

UFO LANKA (PRIVATE) LIMITED

Financial Statements
For the Year Ended
31 March 2016

Amerasekera & Co.,
Chartered Accountants
12, Rotunda Gardens
Colombo 03
Sri Lanka

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UFO Lanka (Private) Limited

Report of the Financial Statements

We have audited the financial statements of **UFO Lanka (Private) Limited** ("the Company"), which comprise the statement of financial position as at 31 March 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 02 to 09.

Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities' (SLFRSs for SMEs), and for such internal control as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

As explained in Note 12 to the Financial Statements, the Board of Directors has decided to write-off entire Property, Plant and Equipment subsequent to the Balance Sheet date. However, these Financial Statements are prepared for the year ended 31 March 2016 on the basis that the Company is a going concern and the assets have not been adjusted to their realizable values.

Except for the impact on the matters referred to in paragraphs above, in our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities' (SLFRS for SMEs).

Report on Other Legal and Regulatory Requirements

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

- a) The basis of opinion and Scope and limitations of the audit are as stated above.
- b) In our opinion:
 - we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company,
 - the financial statements of the Company, comply with the requirements of section 151 of the Companies Act..


CHARTERED ACCOUNTANTS
COLOMBO, 17.05.2016

UFO LANKA (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Sri Lanka Rupees)

FOR THE YEAR ENDED 31 MARCH 2016	Note	31 March 2015	
Income		-	-
Administration & Establishment Expenses	4	(149,630)	(121,223)
Profit/ (Loss) Before Taxation		<u>(149,630)</u>	<u>(121,223)</u>
Cost of Assets Written Off	5	(3,517,163)	-
Profit / (Loss) for the Year		<u>(3,666,793)</u>	<u>(121,223)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income / (Expense) for the Year		<u><u>(3,666,793.00)</u></u>	<u><u>(121,223)</u></u>



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Figures in brackets indicate deductions

Notes to the Financial Statements on Page 6 to 9 form an integral part of these Financial Statements

UFO LANKA (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

(Expressed in Sri Lankan Rupees)

31 March 2015

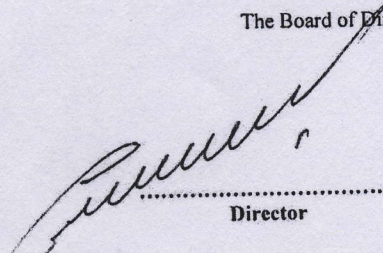
AS AT 31 MARCH 2016	Note		
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	6	3,209,258	6,710,268
Current Assets			
Other Debtors		-	16,153
Cash at Bank		6,661,944	6,753,676
Total Current Assets		6,661,944	6,769,829
Total Assets		9,871,202	13,480,097
EQUITY AND LIABILITIES			
Equity			
Stated Capital	7	27,759,500	27,759,500
Application Pending Allotment		471,811	471,811
Retained Earnings/ (Accumulated Loss)		(18,499,765)	(14,832,972)
Total Equity		9,731,546	13,398,339
Current Liabilities			
Accrued Expenses	8	139,656	81,758
Total Current Liabilities		139,656	81,758
Total Equity and Liabilities		9,871,202	13,480,097

I certify that these Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.


 Finance Officer

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

Approved and signed for and on behalf of the Board,


 Director


 Director

Date :- May 17, 2016
 Colombo,

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Figures in brackets indicate deductions

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UFO LANKA (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY

(Expressed in Sri Lankan Rupees)

FOR THE PERIOD ENDED 31 MARCH 2016

	<u>Stated Capital</u>	<u>Share Application</u>	<u>Retained Earnings (at debit)</u>	<u>Total</u>
Balance as at 01 April 2014	27,759,500	471,810.57	(14,711,749)	13,519,562
Comprehensive Expense for the Year	-	-	(121,223)	(121,223)
Balance as at 31 March 2015	27,759,500	471,810.57	(14,832,972)	13,398,339
Comprehensive Expense for the Year	-	-	(3,666,793)	(3,666,793)
Balance as at 31 March 2016	27,759,500	471,810.57	(18,499,765)	9,731,546



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Figures in brackets indicate deductions

Notes to the Financial Statements on Page 6 to 9 form an integral part of these Financial Statements

UFO LANKA (PRIVATE) LIMITED
STATEMENT CASH FLOWS

(Expressed in Sri Lanka Rupees)

FOR THE YEAR ENDED 31 MARCH 2016.

31 March 2015

Cash Flow from Operating Activities

Loss Before Taxation	(3,666,793)	(121,223)
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Adjustments for:

Assets Written Off	3,517,163	-
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Operating Loss Before Working Capital Changes	(149,630)	(121,223)
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Working Capital Changes

Accrued Charges	57,898	(103,070)
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Net Cash used in Operating Activities	(91,732)	(224,293)
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Net Change in Cash and Cash Equivalents During the Year

(91,732)	(224,293)
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Movements in Cash & Cash Equivalents

At the Beginning of the Year	6,753,676	6,977,969
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Net Change in During the Year	(91,732)	(224,293)
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At the End of the Period 31 March 2016	6,661,944	6,753,676
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Figures in brackets indicate deductions

Notes to the Financial Statements on Page 6 to 9 form an integral part of these Financial Statements

UFO LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. CORPORATE INFORMATION

1.1 General

UFO Lank (Pvt) Limited is a private limited liability company, incorporated on November 21, 2007 and domiciled in Sri Lanka. The registered office of the Company and principal place of business is located No. 12, Rotunda Gardens, Colombo 03.

1.2 Principal Activities and Nature of Operations

The principal business of the company is to carry on the business of entertainment trade

1.3 Date of Authorization for Issue

The Financial Statements of **UFO Lank (Pvt) Limited** for the period ended 31 March 2016 are authorized for issue on 17 May 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium-sized Entities' (SLFRSs for SMEs). They have been prepared under the historical cost convention. The preparation of financial statements in conformity with the SLFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements are disclosed in note 3.

2.2 Changes in accounting policies

The changes in accounting policies set out below have been applied consistently to the periods presented in the condensed financial statements and to the opening SLFRS statement of financial position at the date of transition to SLFRSs, unless otherwise indicated.

The presentation and classification of the consolidated financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

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

2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.



UFO LANKA (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2.4 Property, plant and equipment

Property, plant and equipment are initially recognized at cost including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

2.5 Other Receivable

Other receivables are recognized at cost less provision for bad and doubtful receivables as they are expected to be received within short period, such that the time value of money is not significant. They are classified under current assets.

2.6 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.7 Stated Capital

Stated capital represents the value of shares that have been issued. Ordinary shares are classified as equity.

2.8 Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities as there in the normal operating cycle of the business.

Trade and other payables are recognized initially at fair value, which is the transaction price and subsequently measured at the original invoice amount as they are expected to be paid within a short period, such that the time value of money is not significant.

2.9 Provisions and Contingent Liabilities

Provisions for operational expenses are recognized when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

2.10 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes, and recognized on accrual basis.

However, the operations of the company are in progress.

2.11 Expenses

All expenditure incurred in the running of the operation has been charged to income in arriving at the profit for the reporting period.



(Expressed in Sri Lanka Rupees)

FOR THE YEAR ENDED 31 MARCH 2016

31 March 2015

4 Administration & Establishment Expenses

Rent	-	50,000
Secretarial Charges	68,802	38,930
Accountancy Charges	20,000	10,000
Audit Fees	43,685	5,000
Professional Charges	17,143	17,143
Bank Charges	-	150
	<u>149,630</u>	<u>121,223</u>

5 Assets Written Off

Computers	2,292,327	-
Projectors	1,208,683	-
Debtors	16,153	-
	<u>3,517,163</u>	<u>-</u>

5.1 Board of Directors by a circular resolution dated 23 February 2016 has written off the above assets

6 Property, Plant and Equipment (at Cost)

Description	Balance as at 01 April 2015	(Written off)	Balance 31 March 2016
Computers	5,501,585	(2,292,327)	3,209,258
Projectors	1,208,683	(1,208,683)	-
	<u>6,710,268</u>	<u>(3,501,010)</u>	<u>3,209,258</u>

31 March 2015

7 Stated Capital

Issued and Fully Paid,
2,775,950, Shares

27,759,500

8 Accrued Expenses

Amerasekera & Co. - Tax Fees	34,286	17,143
Amerasekera & Co. - Audit Fees	67,370	23,685
Book-keeping & Accountancy Services (Pvt) Ltd - Accounting Services	30,000	10,000
Management Application (Pvt) Ltd. - Secretarial Services	8,000	30,930
	<u>139,656</u>	<u>81,758</u>

10 Contingent Liabilities

There were no material contingent liabilities outstanding at the reporting date.

11 Commitments

Capital Commitments

There were no material capital commitments outstanding at the reporting date.

Financial Commitments

There were no material Financial commitments outstanding at the reporting date.

12 Events after the Reporting Period

Subsequent to the reporting date no circumstances have arisen which would require adjustments to or disclosure in the Financial Statements, Except that the directors has decided to write off balance carrying value of Property, Plant and Equipment (Computers) amounting to Rs. 3,209,258/-.

Figures in brackets indicate deductions.

