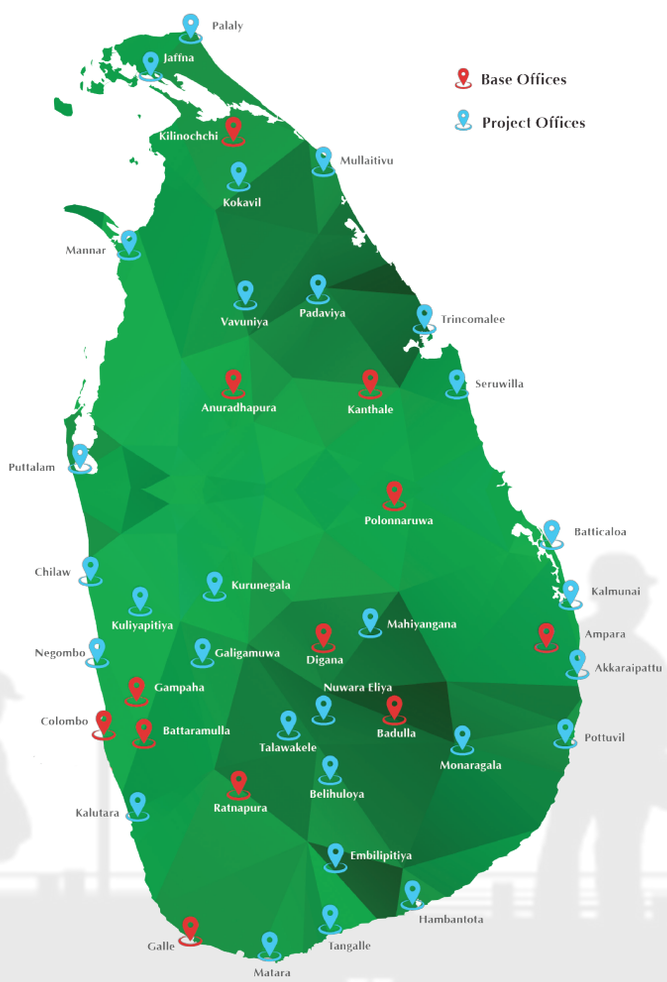




CECB Worldwide Projects



CECB Regional & Project Offices



SPECIALIZED AREAS & SERVICES











- Building Services
- Hospital Development
- Architectural Services
- Structural Designs
- Quantity Surveying
- Roads and Bridges
- Railway Works
- Port/ Coastal Works
- Airport Development
- Water Supply and Drainage
- Hydro Power and Energy
- Power Transmission and Distribution
- Water Resource Development
- Technical Audit / Dam Safety
- Electrical & Mechanical Work
- Land Surveying
- Information Technology (IT)
- Environmental Studies
- Project Management
- Geo-technical Investigation & Laboratory Services



















CECB Human Capital

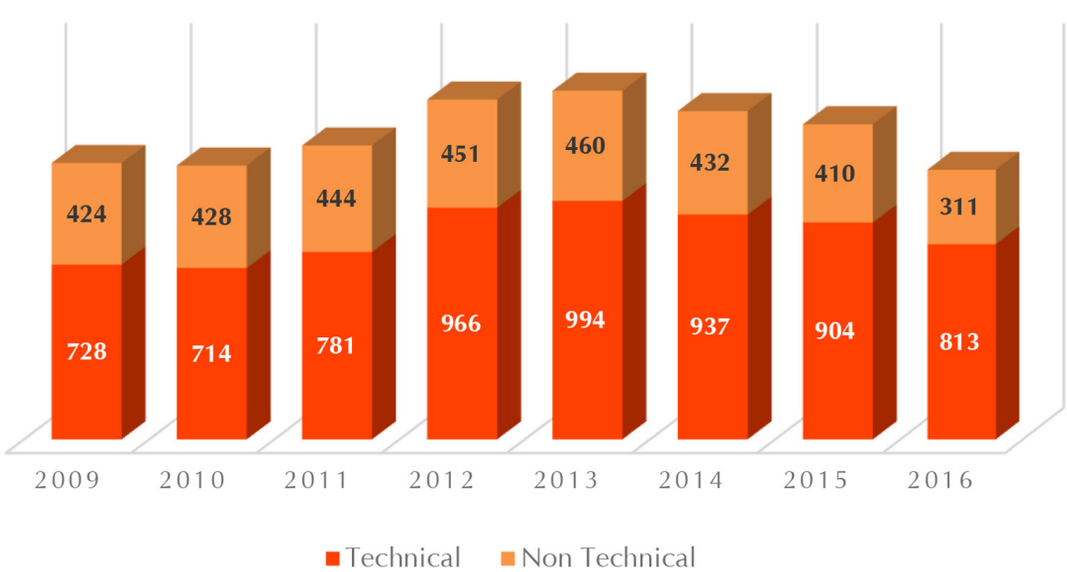
The Bureau's human capital of 1,124 numbers is the core of its innovation and sustainability driving the growth of diverse businesses and ensuring the creations of shared values. Our employees' value proposition has given us a unique competitive advantage as a preferred employer, enabling the Bureau to attract and retain the nation's topmost talent.

CECB, benefits from a diverse mix of skills, industry experience and talent which enables CECB to provide a range of multidisciplinary engineering services to clients in both public and private sector. These services are offered from various disciplines and profession.

These divided into two major categories as Technical staff and Non-Technical Staff.

- **Civil / Mechanical / Electrical/ Environmental / System Engineering**
- **Architects**
- **Geologists**
- **Quantity Surveyors**
- **IT Professionals**
- **Legal Professionals**
- **HR Professionals**
- **Accountants**
- **Engineering / Technical / Accounts / Audit / Management Assistants**
- **Draughtsman**

Staff Information



Method of Preparation and Development

Total employee numbers reported comprise the Bureau's permanent and contract employees and represent our operations in Sri Lanka as well as in overseas locations such as London, Malaysia and Myanmar .CECB has nurtured a reputation as a preferred employer due to the numerous opportunities provided for career progression through lateral movement across business sector, robust training and development programs.

Continuous investment in training and development is a key element of our employee value proposition. A robust talent management framework is in place to monitor performance, identify training needs and develop employee potential in line with our goals and strategy. The bureau provides numerous opportunities for skill development including on the job training, cross functional and sectorial exposure as well as structures training programs.

Training programs undergone by employees include participation in in-house and outdoor training programs. Annually CECB invest about Rs. 11.2 million in training initiatives during the year.

Leadership development is a key aspect of our employee value proposition which ensures retention of high-performing employees and effective succession planning. High-performances are groomed for leadership positions through cross functional and cross sectorial exposure. Internal candidates are also given the opportunity to apply emerging vacancies.

HR and its Practices.

Human Resources unit is under the direct supervision of the General Manager and is responsible for all HR functions which take place in the Bureau. Employees' professional development, safety and rights are protected by protocols which are ensured via regular internal audit inspections. Formal policy frameworks are adhered to in accordance with the procedures set by the government which covers recruitment, performance appraisal based on the Key Performance Indicators given by the government guidelines, grievance handling, training and development and compensation.

Rewards and Remuneration

Payments to employees include salaries allowance and other benefits. Measuring productivity enables the Bureau to effectively identify how well employees are contributing towards the Bureaus growth and profitability objectives.

Industrial Relations

CECB, recognize our employees' right to freedom of association thus we have active trade union that negotiate on behalf of their members. CECB management maintains proactive engagement with trade union representative on an ongoing basis.

CENTRAL ENGINEERING SERVICES (PVT) LTD

Central Engineering Services (Pvt) Ltd (CESL) is a fully owned subsidiary of the Central Engineering Consultancy Bureau (CECB) incorporated as a limited liability company on 16th December 2003 under the Companies Act No: 17 of 1982 and re registered on November 2009 under the Companies Act No 07 of 2007.

CESL actively operate in the construction industry at the beginning of 2011 to make use of the opportunity created by the high demand for construction services as a result of the boom during that period. CESL took up the challenges which the industry offered, with the already gained construction management and technical exposure, as well as its project management know how by working alongside CECB. The Core business of CESL is centered on the construction of Buildings, Roads, Bridges Irrigation Structures, and Other related infrastructure. The company is also involved in the production of concrete and asphalt for its projects.

CESL serves customers in the public sector as well as the private sector. CESL earned the trust of hundreds of government organizations, business leaders, and administrators by meeting time targets, in all types of institutional construction projects. Early entry into the industry as consultants by CECB way back in 1973, taught us many lessons that presently act on a source of knowledge base.

CORPORATE GOALS

- Integrated and Transparent Management System for all Functional Areas.
- Establish a unique Quality, Environment, Health and Safety System.
- To maintain adequate working capital by diversifed investments.
- To have the best Human Resource base in the construction industry.
- Effective management of CESL assets as an independent proft making entity.
- Introduce system improvement methodology using modern technologies to optimize construction cost.
- To maintain adequate work in hand and develop organizational sustainability.

Vision

" To be the unique model for the construction industry in Sri Lanka."

Mission

" Acquiring excellence in construction technology and process innovation with a highly motivated, trained staff whose contribution is adequately recognized. "

Board of

Directors Of CESL



Eng. T. D. Wickramarathna
Director

Mr. U. N. B. Mawathagama
Director

Eng. A. Galketiya
Director

Eng. K. L. S. Sahabandu
Director



Eng. G.D.A. Piyatilake
Chairman

Eng. N. Rupasinghe
Director

Mr. M.R.G. Ranathunge
Working Director

Eng. S.P.P. Nanayakkara
Executive Director

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Eng. S. P. P. Nanayakkara - Executive Director

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LLB (Sri Lanka), Attorney-at-Law, Notary Public., Actg. Magistrate

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Eng. A. Galketiya - Director

BSc.Eng, C Eng, MIE (SL)

Mr. U. N. B. Mawathgama - Director

CBA (ICASL), Dip in Acct, SAT

SERVICE SECTORS

BUILDINGS

CESL has been in the fore-front of design and construction of buildings on a turnkey basis in the country. The construction work undertaken so far range from multistoried buildings, factory type buildings and iconic buildings to entire townships developments suitable all over the island.

Recently CESL has under undertaken rehabilitation and refurbishment of buildings of architecturally important nature.

CESL largely depends on its in house expertise. However, in special cases CESL can engage personal such as reputed architects to strengthen its project teams to suit various requirements of a specifc project.

- Architectural
- Structural
- Electro-Mechanical
- Water Supply & Drainage
- Information Technology
- Building Services
- Contract & Quantity Surveying
- Project Management
- Engineering Procurement & Construction



ROADS

CESL with years of experience in planning, designing and the construction of roads in Sri Lanka is an expert in the sector. The firm's rich experience includes,

- Construction of trunk roads, arterial roads and elevated roads and widening, rehabilitation, up gradation, and resurfacing etc.
- Construction of complete road furniture.



BRIDGES

CESL is an expert in bridge engineering and have vast experience in design and construction of bridges & culverts in the country. Over the years CESL has been able to gain an inevitable reputation in design, construction and maintenance of,

- Concrete and Steel Flyovers.
- Concrete, Steel and Composite Bridges.
- Pedestrian Bridges, Overpass Bridges.
- Rehabilitation and strengthening of existing bridges.
- Drainage structures such as culverts, lined roadside drains and lead way drains.



IRRIGATION STRUCTURES

The engineering expertise of the CESL in irrigation extends to plan design execution and commissioning of large scale irrigation projects.

This assignment includes; Augmentation, rehabilitation and construction of reservoirs, canals, anicuts, earthen dams, regulation structures, weirs, and hydraulic structures, etc.



OTHER SPECIAL PROJECTS

CESL contribute to the planning, designing and the construction of any special projects in other sectors. This includes;

- Developing Zoological Garden & Safari Parks.
- Bio Diversity Parks.
- Play Grounds.
- Sewerage & Water Treatment Plants.



FINANCIAL HIGHLIGHTS

	2016 Rs. Mn	2015 Rs. Mn
Construction Revenue	8,697	6,561
Gross Profit	613	448
Net Profit Before Tax	102	118
Net Profit After Tax	81	81
Total Assets	1,0125	6,385
Contributed Capital	10	10
Total Equity	299	218
Total Equity Equilibrium	10,125	6,385
Current Assets	9,727	5,978
Current Liabilities	8,432	5,001

Construction Revenue (Rs. Mn.)



Construction Revenue (Rs. Mn)			
2013	2014	2015	2016
5,157	4,960	6,560	8,697

Total Assets (Rs. Mn)



Total Assets (Rs. Mn)			
2013	2014	2015	2016
4,261	5,729	6,385	10,125

SOME OF THE PROJECTS COMPLETED BY CESL



Railway Station at Jaffna



Dental Institute at Colombo



National Environmental Secretariat Building for Minstery of Environment & Mahaweli Development



Faculty of Fisheries & Marine Science and Technology for University of Ruhuna



Driving Testing Lane & Parking Area at Werahera Office Premises Premises



Office and Laboratory Complex for Department Government Analysis



Lanka Salt Ltd Hambantota



Office Building for Ministry of Sports



Durayappah Stadium at Jaffna



Service Area on the Southern Expressway

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