

**LAUGFS ECO SRI (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2017**

APAG/CPS/AD

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF LAUGFS ECO SRI (PRIVATE) LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of LAUGFS Eco Sri (Private) Limited, ("the Company"), which comprise the statement of financial position as at 31 March 2017, and the statement of profit and 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.

**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, and for such internal controls 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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**

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.



(Contd..2/)




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### Report on other legal and regulatory requirements

As required by Section 163(2) of the Companies Act No. 7 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 No. 07 of 2007.

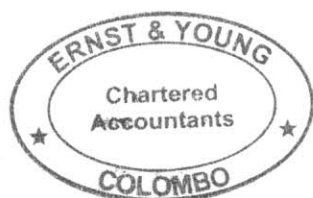


26 May 2017  
Colombo

LAUGFS Eco Sri (Private) Limited  
**STATEMENT OF PROFIT OR LOSS**  
 Year ended 31 March 2017

	Note	2017 Rs.	2016 Rs.
<b>Revenue</b>	3	1,240,302,196	1,106,426,395
Cost of Sales		<u>(224,367,842)</u>	<u>(227,265,468)</u>
<b>Gross Profit</b>		1,015,934,354	879,160,927
Other Operating Income	4.1	10,566,001	14,241,664
Administrative Expenses		(520,395,755)	(435,521,868)
Promotional Expenses		<u>(30,004,253)</u>	<u>(20,543,073)</u>
<b>Operating Profit</b>		476,100,347	437,337,650
Finance Costs	4.2	(2,056,916)	(2,634,288)
Finance Income	4.3	<u>23,596,301</u>	<u>19,533,319</u>
<b>Profit before Tax</b>	4.4	497,639,732	454,236,681
Income Tax Expense	5.1	(111,222,211)	(47,975,417)
<b>Profit for the Year</b>		<u><u>386,417,521</u></u>	<u><u>406,261,265</u></u>
<b>Earning Per Share - Basic/Diluted</b>	6	9.66	10.16

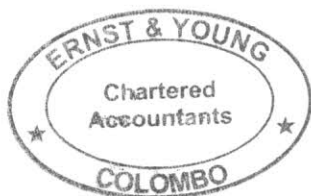
The accounting policies and notes on pages 8 through 30 form an integral part of the financial statements.



LAUGFS Eco Sri (Private) Limited  
**STATEMENT OF COMPREHENSIVE INCOME**  
Year ended 31 March 2017

	Note	2017 Rs.	2016 Rs.
Profit for the Year		386,417,521	406,261,265
<b>Other Comprehensive Income</b>			
Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax) :			
Net Gains/(Losses) on Available for Sale Financial Assets	14.1	27,749,616	(704,250)
<b>Net Other Comprehensive Income to be Reclassified to Profit or Loss in Subsequent Periods</b>		<u>27,749,616</u>	<u>(704,250)</u>
Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods (Net of Tax) :			
Net Actuarial Gains/(Losses) on Defined Benefit Plans	16.2	(1,875,726)	(4,016,724)
Income Tax Effect	5.2	375,145	803,345
<b>Net Other Comprehensive Income not to be Reclassified to Profit or Loss in Subsequent Periods</b>		<u>(1,500,581)</u>	<u>(3,213,379)</u>
<b>Other Comprehensive Income for the Year Net of Tax</b>		<u>26,249,035</u>	<u>(3,917,629)</u>
<b>Total Comprehensive Income for the Year Net of Tax</b>		<u><u>412,666,556</u></u>	<u><u>402,343,635</u></u>

The accounting policies and notes on pages 8 through 30 form an integral part of the financial statements.



LAUGFS Eco Sri (Private) Limited  
STATEMENT OF FINANCIAL POSITION

As at 31 March 2017


	Note	2017 Rs.	2016 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7.3	159,761,411	203,840,494
Intangible Assets	8	7,920,534	11,722,391
Available for Sale Investments	9.1	149,710,730	121,961,114
Deferred Tax Assets	5.5	14,353,101	11,390,561
		<u>331,745,776</u>	<u>348,914,560</u>
<b>Current Assets</b>			
Inventories	10	26,424,786	43,647,172
Trade and Other Receivables	11	56,735,585	30,998,890
Cash and Short Term Deposits	12.1	405,592,907	416,657,747
		<u>488,753,278</u>	<u>491,303,809</u>
<b>Total Assets</b>		<u>820,499,054</u>	<u>840,218,369</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	13	400,000,000	400,000,000
Reserves	14	59,710,730	31,961,114
Retained Earnings		159,302,707	244,385,766
<b>Total Equity</b>		<u>619,013,437</u>	<u>676,346,880</u>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	9.2	12,135,349	19,393,701
Employee Benefit Liability	16.2	36,080,901	25,776,554
		<u>48,216,250</u>	<u>45,170,255</u>
<b>Current Liabilities</b>			
Trade and Other Payables	17	53,622,915	78,710,142
Interest Bearing Loans and Borrowings	9.2	19,590,315	15,119,508
Income Tax Payable		80,056,137	24,871,584
		<u>153,269,367</u>	<u>118,701,234</u>
<b>Total Equity and Liabilities</b>		<u>820,499,054</u>	<u>840,218,369</u>

These financial statements are in compliance with the requirements of the Companies Act No: 07 of 2007.

  
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Finance Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the board by:

  
.....  
Director

  
.....  
Director

The accounting policies and notes on pages 8 through 30 form an integral part of the financial statements.



LAUGFS Eco Sri (Private) Limited  
**STATEMENT OF CHANGES IN EQUITY**  
Year ended 31 March 2017

	Note	Stated Capital Rs.	Retained Earnings Rs.	Available for Sale Reserve Rs.	Total Rs.
<b>As at 1 April 2015</b>		400,000,000	241,337,881	32,665,364	674,003,245
Profit for the Year		-	406,261,265	-	406,261,265
Other Comprehensive Income		-	(3,213,379)	(704,250)	(3,917,629)
Total Comprehensive Income		-	403,047,885	(704,250)	402,343,635
Dividend Paid -2015/16	15	-	(400,000,000)	-	(400,000,000)
<b>As at 31 March 2016</b>		400,000,000	244,385,766	31,961,114	676,346,880
Profit for the Year		-	386,417,521	-	386,417,521
Other Comprehensive Income		-	(1,500,581)	27,749,616	26,249,035
Total Comprehensive Income		-	384,916,940	27,749,616	412,666,556
Dividend Paid -2016/17	15	-	(470,000,000)	-	(470,000,000)
<b>As at 31 March 2017</b>		<u>400,000,000</u>	<u>159,302,707</u>	<u>59,710,730</u>	<u>619,013,437</u>

The accounting policies and notes on pages 8 through 30 form an integral part of the financial statements.

