

A N N U A L R E P O R T
2013/2014



Lanka Logistics & Technologies Ltd.

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Vision and Mission

Vision

- To uphold national security through the exemplary facilitation of procurement and projects.

Mission

- Facilitate procurement of restricted and strategically important military equipment and services for the Sri Lanka armed forces, Police and other state owned institutions, directly from the foreign state owned organizations & manufacturers in an expeditious manner whilst maintaining external secrecy & internal transparency.
- Assist research & development and promote the indigenous defence industry.
- Initiate / undertake / manage projects with national security implications.

CHAIRMAN'S MESSAGE

I am pleased to present the Annual Report and Audited Financial Statements of Lanka Logistics & Technologies Ltd. (LLTL), for the financial year ended 31st March 2014.

The results achieved by the company during financial year 2013/14, reflects the sound execution of business plans, disciplined cost and asset management, and dedicated efforts of the Chief Executive Officer and his team. The company has also expanded its services from its core activity of procurement facilitation to the Armed Forces of Sri Lanka, to providing consultancy and project management services to different entities of the Government.

Revenue for the year under consideration decreased to Rs. 95.17 million from Rs. 130.62 million in the previous year. This was mainly due to reduced national budgetary allocations to the Armed Forces towards military procurement. However, due to commendable financial practices implemented by the company in 2013/14, an operating profit margin of 16.36% was recorded as against 13.31% in 2012/13. Further, a net profit margin of 11.43% was achieved as opposed to 10.83% in the preceding year.

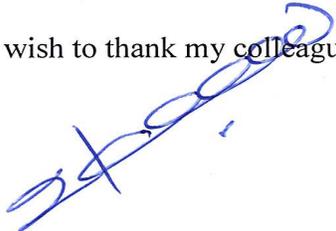
Stated Capital of the company was increased by Rs. 80 million by capitalising the initial seed capital contributed by the Armed Forces. Further, the ownership of all shares of the company was transferred to the Secretary, Ministry of Finance & Planning.

The return on capital recorded during the year was 9.96%, and the company also paid dividends of Rs. 1.05 million which was approved at the last Annual General meeting.

The company plans to achieve sustainable growth by expanding its services, whilst ensuring that it has a clear strategy to meet future challenges. Therefore, LLTL believes that it can continue to work at a national level to further assist the development objectives of the Government whilst ensuring improved profitability in the years ahead.

On behalf of the Board of Directors, I take this opportunity to thank the able leadership of Mr. Gotabaya Rajapaksa, Secretary, Ministry of Defence & Urban Development who has continuously provided guidance towards achieving results. Also, I feel that it would be most appropriate to commend the dedication and diligence of the staff of LLTL headed by Mr. Jayantha Wickramasinghe, Chief Executive Officer, who have made an admirable contribution to this growth. A word of sincere appreciation is also due to the Commanders of the Armed Forces, Inspector General of Police and their staff for the continued support.

I wish to thank my colleagues on the Board for their advice and guidance at all times.



Nimal Perera
Chairman

Corporate Profile

Name of the Company	: Lanka Logistics & Technologies Limited
Legal Status	: Public Limited Liability Company
Registered Office	: 4-205, BMICH, Bauddhaloka Mawatha, Colombo 07
Date of Incorporation	: 04 th September 2006 (Re-registered on 01 st September 2010)
Company Registration No	: N(PBS) 1331
Board of Directors	: Mr. N Perera - Chairman Mr. L R de Silva - Director Ms. L N de Silva Chandrasena - Director/ Company Secretary Mr. S. M. Piyatissa - Director Mr. S Senaratne - Director
Secretary	: Ms L N de Silva Chandrasena 383, Kotte Road, Rajagiriya Telephone: 011-2868793
Auditors	: B R De Silva & Company (Chartered Accountants) 22/4, Wijaya Kumaranathunga Mawatha, Colombo 05 Telephone: 011-4510368/011-4510268
Bankers	: Bank of Ceylon Independence Square Branch, Torrington Colombo 07 Telephone: 011-2678073

Board of Directors

Mr. Nimal Perera- Chairman

Mr. Lalith R. de Silva

Ms. Leisha N. de Silva Chandrasena- Director/Company Secretary

Mr. S. M. Piyatissa

Mr. Sudarshan Senarathne

Senior Management

Mr. Jayantha Wickramasinghe

Mr. Nishantha de Silva

Mr. Srilal Mahindapala

Eng. Lalith Liyanage

Mr. Dammike Fernando

Mr. Upul Gunasekera

Mr. Dhamitha Jayasekera

Mr. Sarath Peiris

- Chief Executive Officer

- Chief Operating Officer

- Head of Procurement Facilitation & Finance

- Head of Information Technology

- Head of Procurement Facilitation & Logistics

- Manager Projects

- Manager Administration & Human Resources

- Internal Auditor

Financial Highlights

FINANCIAL HIGHLIGHTS & RATIO ANALYSIS 2013/14			
	2014	2013	Change
	Rs.	Rs.	%
Revenue	95,174,119	130,618,906	(27)
Direct Cost of Revenue	13,678,828	30,939,078	(56)
Gross Profit	81,495,291	99,679,828	(18)
Profit before tax	15,573,236	17,380,167	(10)
Taxes	4,697,544	3,234,532	45
Profit after Tax	10,875,692	14,145,635	(23)
Total Equity	109,044,984	119,391,928	(9)
Non Current Assets	8,562,027	12,527,964	(32)
Current Assets	157,022,921	159,090,667	(1)
Current Liabilities	52,497,164	48,143,787	9
Total Assets	165,584,948	171,618,630	(4)
Non-current liabilities	4,042,800	4,082,916	(1)
Net assets	109,217,620	119,391,928	(9)
Ratios			
No of Shares	8,000,205	205	
Dividends paid	1,050,000	-	
Earnings per share Rs.	1.36	69,003	(100)
Dividend per share Rs.	0.13	N/A	
Dividend Cover (Times)	10.36	N/A	
Net assets per share Rs.	14	582,400	(100)
Return on equity %	9.97	11.85	(16)
Return on total assets %	6.57	8.24	(20)
Gross profit ratio %	85.63	76.31	12
Operating profit ratio %	16.36	13.31	23
Net profit ratio %	11.43	10.83	6
Current ratio (Times)	2.99	3.30	(9)

Report of the Directors

The directors have pleasure in presenting the 6th Annual Report, together with the Audited Financial Statements for the year ended 31st March 2014 and independent Auditors Report thereon.

Review of the Year

The company has facilitated procurement to the value of Rs. 28.15 billion accruing administration income of Rs. 703.81 million during the year under review.

The company recognised Rs.59.05 million as administration income for the year per the votes allocated by the respective Armed Force.

The company engaged in providing consultancy & management services to some of the government entities.

With realized revenue of Rs. 95.17 Mn and Net Profit of Rs. 15.57 Mn before Tax, the company maintained a growth in operation in the year ended 31st March 2014.

Company capitalized the seed capital amounting to Rs. 80 Mn in February 2014 contributed by the Armed Forces for the purpose of commencing and continuing the operation of the Company. Accordingly the earnings per share was Rs. 12.10 on weighted average ordinary shares.

The company has prepared the Financial Statements for the year ended 31st march 2014 in compliance with the standards, SLFRS for SME, for the first time. For all periods up to and including the year ended 31st March 2012, the company has prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLASs) which were effective up to 31st March 2012. Accordingly on adoption of SLFRS company has calculated the Deferred Tax Assets and the Gratuity Provision based on formula method which reflected in the current financial statements.

Principal Activity

Procurement facilitation of military hardware with national security implications remained the principal activity of the company in the year 2013/2014 as well. Company also engaged in providing consultancy and management services to some other government entities. Further, there are many other projects with national interest in the pipe line to be executed in the coming years.

Corporate Governance

The Board of Directors of the Company is responsible for the governance of the Company, which includes setting out strategic aims, providing leadership & supervising the management.

Revenue

The revenue for the year ending 31st March 2014 was Rs. 95.17 Mn

Statement of Comprehensive Income

Financial Summaries	2013/14	2012/13
	Rs.	Rs.
Revenue	95,174,119	130,618,906
Cost of Sales	(13,678,828)	(30,939,078)
Gross Profit	81,495,291	99,679,828
Other Operating Income	2,828,265	314,816
Administration Expenses	(74,762,144)	(88,180,375)
Profit from Operating Activities	9,561,412	13,814,268
Finance Cost	(1,807,174)	(3,007,300)
Finance Income	7,818,999	6,573,199
Profit Before Tax	15,573,236	17,380,166
Taxation	(4,697,544)	(3,234,532)
Profit After Tax	10,875,692	14,145,635

Figures of Previous Year have been readjusted and reclassified, wherever required in compliance with SLFRS for SME standards.

Capital Expenditure

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 1,899,035 as against Rs. 4,367,817.92 in the previous year.

Property, Plant & Equipment

The details of Property, Plant & Equipment of the Company are shown in Note-10 to the financial statements.

Reserves

The movements during the year of Capital & Revenue reserves are shown in the statement of changes in equity.

Dividend

The Directors have recommended Rs. 0.13 per share dividend payment amounting to Rs. 1,040,027 for the year ended 31st March 2014 to be at the Annual General Meeting on the 19th September 2014. In compliance with LKAS 12 –‘Events after the Balance Sheet date, the dividend recommended is not recognised as a liability in the Financial Statements as at 31st March 2014.

Events after the end of the Reporting Period

No circumstances have arisen since the end of the reporting period, which would require adjustment to or disclosure in the financial statements.

Board Committees

The following members of the Board serve in the Audit Committee.

1. Mr. S. M. Piyatissa (Chairman)
2. Mr. Lalith R de Silva
3. Mr. Sudarshana Senartne

Directors' Interest In Contracts

Directors' interests on contracts during the financial year of 2013/14 are as follows.

- 1) Mr. Nimal Perera being Chairman of Urban Development Authority
 - a) Feasibility Assessment of Waters Edge Hotel Development Project
 - b) Enterprise Resource Planning Consultancy Project
- 2) Ms B.L.N De Silva Chandrasena being Director of Rakna Arakshka Lanka Ltd.,
 - a) Formation of Corporate Plan for Rakna Arakshka Lanka Ltd

Directors Fees

Directors' fees for the year amounted to Rs. 1,770,000/-

Directors' Share Holding

Directors did not hold shares of the Company during the financial year ended 31st March 2014.

Auditors

Messrs B R De Silva & Company (Chartered Accountants) retires as the Auditor.

A Resolution to approve an appointment of a new Auditor in Terms of "Code of Best Practice in Corporate Governance for Public Enterprises in Sri Lanka" and authorizing the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting. Directors authorise M/s Tudor V. Perera & Co, Chartered Accountants as the Auditor for the financial year ended 31st March 2015.

Remuneration of Auditors, Messrs B R De Silva & Company, Chartered Accountants for the year ended 31st March 2014 was Rs. 155,000/=.

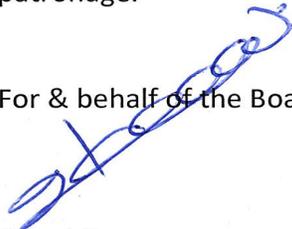
As far as the Directors are aware, the Auditor does not have any relationship (other than that of an auditor) with the Company other than those disclosed above. The Auditor also does not have any interests in the Company.

Acknowledgements

Directors wish to express their sincere appreciation for the cooperation and assistance received from its bankers, Ministry of Defence & Urban Development, the Armed Forces, Police and Government institutions.

Directors also wish to place on record their deep sense of appreciation to the contribution made by the staff, clients, suppliers and other business associates for their continued trust, cooperation and support. Directors are thankful to the shareholder for the continued patronage.

For & behalf of the Board,



Nimal Perera
(Chairman)

Corporate Governance Statement

The Board is responsible for the governance of the company whilst the shareholders' role in governance is to appoint Directors and to ensure that an appropriate governance structure is in place.

The Board of Directors of Lanka Logistics & Technologies Ltd is committed to business integrity and professionalism in all its activities. As part of this commitment, the Board supports the highest standards of corporate governance and the development of best practices.

Board of Directors

The prime responsibilities of the Board of Directors are setting up the Company's strategic aims, providing leadership to put them into effect, supervising the management of the business and reporting to the Government Treasury (Department of Public Enterprises)

The Board of Directors is also responsible to create value for its shareholder and stakeholders through actions that are in compliance with laws and regulations, and, to promote a culture that rewards integrity, transparency, fair dealings and accountability.

Board Meetings

The Board meetings are held monthly. Special Board meetings are also held whenever required. The Board of Directors comprise of non executive directors and is able to bring independent judgment to bear on the decision making process of the company.

There had been twelve Board meetings held during the year under review.

Audit Committee Report

The Audit Committee of the Company consists of Non-Executive Directors viz., Mr. S M Piyatissa (Chairman), Mr. Lalith R de Silva and Mr. Sudarshan Senaratne. The main role and the responsibilities of the Audit Committee includes,

- a) Exercising oversight responsibilities relating to the quality and integrity of the Company's financial statements and financial reporting process including the preparation, presentation and adequacy of disclosures in the financial statements of Company in accordance with the Sri Lanka Accounting Standards;
- b) Exercising oversight responsibilities relating to the Company's compliance with financial reporting and information requirements of the Companies Act No. 07 of 2007 and other relevant financial reporting related regulations;
- c) Exercising responsibilities over processes to ensure that the Company's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards; and compliance by the Company with legal and statutory requirements;
- d) Assessing the independence and performance of the Company's external auditors;
- e) Making recommendations to the Board pertaining to appointment re-appointment and in appropriate circumstances removal of the external auditors;
- f) Considering (if appropriate) the degree of any work undertaken by the external auditor for the Company other than the statutory audit; and
- g) Approving the remuneration and terms of engagement of the external auditors.

The Audit Committee invited the Chief Executive Officer and the Head of Procurement Facilitation and Finance and Internal Auditor to attend all its meetings although it reserved the right to request any of the individuals to withdraw.

The Audit Committee inter alia engaged in the following activities during the financial year under review.

- Review of the un-audited monthly financial statements.
- Review of the audited financial statements for the year
- Review of the management letter issued by the external auditors and monitoring follow up action by the Management.
- Review of Manual of Procedures (Financial, Procurement Facilitation, Information Technology & Administration).
- Reviewing report on compliance with statutory reporting and payment requirements.
- The Committee reviewed the effectiveness of the external audit conducted by M/s B R De Silva & Company, Chartered Accountants and also appreciated the services rendered by them. However, as stipulated by the “Code of Best Practices in Corporate Governance for Public Enterprises in Sri Lanka” Committee proposed to appoint a new auditor for the Financial Year 2014/15, subject to the approval of the shareholder at the Annual General Meeting.

Directors' Responsibility for Financial Reporting

The responsibility of the Directors in relation to the financial statements is set out in the following statement. The responsibility of the auditors, in relation to the financial statements prepared in accordance with the provisions of the Companies Act No 7 of 2007, is set out in the Report of the Auditors.

Financial Statements that give a true and fair view of the financial position of the company comprise of:

- a. Statement of Comprehensive Income for the year ended 31st march 2014.
- b. Statement of Financial Position as at 31st march 2014.
- c. Statement of Changes in Equity for the year ended 31st march 2014.
- d. Statement of Cash Flow for the year ended 31st march 2014.

The above Financial Statements as at and for the year ended 31st March 2014, together with comparative period data as at and for the year ended 31st March 2013 have been prepared in accordance with SLFRS for SMEs.

The directors are required to confirm that the financial statements have been prepared,

- a. Using appropriate accounting policies which have been selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained;
- b. Presented in accordance with the Sri Lanka Accounting Standards for SMEs;
- c. Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected; and
- d. Provides the information required by the Companies Act.

The directors are also required to ensure that the company has adequate resources to continue in operation to justify applying the going concern basis in preparing these financial statements.

Further, the directors have a responsibility to ensure that the company maintains sufficient accounting records to disclose, with reasonable accuracy the financial position of the company.

The directors are also responsible for taking reasonable steps to safeguard the assets of the company and in this regard to give proper consideration to the establishment of appropriate internal control systems with a view to preventing and detecting fraud and other irregularities.

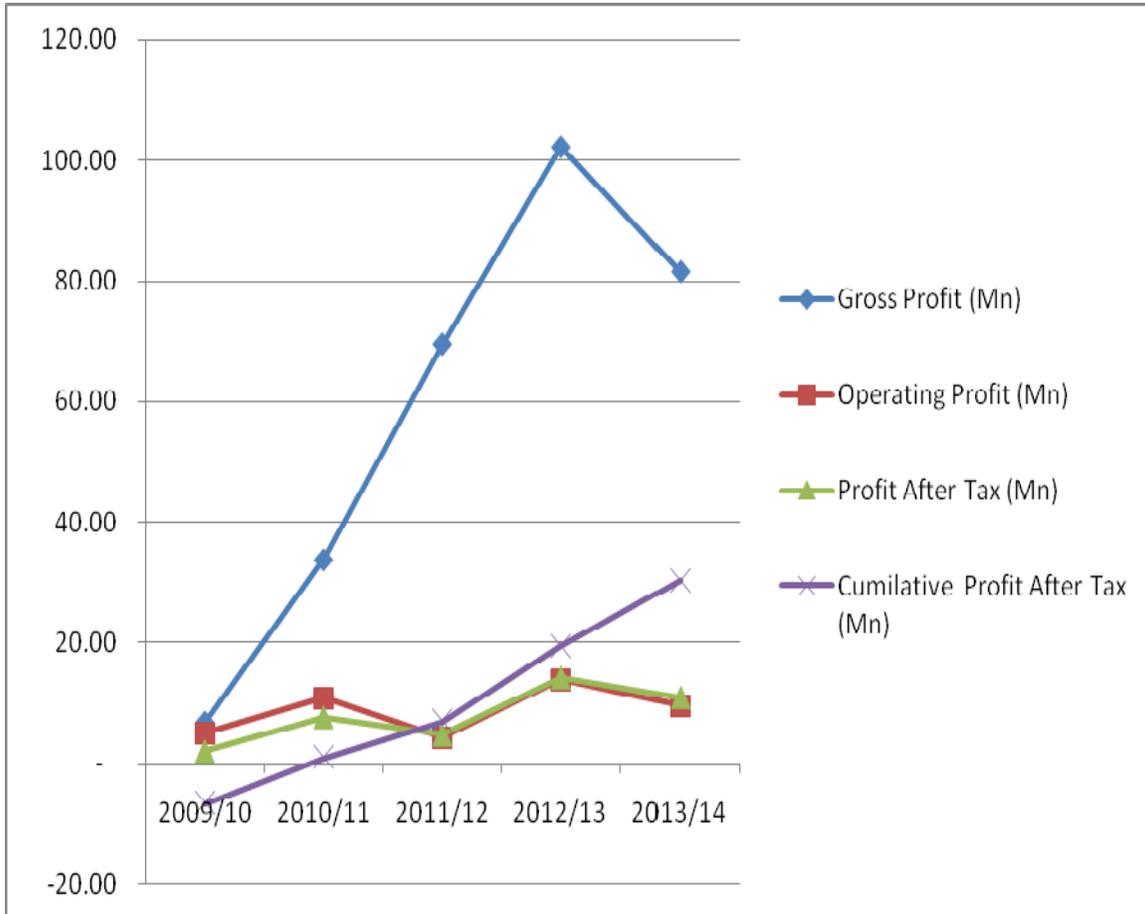
The directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections that may be considered being appropriate to enable them to give their audit opinion.

The directors are of the view that they have discharged their responsibilities as set out in this statement.

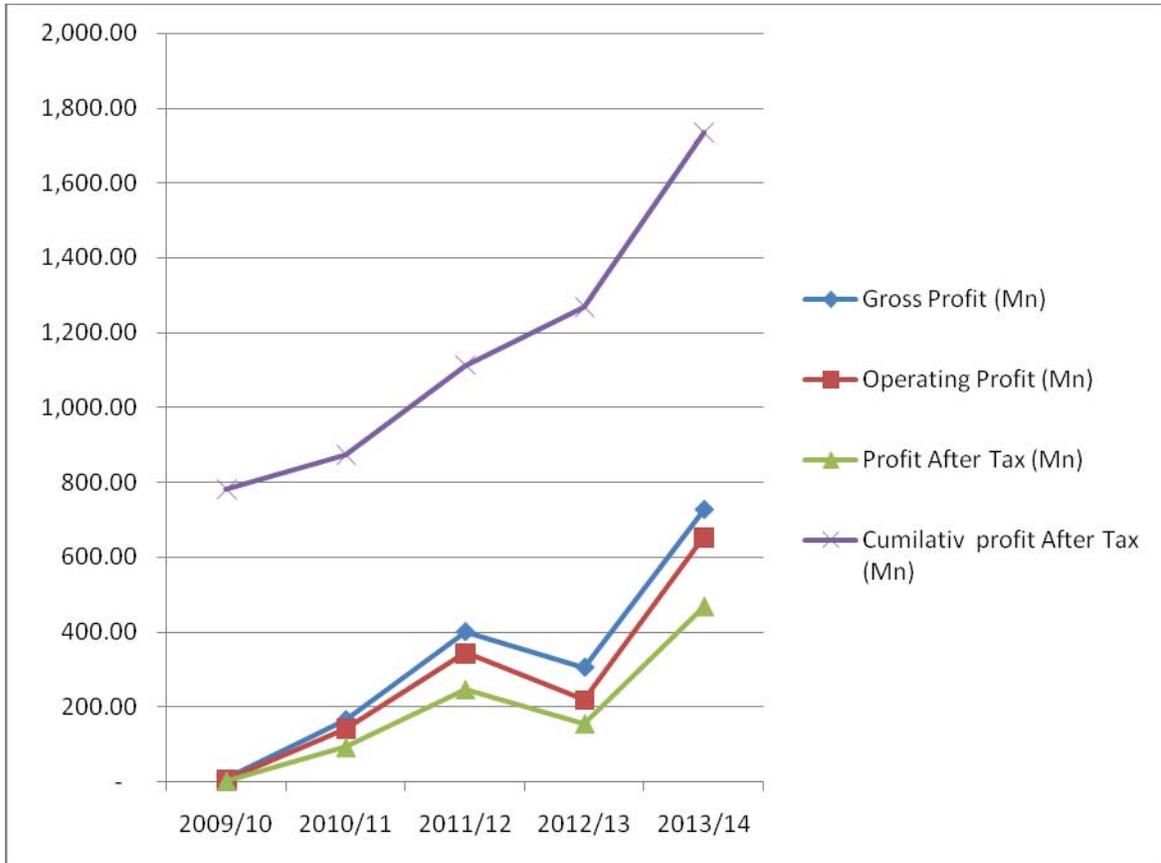
Compliance Report

The directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the company and all other known statutory dues as were due and payable by the company at the last date of the reporting period have been paid.

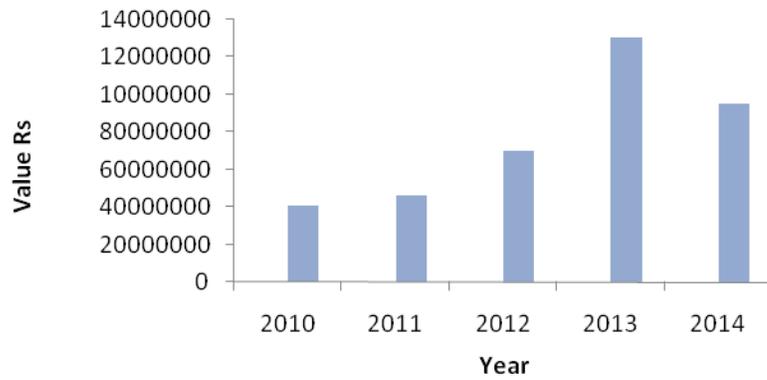
Profit of the company including realised Revenue					
Year	2009/10	2010/11	2011/12	2012/13	2013/14
Gross Profit (Mn)	6.72	33.67	69.46	102.16	81.49
Operating Profit (Mn)	4.92	10.82	4.28	13.81	9.56
Profit After Tax (Mn)	2.03	7.65	4.71	14.14	10.87
Cumulative Profit After Tax (Mn)	(6.70)	0.94	6.94	19.39	30.26



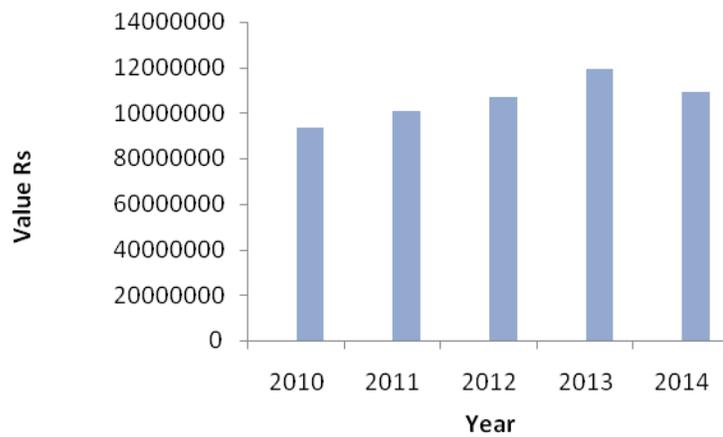
Profit of the company including Unrealised Revenue					
Year	2009/10	2010/11	2011/12	2012/13	2013/14
Gross Profit (Mn)	6.86	164.80	399.94	304.98	726.26
Operating Profit (Mn)	4.90	142.13	343.73	219.11	654.33
Profit After Tax (Mn)	2.12	92.19	246.21	155.39	467.29
Cumulative profit After Tax (Mn)	779.87	872.06	1,112.10	1,267.49	1,734.78



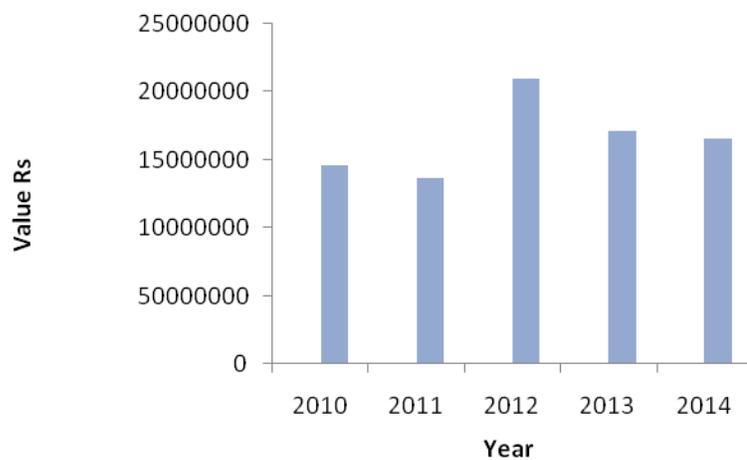
TURNOVER

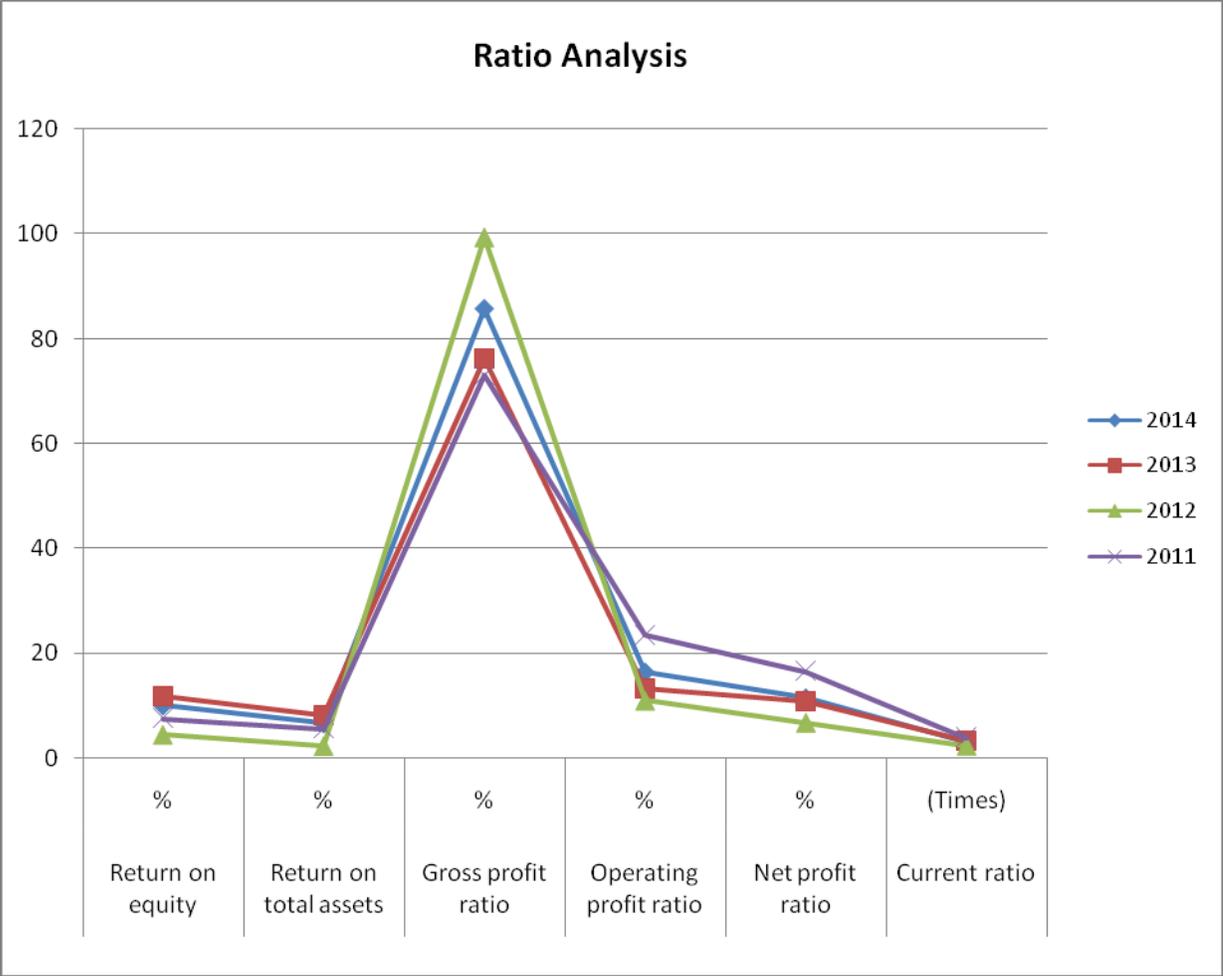


TOTAL EQUITY



TOTAL ASSETS





INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
LANKA LOGISTICS & TECHNOLOGIES LIMITED

1. Report on the Financial Statements

We have audited the accompanying Financial Statements of Lanka Logistics & Technologies Limited, which comprise the Statement of Financial Position as at 31st March, 2014 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flows for the year then ended 31st March, 2014 and a Summary of Significant Accounting Policies and other explanatory Notes as set out on Pages (01) to (17).

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 Standard for Small and Medium-Sized Entities (SLFRS for SMEs). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

3. Scope of Audit and Basis of Opinion

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

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit, except for the matters stated in paragraph (4) below.

We, therefore, believe that our audit provides a reasonable basis for our opinion.



4. Supporting evidence in the form of direct confirmation was not available to verify the accuracy of the Administration Fee Debtors as follows:

Debtors

	Rs.	Cts.
Sri Lanka Air Force	6,031,946.14	
Sri Lanka Army	31,571,057.50	
Sri Lanka Navy	40,766,927.17	
Ministry of Defence & Urban Development	18,787,070.31	

5. **Opinion**

In our opinion, except for the matters stated in paragraph (4) above and any consequent adjustments that may arise there from, so far as it appears from our examination, the Company has maintained proper accounting records for the year ended 31st March, 2014 and the Financial Statements give a true and fair view of the Financial Position of the Company as at 31st March, 2014 and its financial performance and Cash Flows for the year then ended, in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities (SLFRS for SMEs).

6. **Report on Other Legal and Regulatory Requirements**

These Financial Statements also comply with the requirements of Section 151 (2) of the Companies Act No.07 of 2007.



B. R. DE SILVA & CO.
Chartered Accountants

Colombo 05.

Date... 24/09/2014

LW/sj



LANKA LOGISTICS & TECHNOLOGIES LIMITEDSTATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,

	<u>Notes</u>	<u>2014</u>		<u>2013</u>
		<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>
Revenue	(3)	95,174,119.47		130,618,906
Direct Cost of Revenue		(13,678,828.12)		(30,939,078)
Gross Profit		81,495,291.35		99,679,828
Other Operating Income	(4)	2,828,265.11		314,816
		84,323,556.46		99,994,644
Administrative Expenses		(74,762,144.78)		(86,180,375)
Profit from Operating Activities	(5)	9,561,411.68		13,814,268
Finance Cost	(6)	(1,807,175.00)		(3,007,300)
Finance Income	(7)	7,818,999.44		6,573,199
Profit before Taxation		15,573,236.12		17,380,166
Income Tax Expenses	(8)	(4,697,544.00)		(3,234,532)
Profit for the year		10,875,692.12		14,145,634
Add: Other Comprehensive Income		-		-
Total Comprehensive Income		10,875,692.12		14,145,634
Earnings Per Share - Basic	(9)	12.10		69,003

Notes to the Financial Statements in pages (05) to (17) form an integral part of these Financial Statements.



LANKA LOGISTICS & TECHNOLOGIES LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH,**

	<u>Note</u>	2014		2013
		Rs.	Cts.	Rs.
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	(10)	7,150,677.92		9,881,573
Intangible Assets	(11)	1,403,175.80		2,104,764
Deferred Tax Assets	(12)	8,173.00		541,627
		<u>8,562,026.72</u>		<u>12,527,964</u>
Current Assets				
Investments	(13)	35,189,276.51		79,742,682
Trade & Other Receivables	(14)	121,065,457.91		76,754,877
Income Tax Receivable	(15)	713,039.94		2,527,197
Cash & Cash Equivalents	(16)	227,783.00		65,910
		<u>157,195,557.36</u>		<u>159,090,666</u>
Total Assets		<u>165,757,584.08</u>		<u>171,618,630</u>
EQUITY & LIABILITIES				
Capital & Reserves				
Stated Capital	(17)	80,002,050.00		2,050
Seed Capital	(18)	-		100,000,000
Retained Earnings		29,215,570.44		19,389,878
Total Equity		<u>109,217,620.44</u>		<u>119,391,928</u>
Non-Current Liabilities				
Employee Benefit Obligations	(19)	4,042,800.00		4,082,916
		<u>4,042,800.00</u>		<u>4,082,916</u>
Current Liabilities				
Dividend Payable		945,000.00		-
Trade & Other Payables	(20)	39,559,299.64		40,341,415
Bank Overdrafts	(21)	11,992,864.00		7,802,371.80
		<u>52,497,163.64</u>		<u>48,143,788</u>
Total Equity & Liabilities		<u>165,757,584.08</u>		<u>171,618,630</u>

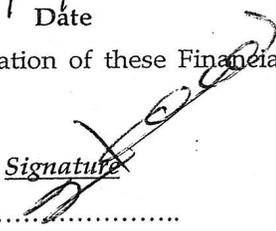
These Financial Statements are in compliance with the requirement of the Companies Act No.07 of 2007.

Chief Executive Officer

01/09/2014
Date

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

Signed for and on behalf of the Board by:

	<u>Name</u>	<u>Signature</u>
1.	Nimal Perera	
2.	B. L. N. De S. Chouhan	

DIRECTORS

DATE OF APPROVAL BY THE BOARD } 01/09/2014

Notes to the Financial Statements in pages (05) to (17) form an integral part of these Financial Statements.



LANKA LOGISTICS & TECHNOLOGIES LIMITEDSTATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2014

	<u>Stated</u>		<u>Seed</u>		<u>Retained</u>		<u>Total</u>	
	<u>Capital</u>		<u>Capital</u>		<u>Earnings</u>			
	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>
Balance as at 01st April 2012	2,050.00		100,000,000.00		6,970,607.00		106,972,657.00	
Previous year Adjustment	-		-		(1,726,363.00)		(1,726,363.00)	
Profit for the year	-		-		14,145,634.32		14,145,634.32	
Balance as at 31st March 2013	2,050.00		100,000,000.00		19,389,878.32		119,391,928.32	
Transfer of Seed Capital	80,000,000.00		(80,000,000.00)		-		-	
Write off - Unpaid Seeds Capital	-		(20,000,000.00)		-		(20,000,000.00)	
Dividend distributed	-		-		(1,050,000.00)		(1,050,000.00)	
Profit for the year	-		-		10,875,692.12		10,875,692.12	
Balance as at 31st March 2014	80,002,050.00		-		29,215,570.44		109,217,620.44	

Notes to the Financial Statements in pages (05) to (17) form an integral part of these Financial Statements.



LANKA LOGISTICS & TECHNOLOGIES LIMITED**STATEMENT OF CASH FLOW**
FOR THE YEAR ENDED 31ST MARCH,

	<u>2014</u>	<u>2013</u>
	Rs.	Rs.
<u>Cash Flows from/(Used in) Operating Activities</u>		
Net Profit before Income Tax Expenses	15,573,236	17,380,166
<u>Adjustments for</u>		
Over provided cost of CRD Projects	(747,405)	-
Previous year adjustment	-	(1,726,363)
Depreciation	5,108,883	5,252,831
Finance Costs	1,807,175	3,007,300
Provision for Defined Benefit Plans	(40,116)	579,508
Interest Income	(7,818,999)	(6,573,199)
Profit from Sales of Property, Plant & Equipment	(917,865)	-
Operating Profit/(Loss) before Working Capital Changes	<u>12,964,908</u>	<u>17,920,244</u>
(Increase)/Decrease in Trade and Other Receivables	(71,008,795)	72,122,212
Increase/(Decrease) in Trade and Other Payables	<u>2,018,730</u>	<u>(5,748,275)</u>
Cash Generated from Operations	(56,025,158)	84,294,181
Finance Costs Paid	(1,807,175)	(3,007,300)
Income Tax Paid	(1,642,567)	-
ESC Paid	-	(561,578)
WHT Paid	-	(658,633)
Net Cash From/(Used in) Operating Activities	<u>(59,474,899)</u>	<u>80,066,671</u>
<u>Cash Flows from/(Used in) Investing Activities</u>		
Acquisition of Property, Plant & Equipment	(1,899,035)	(2,263,055)
Interest Received	55,838	6,573,199
Acquisition of Investment/Disposal of Investment	56,253,977	(38,790,329)
Sales Commission on Property, Plant & Equipment	(34,500)	-
Disposal of Property, Plant & Equipment	1,175,000	-
Net Cash Flows from/(Used in) Investing Activities	<u>55,551,279</u>	<u>(34,480,185)</u>
<u>Cash Flows from/(Used in) Finance Activities</u>		
Dividend Tax remittances	(105,000)	-
Loan Re Payment	-	(15,800,000)
Net Cash Flows from/(Used in) Finance Activities	<u>(105,000)</u>	<u>(15,800,000)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,028,620)	29,786,485
Cash and Cash Equivalents at the beginning of the year	<u>(7,736,462)</u>	<u>(37,522,947)</u>
Cash and Cash Equivalents at the end of the year	<u>(11,765,081)</u>	<u>(7,736,462)</u>
<u>Analysis of Cash & Cash Equivalents</u>		
Cash at Bank - Overdrafts	(11,992,864)	(7,802,372)
Cash at Bank-Savings Account -5960160	2,257	11,740
Sampath Bank - Current Account	195,526	24,170
Cash in Hand	30,000	30,000
	<u>(11,765,081)</u>	<u>(7,736,462)</u>

Notes to the Financial Statements in pages (05) to (17) form an integral part of these Financial Statements.



LANKA LOGISTICS & TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2014****1. CORPORATE INFORMATION****1.1 General**

The Financial Statements of the Company for the year ended 31st March, 2014 were authorized for issue in accordance with a resolution of the Directors on 1st September 2014. Lanka Logistics & Technologies Limited ("Company") is a Limited Liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and principal place of business is situated at No.4-205, BMICH, Bauddhaloka Mawatha, Colombo 07.

1.2 Principal Activities & Nature of Operations

During the year, the principal activities of the Company were providing procurement facilities for equipment and services for the Army, Navy, Air Force and Police.

1.3 The Notes to the Financial Statements in pages (05) to (17) form an integral part of the Financial Statements.

1.4 The number of employees at the end of the year was 42.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 General Policies****2.1.1 Basis of Preparation**

The Statement of Financial Position, Statements of Comprehensive Income, Changes in Equity and Cash Flow, together with Accounting Policies and notes ("Financial Statements") of the Company as at 31st March, 2014 for the year then ended, comply with all material aspects with the applicable Sri Lanka Financial Reporting Standards for SMEs. These financial statements for the year ended 31st March, 2013 are the first the Company has prepared in accordance with SLFRS for SMEs.

These Financial Statements presented in Sri Lanka Rupees have been prepared on a historical cost basis except financial instruments.

The Directors have made an assessment on the Company's ability to continue as a going concern and they do not intend to either liquidate or to cease trading.



Contd...(06)

LANKA LOGISTICS & TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2014****2.1.2 Comparative Information**

The Accounting Policies have been consistently applied by the Company and they are consistent with those used in the previous year.

2.1.3 Foreign Currency Conversion

All foreign exchange transactions are converted in to Sri Lanka Rupees, which is the reporting currency at the rates of exchange prevailing at the time, the transactions were effected. Monetary assets and liabilities denominated in foreign currencies are converted in to Sri Lanka Rupee equivalents using year-end spot foreign exchange rates. Non-monetary assets and liabilities are converted using exchange rates that existed when the values were determined. The resulting gains and losses are accounted for in the other comprehensive income.

2.1.4 Taxation**(a) Current Taxes**

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

Current income tax relating to items recognized in other comprehensive income is recognized in other comprehensive income. Current income tax relating to items recognized directly in equity is recognized directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred Taxation

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Financial Statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Contd...(07)



LANKA LOGISTICS & TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2014****2.1.5 Borrowing Costs**

Borrowing Costs are recognized as an expense in the period in which they are incurred.

2.1.6 Deferred Expenditure

Expenditure which is deemed to have a benefit or relationship to more than one financial year is classified as deferred expenditure. Such expenditure is written off over the period, to which it relates, on a straight-line basis.

2.2 Valuation of Assets and their Measurement Basis**2.2.1 Property, Plant & Equipment****(a) Cost**

Property, Plant & Equipment are recorded at cost less accumulated depreciation and any impairment in value. The cost of Property, Plant & Equipment is the cost of acquisition or construction cost together with any incidental expenses incurred, in bringing the assets to its working condition for its intended use.

(b) Restoration Costs

Expenditure incurred on repairs or maintenance of Property, Plant and Equipment in order to restore or maintain the future economic benefits expected from originally assessed standard of performance is recognized as an expense when incurred.

(c) Depreciation

The provision for depreciation is calculated by using a straight line basis on the cost or valuation of all Property, Plant and Equipment. The principal annual rates used are;

Furniture & Fittings	20%
Office Equipment	20%
Motor Vehicle	25%
IT Equipment & Accessories	25%
Interior Decorations	50%

Property, Plant & Equipment acquired were depreciated from the month the assets were available for use over their estimated useful lives.

The assets residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate at each financial year end.

Contd..(08)



LANKA LOGISTICS & TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH, 2014**2.2.2 Impairment of Assets**

At each reporting date, property, plant and equipment, intangible assets and fixed deposits are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.2.3 Intangible Assets

An intangible asset acquired separately is measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets, excluding capitalized costs, are not capitalized and expenditure is reflected in the profit/loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the profit/loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit/loss when the asset is derecognized.

Amortization

The company provides amortization from the date the assets are available for use up to the date of disposal, at the following rate on a straight line basis over the periods appropriate to the estimated useful lives based on the pattern in which the asset's future economic benefits are expected to be consumed by the company of the different types of assets, except for which are disclosed separately.

Computer Software 3 years

Contd... (09)



LANKA LOGISTICS & TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH, 2014**2.2.4 Financial Instruments****Trade and other receivables and cash and cash equivalents**

These financial assets are recognized initially at the transaction price. Subsequently they are measured at amortized cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest.

Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognized in profit or loss.

Short-term financial assets

Other short-term financial assets comprise fixed deposits. They are recognized initially at transaction price. After initial recognition, Fixed Deposits are measured at cost less any impairment.

Financial liabilities

The Company's financial liabilities include borrowings and trade and other payables. Financial liabilities are recognized initially at transaction price. After initial recognition they are measured at amortized cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.

2.2.5 Retirement Benefit Obligations**(a) Defined Benefit Plan - Gratuity**

The company has adopted LKAS 19 - "Employee Benefits" which requires the use of actuarial techniques to make reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods and discount that benefit using the projected Unit Credit Method in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic and financial variables that will influence the cost of the benefit. The following key assumptions were made in arriving at the above figure using the gratuity formula as per LKAS 19-"Employee Benefits".

- | | | |
|-----|-----------------------|--------|
| (a) | Rate of Interest | 12.40% |
| (b) | Salary Increment rate | 9.00% |
| (c) | <u>Retirement Age</u> | |

Retirement age for the Staff is sixty (60) years. However, the Retiring Benefits for the staff who would be granted extension of services by the Board of Directors beyond 60 years to be calculated up to a maximum of sixty five (65) years.

- | | | |
|-----|----------------------|--------|
| (d) | Staff Turnover Ratio | 30.00% |
|-----|----------------------|--------|

The liability is not externally funded nor actuarially valued. This item is grouped under provision and other liabilities in the Balance Sheet

Contd...(10)



LANKA LOGISTICS & TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST MARCH, 2014****Retirement Benefit Obligations (Contd...)****(b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund**

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in accordance with the respective Statutes and Regulations.

2.2.6 Grants and Subsidies

An entity shall measure grants at the fair value of the asset received or receivable.

Grants and subsidies related to assets, including non-monetary grants at fair value are deducted in arriving at the carrying value of the asset.

2.2.7 Contingent Liabilities

There are no Contingent Liabilities.

2.2.8 Events after the end of the reporting period

There are no events subsequent to the end of the reporting period.

2.3 Statement of Comprehensive Income**2.3.1 Revenue Recognition**

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

(a) Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer; with the Company retaining neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Contd...(11)



LANKA LOGISTICS & TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2014

(b) Rendering of Services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed.

(c) Interest

Interest Income is recognized on an accrual basis.

(d) Rental Income

Rental income is recognized on an accrual basis.

(e) Others

Other Income is Recognized on an Accrual Basis

Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment and other non current assets including investments have been accounted for in the Income Statement, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses. [On disposal of revalued Property, Plant and Equipment, amount remaining in the Revaluation Reserve relating to that asset is transferred directly to Accumulated Profit.]

2.3.2 Expenditure Recognition

- (a) Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- (b) For the purpose of presentation of the Statement of Comprehensive Income the Directors are of the opinion that the function of expenses method, presents fairly the elements of the Company's performance, and hence such presentation method is adopted.



LANKA LOGISTICS & TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31ST MARCH,

	<u>2014</u>		<u>2013</u>
	Rs.	Cts.	Rs.
(3) <u>REVENUE</u>			
<u>Trading</u>			
Sale of Parachutes		-	44,871,758
		-	44,871,758
<u>Service</u>			
Administration Fee	59,050,884.55		75,367,059
Registration Fees -Suppliers	5,000.00		886,082
DHQC Project Management Fee	4,491,176.78		8,151,036
Preparation of Corporate Plan to UDA	-		3,826,531
Project Consultancy & Management Fees	33,478,594.14		-
NBT on revenue	(1,851,536.00)		(2,483,560)
	95,174,119.47		85,747,148
	95,174,119.47		130,618,906
(4) <u>OTHER OPERATING INCOME</u>			
Over provided cost of CRD Projects	747,405.11		-
Sale of Assets	917,865.00		-
Sundry Income	-		314,816
Cost Reimbursement Claimed on PHQC	1,162,995.00		-
	2,828,265.11		314,816
(5) <u>OPERATING PROFIT IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:</u>			
Salaries	36,545,675		39,681,410
EPF	4,385,481		4,170,332
ETF	1,096,370		1,042,583
Gratuity	(40,116)		579,508
Auditor's Remuneration	155,000		130,000
(6) <u>FINANCE COST</u>			
Bank Charges	16,525.00		9,604
Overdraft Interest	1,790,649.84		2,997,696
	1,807,174.84		3,007,300



LANKA LOGISTICS & TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

	<u>Note</u>	<u>2014</u>		<u>2013</u>
		Rs.	Cts.	Rs.
(7) <u>FINANCE INCOME</u>				
Interest Income - Fixed Deposits		7,763,162		6,464,159
Interest Income - Savings A/C		55,838		109,039
		<u>7,818,999.44</u>		<u>6,573,199</u>
(8) <u>INCOME TAX EXPENSES</u>				
Provision for the year		4,336,726.00		3,272,885
(-) Over Provision - 2012/2013		(172,636.00)		-
Deferred Tax Provision/(Reversal) for the year	(13)	533,454.00		(38,353)
		<u>4,697,544.00</u>		<u>3,234,532</u>
(9) <u>EARNINGS PER SHARE</u>				

Basic Earnings per Share is calculated by dividing the net Profit for the year attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the year.

	<u>2014</u>	<u>2013</u>
Net Profit attributable to Ordinary Shares (Rs.)	10,875,692.12	14,145,634
Number of Ordinary Shares outstanding during the year	898,835	205
Earnings per Share (Rs.)	<u>12.10</u>	<u>69,003</u>



LANKA LOGISTICS & TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSAS AT 31ST MARCH, 2014(10) PROPERTY, PLANT & EQUIPMENT

(10.1) <u>Gross Carrying Amounts</u>	<u>Balance as at</u>		<u>Additions/</u>		<u>Disposals/</u>		<u>Balance as at</u>	
	<u>01.04.2013</u>		<u>Transfers</u>		<u>Transfers</u>		<u>31.03.2014</u>	
	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>
Motor Vehicle	15,323,061.46		133,500.00		(2,071,978.00)		13,384,583.46	
Interior Décor	7,586,805.31		-		-		7,586,805.31	
Computers & Accessories	6,955,899.46		1,435,470.00		-		8,391,369.46	
Furniture & Fittings	3,553,876.00		-		-		3,553,876.00	
Office Equipment	2,966,913.00		330,065.00		-		3,296,978.00	
	<u>36,386,555.23</u>		<u>1,899,035.00</u>		<u>(2,071,978.00)</u>		<u>36,213,612.23</u>	

(10.2) <u>Depreciation</u>	<u>Acc. Dep.</u>		<u>Dep. for</u>		<u>Disposals/</u>		<u>Acc. Dep.</u>	
	<u>as at</u>		<u>the year</u>		<u>Transfers/</u>		<u>as at</u>	
	<u>01.04.2013</u>						<u>31.03.2014</u>	
	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>	<u>Rs.</u>	<u>Cts.</u>
Motor Vehicles	10,873,447.62		1,686,139.00		(1,849,343.04)		10,710,243.58	
Interior Décor	6,790,440.62		743,873.00		-		7,534,313.62	
Computers & Accessories	4,359,206.90		1,242,682.00		-		5,601,888.90	
Furniture & Fittings	2,538,338.30		331,948.05		-		2,870,286.35	
Office Equipment	1,943,548.84		402,653.02		-		2,346,201.86	
	<u>26,504,982.28</u>		<u>4,407,295.07</u>		<u>(1,849,343.04)</u>		<u>29,062,934.31</u>	
Net Book Values	<u>9,881,572.95</u>						<u>7,150,677.92</u>	



LANKA LOGISTICS & TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSAS AT 31ST MARCH, 2014(11) INTANGIBLE ASSETS

<i>Cost</i>	<i>Balance as at</i>		<i>Additions/</i>		<i>Disposals/</i>		<i>Balance as at</i>	
	<i>01.04.2013</i>		<i>Transfers</i>		<i>Transfers</i>		<i>31.03.2014</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
ESB System	2,104,763.64		-		-		2,104,763.64	
	2,104,763.64		-		-		2,104,763.64	
<i>Amortization</i>	<i>Balance</i>		<i>Charge for</i>		<i>Disposals/</i>		<i>Balance</i>	
	<i>as at</i>		<i>the year</i>		<i>Transfers/</i>		<i>as at</i>	
	<i>01.04.2013</i>						<i>31.03.2014</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
ESB System		-	701,587.84			-	701,587.84	
		-	701,587.84			-	701,587.84	
Net Book Value	2,104,763.64						1,403,175.80	



LANKA LOGISTICS & TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
AS AT 31ST MARCH,

	2014	2013
	Rs. Cts.	Rs.
(12) <u>DEFERRED TAX ASSET</u>		
Balance as at the beginning of the year	541,627.00	503,274
Provision/ (Reversal) for the year	(533,454.00)	38,353
Balance as at the end of the year	<u>8,173.00</u>	<u>541,627</u>
<i>The Closing Deferred Tax Liability Relates to the following:</i>		
Accelerated Depreciation for tax purposes	(396,107.00)	133,335
Employment Benefit Liability	404,280.00	408,292
	<u>8,173.00</u>	<u>541,627</u>
(13) <u>INVESTMENTS</u>		
Investment in Fixed Deposits	35,189,276.51	79,742,682
	<u>35,189,276.51</u>	<u>79,742,682</u>
Above BOC Fixed Deposits have been pledged as a security to obtain overdraft facility.		
(14) <u>TRADE & OTHER RECEIVABLES</u>		
Trade Receivables	118,337,111.00	50,808,278
Other Receivables and Project Current Accounts	1,372,832.63	25,738,550
Advances, Deposits and Pre-Payments	1,355,514.28	208,049
	<u>121,065,457.91</u>	<u>76,754,877</u>
(15) <u>INCOME TAX RECEIVABLES</u>		
Balance at the beginning of the year	2,527,197.17	4,579,871
Over provision- 2012/2013	172,636.00	
Provision for the year	(4,336,726.00)	(3,272,885)
	(1,636,892.83)	1,306,986
<u>Add</u> : Tax Payments	1,642,567.00	-
ESC	-	561,578
Specified Fees	-	2,000
WHT	707,365.77	656,633
Balance at the end of the year	<u>713,039.94</u>	<u>2,527,197</u>
(16) <u>CASH & CASH EQUIVALENTS</u>		
Bank of Ceylon-Savings Account	2,257.00	11,740
Sampath Bank PLC-Current Account	195,526.00	24,170
Cash in Hand	30,000.00	30,000
	<u>227,783.00</u>	<u>65,910</u>



LANKA LOGISTICS & TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSAS AT 31ST MARCH,

	2014		2013
	Rs.	Cts.	Rs.
(17) <u>STATED CAPITAL</u>			
Stated Capital	80,002,050.00		2,050
	<u>80,002,050.00</u>		<u>2,050</u>
(18) <u>SEED CAPITAL</u>			
Seed Capital	-		100,000,000
	<u>-</u>		<u>100,000,000</u>
Seed Capital was contributed by Sri Lanka Army, Sri Lanka Navy and Sri Lanka Air Force and unpaid balance from Sri Lanka Police.			
(19) <u>EMPLOYEE BENEFIT OBLIGATIONS</u>			
Balance at the beginning of the year	4,082,916.00		3,503,408
Provision/(Reversal) for the year	(40,116.00)		579,508
Balance at the end of the year	<u>4,042,800.00</u>		<u>4,082,916</u>
(20) <u>TRADE & OTHER PAYABLES</u>			
Trade Payables	6,599,639.64		12,443,562
Accrued Expenditure and others	32,959,660.00		27,897,853
	<u>39,559,299.64</u>		<u>40,341,415</u>

