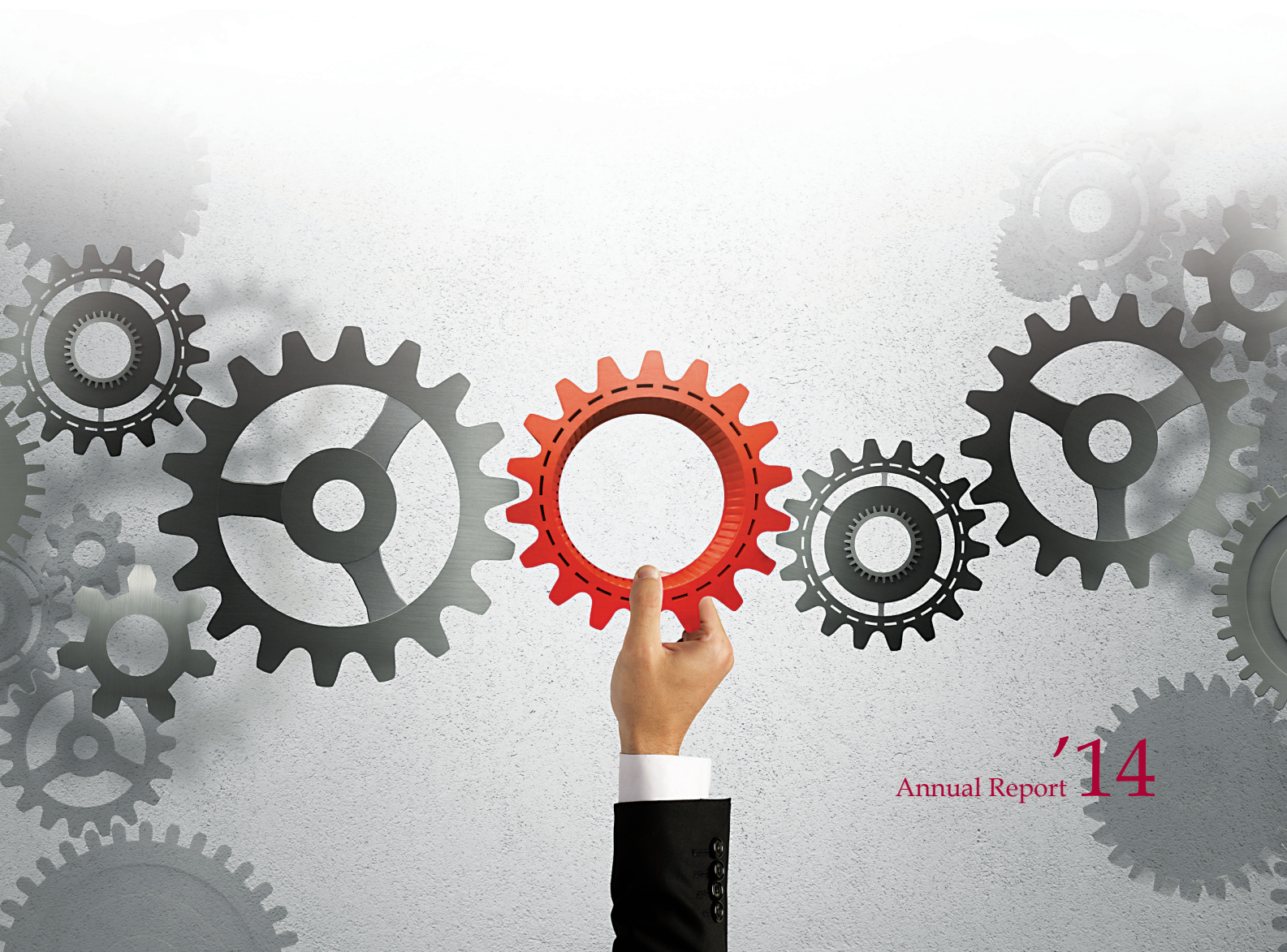




SLAASMB

Sri Lanka Accounting and Auditing
Standards Monitoring Board

Enhancing Reliability



Annual Report '14

The Sri Lanka Accounting and Auditing Standards Monitoring Board was established under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The function of the Board is to monitor compliance with the Sri Lanka Accounting Standards and the Sri Lanka Auditing Standards in the preparation, presentation and audit of financial statements of specified business enterprises. (See page 50)

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Members of the Board

Chairman

*Nominee of the Governor,
Central Bank of Sri Lanka*

P. Samarasiri B.A.(Hons.), M.A.(Economics) (*up to 23 January 2015*)
Deputy Governor, Central Bank of Sri Lanka

P.V.L. Nandasiri B.Sc. (Public Admin), LLB, FCA, FIT, AIB (*w.e.f. 8 June 2015*)
Director Legal and Compliance, Central Bank of Sri Lanka

Ex Officio Members

D.N.R. Siriwardena B.A. (Hons.), Attorney-at-Law, LLB
Registrar General of Companies

Mrs. M. Samarasekera B.Sc., MPM (*up to 28 July 2014*)

Mrs. W. Manchanayake BA (Hons), Attorney-at-Law, MPM
(*w.e.f. 29 July 2014 to 13 March 2015*)

Mrs. K. Dahanayake B.Com. (Sp), PGDM, M.pub.mgp., FTII(SL) (*w.e.f. 14 March 2015*)
Commissioner General - Department of Inland Revenue

V.P. Wijegunawardane BA(Hons), M.Sc. (Finance Economics) (*w.e.f. 10 April 2015*)
Director General - Securities and Exchange Commission of Sri Lanka

Nominees

*The Institute of Chartered Accountants of
Sri Lanka (ICASL)*

S. Rajapakse MBA, FCA (*up to 23 January 2015*)
Past President - ICASL
Partner, BDO Partners

A. Herath B.Sc., MBA, FCA
President - ICASL
Partner, Ernst & Young

D.T.S.H. Mudalige FCA, FCMA (UK), FCCA, FCPA (*up to 6 July 2014*)
Past President - ICASL
Partner, PricewaterhouseCoopers

H.M.A. Jayasinghe FCA, FCMA (*w.e.f. 12 November 2014 up to 23 January 2015*)
Partner, Ernst & Young

L.L.S. Wickremasinghe FCA, FMMAT (*w.e.f. 26 May 2015*)
Vice President - ICASL
Partner, B.R.De Silva & Co.

W.W.J.C. Perera FCA, B.Sc. (B.Admin), CFE (*w.e.f. 26 May 2015*)
Partner, KPMG

*Chartered Institute of Management
Accountants of UK (Sri Lanka Division)*

V.M. Gunatilleka MBA, FCA, FCMA (UK), FCPA (*up to 23 January 2015*)
Chief Corporate Officer/Director - Aitken Spence Group Ltd.

S.N. Jayasinghe FCMA(UK) (*w.e.f. 14 May 2015*)
Group Director Finance - Ceylon Biscuits Group

Members of the Board

Bar Association of Sri Lanka

F.N. Goonewardena Attorney-at-Law, MBA, ACA, ACMA(UK), CFA
(up to 3 November 2014)
Partner, Nithya Partners
P.L.C. Peiris Attorney-at-Law, FCA, FCMA(UK) (w.e.f. 14 May 2015)
Managing Partner - P L C Law Chambers

Ceylon Chamber of Commerce

Ms. N. Sivapragasam FCA, FCMA (UK)
Chief Financial Officer - Aitken Spence PLC

Federation of Chambers of Commerce and Industry of Sri Lanka

W.K.H. Wegapitiya B.Sc., MBA (up to 11 July 2014)
Chairman - Laugfs Holdings Ltd.

Sri Lanka Banks' Association

R. Theagarajah MBA (Cranfield), FCA, FCMA (UK) (up to 4th Nov 2014)
Director/Chief Executive Officer - National Development Bank PLC

N. Buddhipala FCA, FCCA(UK), FCMA, CMA(Australia), MCISI(UK)
B.Sc. (Business Administration), PGB(Management), MBA, MA in Financial Economics
(w.e.f. 5 November 2014 up to 23 January 2015)
Chief Financial Officer - Commercial Bank of Ceylon PLC

A.De Vas Gunasekara FCA, FSCMA (w.e.f. 27 May 2015)
Deputy General Manager - Finance, Sampath Bank PLC

University Grants Commission

Ms. K.S.T.S. Jayasooriya ACA (up to 23 January 2015)
Bursar – University of Colombo

Secretary to the Board

Ms. M.D.G.L. Perera FCA, MBA (Finance) (w.e.f. 25 January 2014)
Deputy Director General

Members of the Board as at 31 December 2014



P. Samarasiri - *B.A. (Hons.), M.A. (Economics)*

Mr. Samarasiri, Chairman of the Board since 2009 is a Deputy Governor of Central Bank of Sri Lanka. He counts over 32 years in service at the Central Bank. His wide range of expertise includes economics, financial stability and regulation, foreign exchange policies and governance. He has authored articles and books in the fields of economics, banking and financial regulation.



V. M. Gunatilleka - *MBA, FCA, FCMA (UK), FCPA*

Mr. Gunatilleka the Group Chief Corporate Officer/Director of Aitken Spence Group, counts over 27 years of experience in local and overseas industries. He holds a certification in Six Sigma. He serves as the Deputy Chairman of the Governing Board of the Sri Lanka Division of the Chartered Institute of Management Accountants of UK (CIMA) and a Council Member of Sri Lanka Association for Software and Services Companies (SLASSCOM)



A. Herath - *B.Sc., MBA, FCA*

Mr. Herath the President of The Institute of Chartered Accountants of Sri Lanka (ICASL), is also the Vice President of the South Asian Federation of Accountants (SAFA). He is a partner of Ernst & Young Colombo and Maldives.

He is a member of the Confederation of Asian and Pacific Accountants and serves in several regulatory bodies and in statutory committees.



Ms. K. S. T. S. Jayasooriya - *ACA*

Ms. Jayasooriya is the Bursar of the University of Colombo. Previously she has served in the Auditor General's Department as an Audit Superintendent. She has had training in India and UK and possesses work experience in the public sector.



S. Rajapakse - *MBA, FCA*

Mr. Rajapakse, the immediate Past President of The Institute of Chartered Accountants of Sri Lanka (ICASL) is the Managing Partner of BDO Partners. He is also a committee member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka and the National Pay Commission.

Members of the Board as at 31 December 2014



D. N. R. Siriwardena - *B.A. (Hons.), Attorney-at-Law, LLB*

Mr. Siriwardena, the Registrar General of Companies counts over 27 years of service at the Department of Registrar of Companies. He being an Attorney-at-Law, has obtained degrees in law and geography and is currently awaiting results of the LLM Degree from the University of Colombo. He is also an Ex officio member of Securities and Exchange Commission of Sri Lanka.



Ms. N. Sivapragasam - *FCA, FCMA (UK)*

Ms. Sivapragasam is the Chief Financial Officer of the Aitken Spence Group and serves on the Boards of several companies in the Group. She is the Chairperson of the Financial Reporting Faculty of The Institute of Chartered Accountants of Sri Lanka and serves on the council of the Sri Lanka Institute of Directors and several other regulatory bodies and committees.



Mrs. W. Manchanayake - *B.A. (Hons), Attorney-at-Law, MPM.*

Mrs. Manchanayake, the Commissioner General of the Department of Inland Revenue counts over 30 years in service at the Department of Inland Revenue. She being an Attorney-at-Law has had overseas training on tax administration and revenue collection techniques, transfer pricing and management information systems and fully automated revenue systems.



H.M.A. Jayasinghe - *FCA,FCMA*

Mr. Jayasinghe, who is the head of Assurance and a Senior Partner at Ernst & Young counts over 36 years as a practicing accountant. He is also the professional practice director in-charge of banking and financial service practice of Ernst & Young. He is a council member of the Institute of Chartered Accountants of Sri Lanka (ICASL) and serves on many task forces and committees of the ICASL.

Not in Picture

N. Buddhipala - *FCA, FCCA(UK), FCMA, CMA(Australia), MCISI(UK) B.Sc.(Business Administration), PGB(Management), MBA, MA in Financial Economics*

Mr. Buddhipala, the Chief Financial Officer of the Commercial Bank of Ceylon Plc has over 20 years of experience in Finance and related spheres. He currently serves as a council member of the Finance and Management Committee of the National Chamber of Commerce of Sri Lanka and serves as Chairman of its banking and financial services sector. He also holds many positions in many professional organizations. Previously he had been a visiting lecturer at the University of Sri Jayawardenapura and at the University of Colombo.

Technical Staff of the Board



Mr. Gamini Wijesinghe

*FCA, MA (Econ Korea), B.Sc. (Hons.)
Director General (w.e.f. 16 July 2014)*



Ms. Anusha I. Mohotti

*FCA, FCMA (UK), BBA (Hons.)
Deputy Director General*



Ms. Gayani L. Perera

*FCA, MBA (Finance)
Deputy Director General*



Ms. Asha Ahamath

*FCA
Technical Manager*



Ms. Monita N. Bandara

*FCA, BB Mgt. (ACC)
Technical Manager*



Ms. Hafsa Banu Razzak

*ACA, CIMA (Passed Finalist)
Technical Manager*



Ms. W. G. Eranga Amarasinghe

*ACA, B.Sc. (Acc) Sp. (Hons.) MBS (Colombo)
Technical Manager*



Ms. Mahesha Lakmalie Hewage

*ACA
Technical Manager*



Ms. Dilinika Menmendaarachchi

*ACA, B.Sc. (Acc) Sp. (Hons.)
Assistant Technical Manager*

Technical Staff of the Board



Ms. Kalani Hettiarachchi

*ACA, B.Sc. (Acc) Sp. (Hons.)
Assistant Technical Manager*



Ms. Randima De Silva

*ACA, B.Sc. (Acc) Sp. (Hons.)
Assistant Technical Manager*



Ms. Ishari Manushka Silva

*ACA, BBA (Acc) Sp. (Hons.)
Assistant Technical Manager*



Ms. D. M. Nilanthi Dandeni

*ACA, BBA (Acc) Sp. (Hons.)
Assistant Technical Manager*



Ms. L. Wathsala Mallawarachchi

*ACA, B.Sc. (Acc) Sp. (Hons.)
Assistant Technical Manager*

Review of Activities

1. Introduction

The Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) was established in 1997 under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Based on the definitions and criteria laid down by the Act, certain institutions are identified as Specified Business Enterprises (SBEs - see page 50 for definition of SBEs). These SBEs are required to comply with Sri Lanka Accounting Standards and the auditors of SBEs are required to comply with Sri Lanka Auditing Standards. The Act requires SBEs to submit their annual audited financial statements to SLAASMB to enable SLAASMB to monitor compliance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards. SLAASMB carries out its function by reviewing financial statements received, reviewing audits on SBEs, conducting investigations on failure to comply with standards and taking appropriate corrective action with regard to non-compliances with standards by SBEs and auditors. Under the Act, Sri Lanka Accounting Standards and Sri Lanka Auditing Standards are prescribed or adopted by the Institute of Chartered Accountants of Sri Lanka. In order to make recommendations and assist the Institute to adopt such standards, an Accounting Standards Committee and an Auditing Standards Committee have been established under the Act. Under the new standards adopted by the Institute in terms of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) of the UK, there are nearly 36 Auditing Standards and 43 Accounting Standards to be complied by the SBEs as applicable. A brief description of the main operations and activities of SLAASMB carried out to discharge its statutory functions during the year is given below.

2. Review of Financial Statements

2.1 Methodology followed on Reviews

The financial statement reviews are conducted to ensure compliance by SBEs with Sri Lanka Accounting Standards. The required action on non-compliances is determined based on materiality of the non-compliance. SLAASMB mainly focus on non-compliances relating to recognition and measurement issues. Based on the findings, where a cause for concern relating to a significant non-compliance with standards is not observed, a letter of comfort is issued to the respective SBEs. When the identified issue is material, but not significant to use statutory provisions, the issues are communicated to the respective SBEs in the form of a letter of assistance.

When such deviations from standards substantially alter the financial position and financial performance, an undertaking is sought from such SBE to make the required corrections. However, where such deviation makes the financial statements misleading, legal action is instigated based on the statute.

2.2 Highlights of Review of Financial Statements

As at 31 December 2014, 1,353 SBEs had been identified for monitoring under the Act. During the year, 1,371 sets of financial statements from 1,289 SBEs were received and reviews of 1,200 sets of financial statements relating to 1,151 SBEs were completed when compared with 751 sets of financial statements relating to 708 SBEs during the previous year indicating a significant increase of reviews of financial statements by nearly 60 per cent. The increase in the number of reviews was mainly due to the recruitment of eight technical staff during the first half of 2013.

Significant deviations from the relevant requirements of Sri Lanka Accounting Standards which substantially altered the financial position and financial performance were identified in the financial statements of five specified business enterprises (SBEs). Undertakings obtained from companies in the private sector resulted in corrections to net profits/equity amounting to Rs. 2.43 billion. (see page 12 for Observations made on the review of financial statements and page 13 for Undertakings obtained during 2014). The undertakings would be followed up for compliance in the subsequent annual financial statements.

Review of Activities

	Item	2011	2012	2013	2014
1	No. of SBEs Identified (as at period end)	1,256	1,313	1,358	1,353
2	Financial statements received				
	No of statements	1,716	1,443	1,322	1,371
	No. of SBEs	1,195	1,253	1,248	1,289
3	Review of financial statements				
	No. of reviews	213	302	751	1,200
	No. of SBEs	195	295	708	1,151
4	Corrective Actions				
	Compliant				
	No. of financial statements	148	159	309	498
	No of SBEs	136	158	280	483
	Compliant with issues				
	No. of financial statements	56	135	438	697
	No of SBEs	52	131	424	674
	Non Compliant				
	(Undertakings and Directions)				
	No. of financial statements	9	8	4	5
	No of SBEs	9	8	4	5

2.3 Where an identified non-compliance with Sri Lanka Accounting Standards was material, but not significant as to require the use of statutory provisions, such non-compliance was communicated in the form of a letter of assistance. During the year, 694 letters of assistance were issued to encourage those SBEs to improve their systems for financial reporting. Of the Financial Statements of SBE's identified to issue letters of assistance, 2 were referred for advice of the Attorney General while the other letter of assistance was not issued as the SBE was under liquidation.

2.4 SLAASMB continued issuing letters of comfort to SBEs where a desk review of the financial statements shows no cause for major concern on non-compliance with Sri Lanka Accounting Standards. In 2014, 497 such letters of comfort were issued compared with 306 letters of comfort issued during 2013. One letter of comfort was not issued as the related SBE was under liquidation.

3. Review of Audits

100 audits carried out by 41 firms of practicing Chartered Accountants were reviewed during the year, compared

to 50 audits carried out by 39 firms reviewed during the preceding year. Based on the risk associated with the SBE which was audited, 8 audits were subject to a comprehensive review. Deficiencies were observed in 68 audits conducted by 41 firms. Significant concerns were communicated to the relevant audit firms (See page 31 for observations made on audit reviews).

4. Investigations

Touchwood Investments PLC had made an application to the Court of Appeal during the year 2007 to quash the decisions of the Board that the valuation of the biological assets of the company in its financial statements for the years ended 31 March 2005 and 2006 were clearly unreliable and therefore to refer the said matter to the Attorney General. The application was allowed by the Court of Appeal in 2010. The Supreme Court granted special leave to the Board to appeal against the judgement of the Court of Appeal and the Appeal was in the process of support as at end of the year.

Based on a winding up petition filed by a creditor for failing to pay his dues, Commercial High Courts of

Review of Activities

Colombo appointed a liquidator during the year for Touchwood Investments PLC. The entity is under liquidation at present.

5. Performance on Recommendations of the Committee of the Committee on Public Enterprises (COPE)

SLAASMB was examined by the Sub Committee III and the Main Committee of the COPE during the year 2012 in view of the importance of activities of the Board towards monitoring of financial reporting of the SBEs. Inadequacy of the coverage of the number of reviews of financial statements of SBEs and considerable shortage of technical staff of the Board to do such reviews due to certain causes such as low salaries and inadequate funding were the major concerns raised by the COPE. In compliance with the COPE's recommendations, SLAASMB planned to complete review of financial statements of all SBEs (about 1,200) during one year period commencing from 1 July 2013 and to continue the same level of performance annually thereafter. For this purpose, SLAASMB introduced a new cadre and an incentive package to facilitate the recruitment of accounting professionals from the market and the General Treasury provided finance for the additional expenditure in this connection as recommended by the COPE. As a result, SLAASMB was able to expand its technical staff by recruiting 8 in the cadre during 2013. This arrangement enabled SLAASMB's performance as at end of 2014 to be in line with achieving the target as reflected in the performance information given in the Table in paragraph 2.2 above.

6. Assistance to the Standards Setter

6.1 In terms of the current arrangement with the Ministry of Finance, SLAASMB continued to provide an annual grant of Rs. 2.5 million to the Institute of Chartered Accountants of Sri Lanka to facilitate the work of the Accounting Standards Committee and the Auditing Standards Committee as adoption of high quality standards facilitate the proper discharge of the functions of SLAASMB.

6.2 The main activities carried out during the year in relation to revision of accounting and auditing standards were the following:

- (a) Existing Sri Lanka Accounting Standards were compared against respective standards on the International Financial Reporting Standards (IFRS)

2014 consolidated without early application edition and published under the Improvements Project V. This publication was approved by the Council of the Institute in the year 2014 as the 2014 edition of the Sri Lanka Accounting Standard Bound Volume and is in the process of being gazetted.

- (b) Two other Sri Lanka Accounting Standards are in the process of being gazetted.
- (c) One Statement of Recommended Practice (SoRP) is in the process of being gazetted.
- (d) The International Auditing Standards issued by the International Auditing and Assurance Standards Board (IAASB) as per the International Federation of Accountant's (IFAC's) 2013 publication has been incorporated in the 2014 Bound Volume of Sri Lanka Auditing Standards and the Sri Lanka Standard on Quality Control 1 (Volume I).

7. International Relations

7.1 Membership in international organizations has enabled SLAASMB to keep itself abreast of developments around the world on matters relating to financial reporting, auditing and monitoring compliance with standards. It has also opened a window to obtain information and assistance from other regulators, and to carry out activities which are of benefit to many regulators as joint activities. During the year, SLAASMB continued its membership of the following international organisations:

- (a) International Forum of Independent Audit Regulators (IFIAR) - SLAASMB has been a member of IFIAR since its first plenary meeting held in 2007.
- (b) Consultative Advisory Group of the International Auditing and Assurance Standards Board (IAASB) - SLAASMB was appointed as a member of the Consultative Advisory Group of IAASB in 2007.
- (c) Consultative Advisory Group of the International Ethics Standards Board for Accountants (IESBA) - SLAASMB was admitted to the Consultative Advisory Group of IESBA in 2009.
- (d) International Valuation Standards Council (IVSC) - SLAASMB was admitted to membership of the Council in 2008.

Review of Activities

7.2 The staff of SLAASMB represented Sri Lanka in the sessions of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting (ISAR). The staff also participated in the international sessions which facilitated refreshing the principles of international accounting and auditing standards, awareness of latest standards, up-to-date developments in standards and the direction of the future developments. These sessions also provided practical guidance on application of principles by way of cases and interpretations and means of establishing international relations to foster knowledge sharing opportunities.

8. Human Resources

8.1 Staff

As at the end of 2014, SLAASMB had a staff of 19 of which 14 were Chartered Accountants. The total technical staff comprised of the Director General, 2 Deputy Director Generals, 5 Technical Managers and 6 Assistant Technical Managers. 8 of the professionally qualified staff were recruited during early 2013. 6 of the technical staff were employed on a contractual basis while 8 were employed on a permanent basis. The increase in staff strength was facilitated by the implementation of the incentive pay scheme which was based on an approval received from the Ministry on the recommendation of the Salaries and Cadre Commission. The staff had international exposure on areas relating to financial reporting, auditing and regulation by attending conferences, workshops and training programmes on 9 occasions during the year.

8.2 External Panel of Reviewers

In order to comply with the recommendations of the COPE, SLAASMB continued to engage reviewers to review financial statements received in its attempt to increase the number of financial statements being reviewed. 7 reviewers were engaged during the year. Of the financial statement reviews completed during the year, reviewers had completed the preliminary reviews of 163 sets of financial statements. The finalization of the reviews carried out by the external reviewers which includes obtaining additional information, seeking agreements for corrections and issuing observation letters are carried out by the existing technical staff.

9. Governance

9.1 In terms of the statute, the Board consists of 3 ex-officio members and 10 members appointed by the

Minister of Finance and Planning out of nominations received from identified institutions. The ex-officio members are Registrar General of Companies, Commissioner General of Inland Revenue and Director General of the Securities and Exchange Commission of Sri Lanka. The appointed members are nominees from the Central Bank of Sri Lanka, Institute of Chartered Accountants of Sri Lanka (3 members), Sri Lanka Division of the Chartered Institute of Management Accountants of UK, Bar Association of Sri Lanka, Ceylon Chamber of Commerce, Federation of Chambers of Commerce and Industry of Sri Lanka, Sri Lanka Banks' Association and University Grants Commission. The term of office of a member is four years. During the year, 3 members joined the Board in place of out-going 4 members who ended their terms or retired from their office and 5 members were reappointed at the end of their term.

9.2 Mr. P Samarasiri, a Deputy Governor of the Central Bank of Sri Lanka, was the Chairman during the year. As the position of Director General of the Securities and Exchange Commission of Sri Lanka remained vacant during the year, one position in the Board remained vacant during entire year. Further as the term of office of the nominees from the Bar Association of Sri Lanka and the Federation of Chambers of Commerce and Industry of Sri Lanka came to an end during the second half of the year, two positions in the Board remained vacant as at the end of the year. However, the Board functioned with 8 members during most part of the year.

9.3 Messrs. N Buddhipala, V M Gunatilleka, D T S H Mudalige, S Rajapakse, N Sivapragasam, R Theagarajah, and W K H Wegapitiya, members of the Board appointed in terms of the statute, served as directors or senior officers of some of the SBEs. Similarly, Messrs. A Herath, H M A Jayasinghe, D T S H Mudalige and S Rajapakse, who were also members of the Board, served as partners of firms of practicing accountants which audit some of the SBEs. In order to ensure independence of the Board, all papers relating to matters concerning an SBE or its auditor are omitted from the papers sent to members who have a connection with the relevant SBEs or its auditors. Such members do not participate in discussions on subjects relating to those SBEs.

9.4 The Board had 11 meetings during the year. The deliberations of the Board during the year covered performance of the staff in terms of overall operational

Review of Activities

indicators, action required to resolve significant technical issues related to entities under liquidation and litigation and significant amendments to relevant statutory provisions in the Act to adopt suitable accounting and auditing standards for state organisations which do not fall within the category of SBEs to promote monitoring of state sector financial reporting under a common system. The Board also focussed on approving SBEs to issue letters of comfort, issues relating to non-compliances with standards by SBEs, approving financial statements, annual budget and the corporate plan of the Board. Further, the Board was engaged in the recruitment of the second Director General of the Board and in reviewing staff compensation to ensure the appropriate staffing to meet the set performance targets.

9.5 In terms of the delegation policy of the Board, regular operations relating to monitoring compliance with standards such as gathering information, reviewing financial statements and audits and investigations were carried out by the staff supervised and guided by the Director General.

10. Financial Performance

The operating expenses of SLAASMB for the year was Rs. 60,929,561 compared to Rs. 55,131,494 for the previous year. SLAASMB limited its operations to keep the expenses within the allocated budget. The increase in operating expenses was 11% for the year. Staff costs during the year was Rs. 31,627,090 compared to Rs. 28,446,361 during the previous year which indicates an increase of 11% for the year. Staff costs constituted to be 51% of the operating expenses of SLAASMB. Increase in expenses of the year was mainly attributable to the staff recruited during the first half of 2013 been engaged in reviews during the entire year 2014. The expenses were financed out of funds provided by the Government. Alternatively, a cess can be levied from SBEs at a percentage of shareholders' equity or profit after tax which ever is higher as may be determined by the Hon. Minister of Finance under the Act to finance the expenditure of the Board. However, this option was not preferred by the Ministry of Finance and the cess which was proposed to be in operation for periods commencing on or after 1 January 2008 was withdrawn by the Hon. Minister on 7 October 2008.

Observations Made on Review of Financial Statements during 2014

1. Undertakings obtained to make the required corrections

Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) obtained undertakings from five specified business enterprises (SBEs) to make corrections in financial statements. These undertakings resulted in corrections to net profits/equity amounting to Rs. 2.43 billion.

Types of items for which the undertakings were obtained along with the Sri Lanka Accounting Standards (prefixed SLAS or LKAS) not complied with by the SBEs are as follows.

- Failure to recognise impairment of investments in subsidiaries in the separate financial statements (Reference; SLAS 41 paragraph 9)
- Failure to make allowances in respect of doubtful receivables from related parties (Reference; SLAS 3 paragraph 13)
- Failure to depreciate the depreciable assets over the assets' useful life (Reference; LKAS 16 paragraph 50)
- Failure to apply proportionate consolidation method or the equity method when recognizing the interest in jointly controlled entities (Reference; SLAS 31 paragraphs 30 and 38)
- Failure to present consolidated financial statements (Reference; SLAS 26 paragraph 9 and LKAS 27 paragraphs 9 and 10)
- Overstatement of liabilities (Reference; SLAS 36 paragraph 10 and Framework paragraph 91)

2. Letters of Assistance

Departures from Sri Lanka Accounting Standards detected, which were material, but not significant as to require the use of procedure using statutory provisions, were informed to the enterprises, by letter, without extensive inquiries, so that enterprises could, where necessary, take corrective action on their own. Such letters not being directions issued by SLAASMB, are intended to be letters of assistance.

The main findings on which the Sri Lanka Accounting Standards (prefixed SLAS or LKAS) had been complied with by SBEs with issues observed are set out below.

- Failure to disclose information relating to the nature of the related party relationships as well as information about transactions with related parties - in 163 SBEs including 54 in SME sector. (Reference; LKAS 24 paragraphs 17 and 18; SME section 33 paragraph 33.9)
- Failure to disclose the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period - in 86 SBEs. (Reference; SLFRS 7 paragraphs 31, 36 and 37)
- Failure to recognise deferred tax liabilities - in 59 SBEs including 16 in SME sector. (Reference; LKAS 12 paragraphs 15, 20 and 24; SME section 29 paragraph 29.15)
- Failure to disclose the summary of significant accounting policies used when preparing financial statements including the measurement bases that are relevant to understand the financial statements - in 45 SBEs. (Reference; LKAS 1 paragraph 117)
- Failure to disclose the effective date of revaluation, method and significant assumptions used in the valuation and carrying value of property plant and equipment that would have been recognised under the cost model - in 40 SBEs. (Reference; LKAS 16 paragraph 77)
- Failure to prepare and present consolidated financial statements - in 40 SBEs including 25 in SME sector. (Reference; LKAS 27 paragraphs 9 and 10; SME section 9 paragraphs 9.2 and 9.3)
- Failure to disclose an explanation of the relationship between tax expense (income) and accounting profit - in 36 SBEs including 18 in SME sector. (Reference; LKAS 12 paragraph 81; SME section 29 paragraph 29.32)

Undertakings Obtained during the year 2014

1. Lanka Cement PLC

Lanka Cement PLC had not recognized the loss on impairment of its factory buildings and plant and machinery to reflect its carrying value at recoverable amounts in the financial statements for the year ended 31 December 2011. The auditors had qualified their opinion on this issue.

Subsequent to the inquiries made by SLAASMB, the entity undertook to recognize the loss on impairment of the buildings and plant and machinery in the financial statements for the year ended 31 December 2012. This resulted in a decrease in the net assets of the entity by Rs. 186 million.

2. Austin Gloves (Ceylon) Limited

Austin Gloves (Ceylon) Limited had not depreciated its buildings and plant and machinery for the year ended 31 March 2013. The auditors had qualified their opinion on this issue.

Subsequent to the inquiries made by SLAASMB, the entity undertook to depreciate buildings and plant and machinery in the financial statements for the year ended 31 March 2014. This resulted in a decrease in net assets of the entity by Rs. 101.98 million.

3. Almar Trading Company (Pvt) Ltd

Almar Trading Company (Pvt) Ltd had not presented consolidated financial statements by consolidating the results of its subsidiaries, had not recognized its interest in jointly controlled entity using the proportionate consolidation method or the equity method and had not reduced the carrying value of its current investments to their fair value in the financial statements for the year ended 31 March 2012. The auditors had qualified their opinion on these issues.

Subsequent to the inquiries made by SLAASMB, the entity undertook to present consolidated financial statements, to recognize its interest in jointly controlled entity using the proportionate consolidation method or the equity method and to record its current investments at fair value in the financial statements for the year ended 31 March 2014. Reflecting current investments at fair value resulted in a decrease in net assets of the entity by Rs. 324 million.

4. Sri Lanka Cement Corporation

Sri Lanka Cement Corporation had not presented consolidated financial statements by consolidating the financial statements of its subsidiary, Lanka Cement PLC for the year ended 31 December 2011. Further, the Corporation had not recognized the impairment of the carrying value of the investment in and the long outstanding receivable from the subsidiary to their recoverable amounts in its separate financial statements. The Corporation had also failed to recognize its land held to earn rentals as investment property in the said financial statements. The auditors opinion had been qualified only in respect of the failure to present consolidated financial statements.

Subsequent to the inquiries made by SLAASMB, the Corporation undertook to present the consolidated financial statements and to make the required adjustments in the financial statements for the year ended 31 December 2013. This resulted in a decrease in net assets of the entity by Rs. 1.76 billion in the separate financial statements.

5. Pradeshiya Sanwardana Bank

Pradeshiya Sanwardana Bank had recognized a sum of Rs. 62.8 million as other liabilities by transferring such amounts from retained earnings as staff welfare and staff medical fund without having a present obligation to make such payments to employees. The auditors had not qualified their opinion on this issue.

Subsequent to the inquiries made by SLAASMB, the Bank undertook to reverse this amount from other liabilities by transferring to the general reserve.

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

Letters of Comfort are issued to Specified Business Enterprises when SLAASMB has not observed a cause for concern relating to a significant non-compliance with Sri Lanka Accounting Standards after having performed a desk review of their financial statements. A desk review is a review of the financial statements with a view to detect a significant noncompliance with Sri Lanka Accounting Standards which can be detected by a review which does not involve obtaining information or explanations from the Company, except in limited circumstances. A desk review could reveal some types of significant noncompliance with Sri Lanka Accounting Standards and therefore is one of the tools used for monitoring compliance. However, it may not reveal other types of significant noncompliance and therefore does not provide an assurance that the financial statements show a true and fair view. Some Letters of Comfort indicated specific items in the financial statements the review of which were not within the scope of the desk review.

	Specified Business Enterprise	Financial Year End
1	A F Jones Exporters Ceylon (Pvt) Ltd	31 March 2013
2	A.B Developments (Pvt) Ltd	31 March 2013
3	Abans Environmental Services (Pvt) Ltd	31 December 2012
4	Access Realities (Pvt) Ltd	31 March 2014
5	ACE Container Repairs (Pvt) Ltd	31 March 2014
6	ACE Containers (Pvt) Ltd	31 March 2014
7	Ace Distriparks (Pvt) Ltd	31 March 2014
8	ACL Cables PLC	31 March 2014
9	ACL Kelani Magnet Wire (Pvt) Ltd	31 March 2013
10	ACL Plastics PLC	31 March 2013
11	Acuity Partners (Pvt) Ltd	31 December 2013
12	Acuity Securities Ltd	31 December 2013
13	Acuity Stockbrokers (Pvt) Ltd	31 December 2013
14	AEN Palm Oil Processing (Pvt) Ltd	31 March 2014
15	Agio Tobacco Processing Company (Pvt) Ltd	31 December 2013
16	Agro Harapan Lestari (Pvt) Ltd	31 March 2014
17	Agstar Fertilizers PLC	31 March 2013
18	AHL Business Solutions (Pvt) Ltd	31 March 2014
19	AIA Insurance Lanka PLC	31 December 2013
20	AIG Insurance Ltd	31 December 2012
21	AIG Insurance Ltd	31 December 2013
22	Airport Garden Leisure (Pvt) Ltd	31 March 2013
23	Aitken Spence (Garments) Ltd	31 March 2014

	Specified Business Enterprise	Financial Year End
24	Aitken Spence Apparels (Pvt) Ltd	31 March 2014
25	Aitken Spence Aviation (Pvt) Ltd	31 March 2014
26	Aitken Spence Hotel Managements (Pvt) Ltd	31 March 2014
27	Aitken Spence Hotels International (Pvt) Ltd	31 March 2014
28	Aitken Spence Hotels Ltd	31 March 2014
29	Aitken Spence PLC	31 March 2013
30	Aitken Spence Printing & Packaging (Pvt) Ltd	31 March 2014
31	Aitken Spence Property Developments (Pvt) Ltd	31 March 2014
32	Aitken Spence Resorts (Pvt) Ltd	31 March 2014
33	Aitken Spence Shipping Ltd	31 March 2014
34	Aitken Spence Travels (Pvt) Ltd	31 March 2014
35	Akbar Brothers Exports (Pvt) Ltd	31 March 2013
36	Akzo Nobel Paints Lanka (Pvt) Ltd	31 March 2014
37	Alaire Apparel (Pvt) Ltd	31 March 2013
38	Alco Industries (Pvt) Ltd	31 March 2014
39	Allianz Life Insurance Lanka (Pvt) Ltd	31 December 2013
40	Alumex PLC	31 March 2014
41	Amana Asset Management Ltd	31 December 2013
42	Amana Capital Ltd	31 December 2013
43	Amaya Leisure PLC	31 March 2014
44	Amazon Trading (Pvt) Ltd	31 March 2013
45	American & Efird Lanka(Pvt) Ltd	30 September 2012
46	American Education Centre Ltd	31 December 2013
47	AMW Capital Leasing and Finance PLC	31 December 2012
48	AMW Capital Leasing and Finance PLC	31 March 2013
49	AMW Capital Leasing and Finance PLC	31 December 2013
50	APL Lanka (Pvt) Ltd	31 March 2013
51	Asia Pacific Institute of Information Technology Lanka (Pvt) Ltd	31 March 2013
52	Asia Pacific Investments (Pvt) Ltd	31 March 2013
53	Asia Securities (Pvt) Ltd	31 March 2014
54	Asia Siyaka Commodities PLC	31 March 2014
55	Asian Alliance Insurance PLC	31 December 2013
56	Asiri Central Hospitals PLC	31 March 2013
57	Asiri Surgical Hospital PLC	31 March 2013
58	Assetline Insurance Brokers Ltd	31 March 2013
59	Assetline Securities (Pvt) Ltd	31 March 2014
60	Associated Property Development Ltd	31 December 2013
61	Autogrill Lanka Ltd	31 December 2013
62	Avery Dennison Lanka (Pvt) Ltd	31 December 2013

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

	Specified Business Enterprise	Financial Year End
63	Ayurveda Kuruklinik Maho (Pvt) Ltd	31 March 2013
64	Balfour Beatty Engineering Services Ceylon (Pvt) Ltd	31 December 2013
65	Bank of Ceylon	31 December 2012
66	BASF Lanka (Pvt) Ltd	31 December 2013
67	Beruwala Holiday Resorts (Pvt) Ltd	31 March 2014
68	Bluscope Lysaght Lanka (Pvt) Ltd	31 March 2013
69	BOC Property Development and Management (Pvt) Ltd	31 December 2013
70	Bodyline (Pvt) Ltd	31 December 2013
71	Bogala Graphite Lanka PLC	31 December 2013
72	Brandix Apparel Ltd	31 March 2013
73	Brandix Finishing Ltd	31 March 2013
74	Brook Bond Ceylon Ltd	31 December 2013
75	Browns Beach Hotles PLC	31 March 2014
76	Bukit Darah PLC	31 March 2013
77	Bukit Darah PLC	31 March 2014
78	C T Holdings PLC	31 March 2014
79	C W Mackie PLC	31 December 2014
80	CAL Exports Lanka (Pvt) Ltd	31 March 2013
81	Cambio Software Engineering (Pvt) Ltd	31 December 2013
82	Candor Growth Fund	31 December 2013
83	Cape Weligama (Pvt) Ltd	31 March 2014
84	Capital Alliances Ltd	31 March 2013
85	Capital Suisse Asia Ltd	31 December 2013
86	Cargills Bank	31 December 2013
87	Cargills Distributors (Pvt) Ltd	31 March 2014
88	Cargills Retail (Pvt) Ltd	31 March 2013
89	Cargo Boat Development Company PLC	31 March 2013
90	Carlton Garments (Pvt) Ltd	31 December 2013
91	Ceat Kelani Holdings (Pvt) Ltd	31 March 2014
92	Ceat Kelani International Tyres (Pvt) Ltd	31 March 2014
93	CEAT Kelani Radials (Pvt) Ltd	31 March 2014
94	CEG Education Holdings (Pvt) Ltd	31 December 2013
95	Central Industries PLC	31 March 2014
96	Ceylon Agro Industries Ltd	31 December 2013
97	Ceylon Beverage Holdings PLC	31 March 2014
98	Ceylon Biscuits Ltd	31 March 2013
99	Ceylon Grain Elevators PLC	31 December 2013
100	Ceylon Guardian Investment Trust PLC	31 March 2014
101	Ceylon Holiday Resorts Ltd	31 March 2014
102	Ceylon Investment PLC	31 March 2014
103	Ceylon Steel Corporation Ltd	31 December 2013
104	Ceylon Tea Marketing (Pvt) Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
105	Ceylon Tea Services PLC	31 March 2014
106	CF Growth Fund Ltd	31 March 2014
107	Chatham Holdings (Pvt) Ltd	31 March 2014
108	Chemanex Exports (Pvt) Ltd	31 March 2013
109	Chevron Ceylon Ltd	31 December 2013
110	Chevron Lubricants Lanka PLC	31 December 2013
111	CIC Agri Businesses (Pvt) Ltd	31 March 2013
112	CIC CropGuard (Pvt) Ltd	31 March 2014
113	CIC Dairies(Pvt) Ltd	31 March 2014
114	CIC Feeds (Pvt) Ltd	31 March 2014
115	CIC Holdings PLC	31 March 2014
116	CIC Vetcare (Pvt) Ltd	31 March 2014
117	Cisco Speciality Packaging (Pvt) Ltd	31 March 2014
118	Citrus Leisure PLC	31 March 2013
119	City Properties (Pvt) Ltd	31 March 2014
120	Clark Spence and Co.(Pvt) Ltd	31 March 2014
121	CleanCo Lanka Ltd	31 March 2014
122	CM Holdings PLC	31 March 2014
123	CML-MTD Construction Ltd	31 March 2013
124	Coca Cola Beverages Sri Lanka Ltd	31 December 2013
125	Coco Palm Beach (Pvt) Ltd	31 March 2014
126	Colombo City Holdings PLC	31 March 2014
127	Colombo Dockyard PLC	31 December 2013
128	Colombo Fort Investments PLC	31 March 2014
129	Colombo Investment Trust PLC	31 March 2014
130	Colombo Land & Development Company PLC	31 December 2012
131	Colombo Power(Pvt) Ltd	31 December 2012
132	Colombo Stock Exchange	31 December 2013
133	Commercial Bank PLC	31 December 2012
134	Commercial Bank PLC	31 December 2013
135	Commercial Development Co Ltd	31 December 2013
136	Comtrust Asset Management (Pvt) Ltd	31 March 2014
137	Consolidated Business Systems (Pvt) Ltd	31 March 2013
138	Continental Insurance Lanka Ltd	31 December 2013
139	Convenience Foods (Lanka) PLC	31 March 2014
140	Co-operative Insurance Co Ltd	31 December 2013
141	Crescent Launderers & Dry Cleaners (Pvt) Ltd	31 March 2013
142	Crystal Martin Garments (Pvt) Ltd	31 December 2013
143	CT Land Development PLC	31 March 2013
144	CT Smith Stockbrokers (Pvt) Ltd	31 March 2013
145	Culture Club Resorts (Pvt) Ltd	31 March 2014

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

	Specified Business Enterprise	Financial Year End
146	D Samson & Sons (Pvt) Ltd	31 March 2013
147	D. R. Exports (Pvt) Ltd	31 March 2013
148	D.R. Furniture Manufacturing (Pvt) Ltd	31 March 2013
149	D.R. Particle Board (Pvt) Ltd	31 March 2013
150	David Pieris Information Technologies Ltd	31 March 2013
151	David Pieris Information Technologies Ltd	31 March 2014
152	David Pieris Motor Company (Lanka) Ltd	31 March 2014
153	De La Rue Lanka Currency & Security Print (Pvt) Ltd	31 March 2013
154	Dehigama Hotels Co. Ltd	31 March 2014
155	Development Holdings (Pvt) Ltd	31 December 2013
156	DFCC Bank PLC	31 March 2013
157	DFCC Vardana Bank	31 December 2012
158	DFCC Vardana Bank	31 December 2013
159	DHL Keells (Pvt) Ltd	31 March 2014
160	Dialog Axiata PLC	31 December 2014
161	Dialog Broadband Networks (Pvt) Ltd	31 December 2013
162	Dialog Television (Pvt) Ltd	31 December 2013
163	DIC Lanka (Pvt) Ltd	31 December 2013
164	Diesel & Motor Engineering PLC	31 March 2014
165	Dilmah Fine Teas and Herbs (Pvt) Ltd	31 March 2014
166	Dilmah Properties (Pvt) Ltd	31 March 2014
167	Dipped Products PLC	31 March 2013
168	DP Logistics (Pvt) Ltd	31 March 2013
169	DPL Plantations (Pvt) Ltd	31 March 2013
170	DSI Holdings Ltd	31 March 2013
171	Dutch Lanka Trailer Manufacturers Ltd	31 March 2014
172	Eastern Hotels (Pvt) Ltd	31 March 2014
173	Elastomeric Engineering Company Ltd	31 December 2013
174	Emerchemie NB (Ceylon) Ltd	31 March 2013
175	Empire Teas (Pvt) Ltd	31 December 2013
176	Energizer Lanka Ltd	30 September 2013
177	Entrust Securities PLC	31 March 2014
178	Equity Investments Lanka Ltd	31 December 2013
179	Equity One PLC	31 March 2014
180	Equity Three (Pvt) Ltd	31 March 2013
181	Equity Three (Pvt) Ltd	31 March 2014
182	Equity Two PLC	31 March 2014
183	Ericsson Telecommunication Lanka (Pvt) Ltd	31 December 2013
184	Eskimo Fashion Knitwear (Pvt) Ltd	31 December 2013

	Specified Business Enterprise	Financial Year End
185	Eswaran Brothers Exports (Pvt) Ltd	31 March 2013
186	ETA Melco Engineering (Pte) Ltd	31 December 2013
187	Etisalat Lanka (Pvt) Ltd	31 December 2013
188	Eveden Timex (Pvt) Ltd	31 March 2013
189	Ever Paint and Chemical Industries (Pvt) Ltd	31 March 2014
190	Expelogix (Pvt) Ltd	31 March 2014
191	Expolanka International (Pvt) Ltd	31 March 2013
192	Expolanka Teas (Pvt) Ltd	31 March 2014
193	Express Newspapers (Ceylon) (Pvt) Ltd	31 March 2013
194	F L C Hydro Power PLC	31 March 2013
195	Fairmount Fashion (Pvt) Ltd	31 March 2013
196	Finlay Properties (Pvt) Ltd	31 December 2013
197	Finlay Rentokil Ceylon (Pvt) Ltd	31 December 2013
198	Finlay Teas (Pvt) Ltd	31 December 2013
199	Finlays Colombo PLC	31 December 2013
200	First Capital Equities (Pvt) Ltd	31 March 2014
201	First Capital Treasuries Ltd	31 March 2013
202	First Capital Holdings PLC	31 March 2014
203	Flexi Print (Pvt) Ltd	31 March 2014
204	Fonterra Brands Lanka (Pvt) Ltd	31 July 2013
205	G C Lanka Clothing (Pvt) Ltd	31 March 2013
206	George Steuart (Teas & Marketing) (Pvt) Ltd	31 March 2013
207	Gestetner of Ceylon PLC	31 March 2014
208	Giddawa Hydro Power (Pvt) Ltd	31 March 2014
209	Glaxo Welcome Ceylon Ltd	31 December 2013
210	Golden Sun Resorts (Pvt) Ltd	31 March 2014
211	Guardian Acquity Equity Fund	31 December 2013
212	Guardian Acquity Fixed Income Fund	31 December 2013
213	Guardian Capital Partners PLC	31 March 2014
214	Habarana Lodge Ltd	31 March 2014
215	Hanwella Rubber Products Ltd	31 March 2014
216	Hapag-Lloyd Lanka (Pvt) Ltd	31 March 2014
217	Harischandra Mills PLC	31 March 2013
218	Haycarb PLC	31 March 2014
219	Hayleys Agro Fertilizers (Pvt) Ltd	31 March 2014
220	Hayleys Fiber PLC	31 March 2014
221	Hayleys PLC	31 March 2014
222	Hedges Court Residencies (Pvt) Ltd	31 March 2014
223	Hemas Capital Hospital (Pvt) Ltd	31 March 2014
224	Hemas Holdings PLC	31 March 2013
225	Hemas Manufacturing (Pvt) Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

	Specified Business Enterprise	Financial Year End
226	Hemas Surgicals & Diagnostics (Pvt) Ltd	31 March 2014
227	Hemas Travel (Pvt) Ltd	31 March 2013
228	Hethersett Hotels Ltd	31 March 2014
229	HI Fashion Holdings (Pvt) Ltd	31 March 2014
230	Hikkaduwa Beach Resorts PLC	31 March 2014
231	Hikkaduwa Holiday Resorts (Pvt) Ltd	31 March 2014
232	Hirdaramani International Exports (Pvt) Ltd	31 March 2013
233	Hirdaramani Mercury Apparel (Pvt) Ltd	31 March 2014
234	HJS Condiments Ltd	31 March 2014
235	HNB Assurance PLC	31 December 2013
236	Holcim (Lanka) Ltd	31 December 2013
237	Hotel Sigiriya PLC	31 March 2014
238	Hovael Construction (Pvt) Ltd	31 March 2013
239	HSBC Electronic Data Processing Lanka (Pvt) Ltd	31 December 2013
240	Hunas Falls Hotels PLC	31 March 2014
241	HVA Foods PLC	31 March 2014
242	Hyson Teas (Pvt) Ltd	31 December 2013
243	IIFL Securities Ceyon (Pvt) Ltd	31 March 2013
244	Independent Television Network Ltd	31 December 2013
245	Industrial Clothings (Pvt) Ltd	31 March 2013
246	International College of Business and Technology Ltd	31 December 2013
247	International Distillers Ltd	30 September 2013
248	International Tourists & Hotels Ltd	31 March 2014
249	J. L. Morison Son & Jones (Ceylon) PLC	31 March 2013
250	Janaka Bogollagama & Co. (Pvt) Ltd	31 March 2013
251	Jay Jay Childrenwear Lanka (Pvt) Ltd	31 March 2014
252	Jay Jay Mills Lanka (Pvt) Ltd	31 March 2014
253	Jaykay Marketing Services (Pvt) Ltd	31 March 2014
254	Jinasena New Technology Holdings (Pvt) Ltd	31 March 2013
255	John Keells Computer Services (Pvt) Ltd	31 March 2014
256	John Keells Holdings PLC	31 March 2014
257	John Keells Hotels PLC	31 March 2014
258	John Keells International (Pvt) Ltd	31 March 2014
259	John Keells Logistics (Pvt) Ltd	31 March 2014
260	John Keells Office Automation (Pvt) Ltd	31 March 2014
261	John Keells Residential Properties (Pvt) Ltd	31 March 2014

	Specified Business Enterprise	Financial Year End
262	John Keells Stock Brokers (Pvt) Ltd	31 March 2014
263	Jubilant Foodworks Lanka (Pvt) Ltd	31 March 2014
264	K.I.K.Lanka (Pvt) Ltd	31 March 2013
265	Kalpitiya Beach Resort PLC	31 March 2014
266	Kandalama Hotels (Pvt) Ltd	31 March 2014
267	Kandy Pvt Hospitals Ltd	31 March 2014
268	Kandy Walk Inn Ltd	31 March 2014
269	Keells Food Products PLC	31 March 2014
270	Keells Hotel Management Services Ltd	31 March 2014
271	Keells Realtors Ltd	31 March 2014
272	Kelani Cables PLC	31 March 2014
273	Keppel C T Developments (Pvt) Ltd	31 December 2012
274	Kotmale Holdings PLC	31 March 2013
275	Kramski Lanka (Pvt) Ltd	31 March 2013
276	Lalan Rubbers (Pvt) Ltd	31 March 2013
277	Lanka Aluminum Industries PLC	31 March 2014
278	Lanka Bell Ltd	31 March 2013
279	Lanka Communication Services (Pvt) Ltd	31 March 2014
280	Lanka Industrial Products Engineering (Pvt) Ltd	31 March 2013
281	Lanka IOC PLC	31 March 2014
282	Lanka Island Resorts Ltd	31 March 2014
283	Lanka Leather Fashion (Pvt) Ltd	31 March 2013
284	Lanka Maritime Services Ltd	31 March 2013
285	Lanka Milk Foods (CWE) PLC	31 March 2014
286	Lanka Orix Finance PLC	31 December 2012
287	Lanka Orix Finance PLC	31 December 2013
288	Lanka Tiles PLC	31 March 2014
289	Lankem Paints Ltd	31 March 2013
290	LAPP Trading Ceylon (Pvt) Ltd	31 March 2013
291	Lee Hedges PLC	31 March 2014
292	Lever Brothers (Exports & Marketing) Ltd	31 December 2013
293	Link Natural Products (Pvt) Ltd	31 March 2014
294	Lion Brewery (Ceylon) PLC	31 March 2014
295	Litro Gas Lanka Ltd	31 December 2013
296	Logilink (Pvt) Ltd	31 March 2014
297	Logistics International Ltd	31 March 2014
298	Logistics Park (Pvt) Ltd	31 March 2013
299	Logiventures (Pvt) Ltd	31 March 2013
300	LTL Galvanizers (Pvt) Ltd	31 March 2013
301	M.G Logistics (Pvt) Ltd	31 March 2013
302	M.P.S. Hotels (Pvt) Ltd	31 March 2014

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

	Specified Business Enterprise	Financial Year End
303	Maersk Lanka (Pvt) Ltd	31 December 2011
304	Marawila Resorts PLC	31 March 2014
305	Mark Marine Services (Pvt) Ltd	31 March 2014
306	MAS Active (Pvt) Ltd	31 December 2013
307	MAS Active Trading (Pvt) Ltd	31 December 2013
308	MAS Intimates (Pvt) Ltd	31 December 2013
309	MBSL Insurance Company Ltd	31 December 2012
310	McOcean Property Developers (Pvt) Ltd	31 March 2014
311	Melsta Logistics (Pvt) Ltd	31 March 2014
312	Melsta Regal Finance Ltd	31 March 2013
313	Mercantile Produce Brokers (Pvt) Ltd	31 March 2013
314	Metecon Lanka (Pvt) Ltd	31 December 2013
315	Microsoft Sri Lanka (Pvt) Ltd	30 June 2013
316	Milford Holdings (Pvt) Ltd	31 March 2014
317	Millennium Housing Developers Ltd	31 March 2013
318	Millennium Information Technologies (Pvt) Ltd	31 March 2013
319	Millers Brewery Ltd	31 March 2013
320	MJF Leisure (Pvt) Ltd	31 March 2014
321	MJF Properties (Pvt) Ltd	31 March 2014
322	MJF Tea Gardens (Pvt) Ltd	31 March 2014
323	Mobitel (Pvt) Ltd	31 December 2013
324	Mountain Hawk Express (Pvt) Ltd	31 March 2013
325	Mowbray Hotels (Pvt) Ltd	31 March 2013
326	N-able (Pvt) Ltd	31 March 2013
327	Nanda Investments and Finance PLC	31 March 2013
328	National Development Bank PLC	31 December 2012
329	National Development Bank PLC	31 December 2013
330	Nations Insurance Brokers Ltd	31 December 2012
331	Natwealth Securities (Pvt) Ltd	31 December 2013
332	Nawaloka Hospitals PLC	31 March 2014
333	NDB Wealth Management Ltd	31 December 2013
334	Neptune Papers (Pvt) Ltd	31 March 2013
335	Nestle Lanka PLC	31 December 2013
336	New Nawaloka Medical Centre (Pvt) Ltd	31 March 2013
337	Next Manufacturing (Pvt) Ltd	31 January 2013
338	Nilaveli Beach Hotels (Pvt) Ltd	31 March 2013
339	Nilkamal Eswaran Plastics (Pvt) Ltd	31 March 2014
340	Ninewells Care Mother & Baby Hospital (Pvt) Ltd	31 March 2013
341	Nirmalapura Wind Power (Pvt) Ltd	31 March 2014
342	Nividhu Assupiniella (Pvt) Ltd	31 March 2013
343	Noratel Lanka (Pvt) Ltd	30 September 2013

	Specified Business Enterprise	Financial Year End
344	Norfolk Foods (Pvt) Ltd	31 March 2013
345	Norfolk Foods (Pvt) Ltd	31 March 2014
346	Noritake Lanka Porcelain (Pvt) Ltd	31 December 2013
347	North Manufacturing (Pvt) Ltd	31 December 2013
348	North Sails 3DL Lanka (Pvt) Ltd	31 December 2013
349	NSB Fund Management Company Ltd	31 December 2012
350	Ocean View Ltd	31 March 2013
351	Odel PLC	31 March 2014
352	Orel SLK (Pvt) Ltd	31 March 2013
353	Orel Solutions (Pvt) Ltd	31 March 2013
354	Orient Finance PLC	31 March 2013
355	Orient Motor Co. Ltd	31 March 2014
356	Packaging Materials (Pvt) Ltd	31 March 2013
357	Pan Asia Banking Corporation PLC	31 December 2012
358	Pan Asia Banking Corporation PLC	31 December 2013
359	Panasian Power PLC	31 March 2013
360	Pawan Danavi (Pvt) Ltd	31 March 2013
361	PCL Solutions (Pvt) Ltd	31 March 2013
362	Pegasus Hotels of Ceylon PLC	31 March 2014
363	Penthouse Engineers (Pvt) Ltd	31 March 2013
364	People's Insurance Ltd	31 December 2013
365	Peoples Leasing and Finance PLC	31 March 2013
366	Peoples' Insurance Ltd	31 December 2012
367	Perera and Sons Bakers (Pvt) Ltd	31 March 2014
368	Perfetti Van Melle Lanka (Pvt) Ltd	31 December 2013
369	Periceyl (Pvt) Ltd	31 December 2013
370	Pharmaco (Pvt) Ltd	31 March 2013
371	Phoenix Industries Ltd	31 March 2014
372	Plastishells Ltd	31 March 2014
373	Port Management Container Services (Pvt) Ltd	31 March 2014
374	Premium Exports Ceylon Ltd	31 December 2013
375	Printcare (Ceylon) PLC	31 March 2014
376	Procter & Gamble Lanka (Pvt) Ltd	30 June 2014
377	Property Development PLC	31 December 2013
378	Quenby Lanka Prints (Pvt) Ltd	31 March 2013
379	Radiant Marketing (Pvt) Ltd	31 March 2013
380	Raigam Wayamba Salterns PLC	31 March 2014
381	Ramboda Falls PLC	31 March 2014
382	Reb Mech (Pvt) Ltd	31 March 2013
383	Reckitt Benckiser (Lanka) Ltd	31 December 2013
384	Recogen (Pvt) Ltd	31 March 2014
385	Regency Teas (Pvt) Ltd	31 March 2013
386	Regnis (Lanka) PLC	31 December 2013

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

	Specified Business Enterprise	Financial Year End
387	Regnis Appliances (Pvt) Ltd	31 December 2013
388	Renuka City Hotels PLC	31 March 2013
389	Renuka Hotels Ltd	31 March 2013
390	Renuka Shaw Wallace PLC	31 March 2013
391	Residence Peelawatte (Pvt) Ltd	31 March 2014
392	Resort Hotels Ltd	31 March 2014
393	Rhino Products Ltd	31 March 2014
394	Richard Pieris Exports PLC	31 March 2014
395	Richard Pieris Tyre Company Ltd	31 March 2014
396	Rocell Bathware Ltd	31 March 2014
397	Royal Ceramics Lanka PLC	31 March 2014
398	Royal Palms Beach Hotels PLC	31 March 2014
399	RPC Polymers (Pvt) Ltd	31 March 2014
400	Rubber Investment Trust Ltd	31 March 2013
401	Saman Villas Ltd	31 March 2013
402	Sampath Bank PLC	31 December 2012
403	Sampath Bank PLC	31 December 2013
404	Samson Compounds (Pvt) Ltd	31 March 2013
405	Samson Reclaim Rubbers Ltd	31 March 2013
406	Samson Sportware (Pvt) Ltd	31 March 2013
407	Sapphirus Lanka (Pvt) Ltd	31 December 2013
408	Seemasahitha Sanasa Rakshana Samagama	31 December 2012
409	Serendib Land PLC	31 March 2013
410	Seylan Bank PLC	31 December 2012
411	Seylan Bank PLC	31 December 2013
412	SG Logistics (Pvt) Ltd	31 March 2014
413	Shehans (Pvt) Ltd	31 March 2013
414	Silueta (Pvt) Ltd	31 December 2012
415	Singer (Sri Lanka) PLC	31 December 2013
416	Singer Finance (Lanka) PLC	31 March 2013
417	Singer Industries (Ceylon) PLC	31 December 2013
418	Singworld Lanka (Pvt) Ltd	31 December 2013
419	Sithma Development (Pvt) Ltd	31 December 2013
420	Sky Sport International (Pvt) Ltd	31 March 2013
421	SMB Securities (Pvt) Ltd	31 December 2013
422	Smithkline Beecham (Pvt) Ltd	31 December 2013
423	SML Dualplast Lanka (Pvt) Ltd	31 December 2013
424	Sonic Steel Industries (Pvt) Ltd	31 March 2013
425	Softlogic Communications (Pvt) Ltd	31 March 2013
426	Southern Spars International (Pvt) Ltd	31 December 2013
427	Sri Lanka Shipping Co. Ltd	31 March 2013
428	Sri Lanka Telecom PLC	31 December 2013
429	Sri Ramco Lanka (Pvt) Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
430	Sri Ramco Roofing Lanka (Pvt) Ltd	31 March 2013
431	Stafford Motor Company (Pvt) Ltd	31 March 2013
432	Stassen International (Pvt) Ltd	31 March 2013
433	Stretch Line (Pvt) Ltd	31 December 2013
434	Stromme Micro Finance Asia (Gurantee) Ltd	31 December 2013
435	Sunpower Constructions (Pvt) Ltd	31 March 2014
436	Sunpower Systems (Pvt) Ltd	31 March 2014
437	Sunshine Holdings PLC	31 March 2013
438	Superfine Teas (Pvt) Ltd	31 March 2013
439	Swiss Biogenics Ltd	31 March 2013
440	Swisstek Ceylon PLC	31 March 2014
441	T & S Buttons Lanka (Pvt) Ltd	31 March 2014
442	Tangerine Beach Hotels PLC	31 March 2014
443	Taprobane Securities (Pvt) Ltd	31 March 2014
444	Tea Tang (Pvt) Ltd	31 December 2013
445	Texlan Center (Pvt) Ltd	31 March 2013
446	Textile International Colombo (Pvt) Ltd	31 December 2013
447	Textured Jersey Lanka PLC	31 March 2014
448	The Colombo International School (Sri Lanka) Ltd	31 March 2013
449	The Colombo Land PLC	31 December 2013
450	The Fortress Resorts PLC	31 March 2014
451	The Kingsbury PLC	31 March 2014
452	The Lanka Hospitals Corporation PLC	31 December 2013
453	The Lighthouse Hotel PLC	31 March 2014
454	The Nuwara Eliya Hotels Co. PLC	31 March 2014
455	The Overseas School of Colombo Ltd	Jul/12
456	The Swadeshi Marketing (Pvt) Ltd	31 March 2013
457	The Wekanda Building & Property Co.(Pvt) Ltd	31 March 2013
458	Three Acre Farms PLC	31 December 2013
459	TKS Securities (Pvt) Ltd	31 March 2014
460	Trans Asia Hotels PLC	31 March 2014
461	Transnational Lanka Records Solutions (Pvt) Ltd	30 June 2013
462	Trinco Holiday Resorts(Pvt) Ltd	31 March 2014
463	Trinco Walk Inn Ltd	31 March 2014
464	Tuffline Ltd	31 March 2013
465	TVS Automotives (Pvt) Ltd	31 March 2014
466	TVS Lanka (Pvt) Ltd	31 March 2014
467	Twin Star Clothing (Pvt) Ltd	31 March 2014
468	UB Finance Co. Ltd	31 March 2014
469	UGA Escapes (Pvt) Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Comfort were issued during 2014

	Specified Business Enterprise	Financial Year End
470	Ulagalla Walawwa Resort (Pvt) Ltd	31 March 2013
471	Ultracarb (Pvt) Ltd	31 March 2014
472	Ultratech Cement Lanka (Pvt) Ltd	31 March 2014
473	Uni Dil Packaging Ltd	31 March 2013
474	Unichela (Pvt) Ltd	31 December 2013
475	Unilever Ceylon Services Ltd	31 December 2013
476	Unilever Sri Lanka Ltd	31 December 2013
477	Unimo Enterprises Ltd	31 March 2014
478	Union Chemicals Lanka PLC	31 December 2013
479	Union Residencies (Pvt) Ltd	31 December 2012
480	United Motors PLC	31 March 2014
481	United Tobacco Processing (Pvt) Ltd	31 December 2013
482	Vallibel Finance PLC	31 March 2013
483	Vallibel Finance PLC	31 March 2014
484	Vallibel One PLC	31 March 2013
485	Vallibel Power Erathna PLC	31 March 2014
486	Vishwa BPO (Pvt) Ltd	31 March 2013
487	Vogue Jewellers (Pvt) Ltd	31 March 2013
488	Walkers Tours Ltd	31 March 2014
489	Waskaduwa Beach Resort PLC	31 March 2014
490	West Coast Power (Pvt) Ltd	31 March 2013
491	Whittall Boustead (Pvt) Ltd	31 March 2014
492	WNS Global Services (Pvt) Ltd	31 March 2013
493	Yala Village (Pvt) Ltd	31 March 2014
494	YKK Lanka (Pvt) Ltd	31 March 2014
495	York Arcade Holdings PLC	31 March 2014
496	Yusen Logistics & Kusuhara Lanka (Pvt) Ltd	31 March 2014
497	Zyrex Power Company Ltd and Its Subsidiaries	31 December 2013

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
1	A.S. Chatoor and Company (Pvt) Ltd	31 March 2013
2	AB Securitas (Pvt) Ltd	31 March 2013
3	Abans Finance PLC	31 March 2013
4	Abans Finance PLC	31 March 2014
5	Abans Lanka (Pvt) Ltd	31 March 2013
6	Abans Office Automation (Pvt) Ltd	31 March 2013
7	Abans Retail (Pvt) Ltd	31 March 2013
8	Access Agencies (Pvt) Ltd	31 March 2013
9	Access International (Pvt) Ltd	31 March 2013
10	Ace Cargo (Pvt) Ltd	31 March 2014
11	Ace Exports (Pvt) Ltd	31 March 2014
12	Ace International Express (Pvt) Ltd	31 March 2014
13	Ace Power Embilipitiya (Pvt) Ltd	31 March 2013
14	Ace Power Generation Horana (Pvt) Ltd	31 March 2013
15	Ace Power Generation Matara (Pvt) Ltd	31 March 2014
16	Ace Wind Power (Private) Ltd	31 March 2014
17	ACME Printing & Packaging PLC	31 March 2014
18	Adamjee Lukmanjee & Sons (Pvt) Ltd	31 March 2013
19	Adamjee Lukmanjee (Pvt) Ltd	31 March 2013
20	AES Kelanitissa (Pvt) Ltd	31 December 2012
21	Agriculture Insurance Scheme	31 December 2012
22	Ahungalla Resorts Ltd	31 March 2014
23	Airport Garden Hotel (Pvt) Ltd	31 March 2013
24	Aitken Spence C & T Investments (Pvt) Ltd	31 March 2014
25	Aitken Spence Hotel Management Asia (Pvt) Ltd	31 March 2014
26	Alhambra Hotels Ltd	31 March 2013
27	Allianz Insurance Lanka Ltd	31 December 2012
28	Allied Properties Ltd	31 December 2013
29	Alpha Apparels Ltd	31 December 2013
30	Alpha Industries (Pvt) Ltd	31 March 2013
31	Alpha Tours Ltd	31 March 2013
32	Alufab PLC	31 March 2013
33	Amana Investments Ltd	31 December 2012
34	Amana Takaful PLC	31 December 2012
35	Amba Research Lanka (Pvt) Ltd	31 March 2013
36	Ambewela Products (Pvt) Ltd	31 March 2013
37	AMP Ceylon (Pvt) Ltd	31 March 2013
38	Amsafe Bridport (Pvt) Ltd	31 December 2013
39	Anilana Hotels & Properties Ltd	31 March 2013
40	Aqua Packaging (Pvt) Ltd	31 March 2013
41	Arpico Industrial Development Company (Pvt) Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
42	Arpimalls Development Company (Pvt) Ltd	31 March 2013
43	Arpitalian Compact Soles (Pvt) Ltd	31 March 2013
44	Arpitech (Pvt) Ltd	31 March 2014
45	Ascot Holdings PLC	31 March 2013
46	Asha Phillip Securities Ltd	31 March 2013
47	Asia Pacific Investment (Pvt) Ltd	31 March 2014
48	Asia Power (Pvt) Ltd	31 March 2013
49	Asia Securities (Pvt) Ltd	31 March 2013
50	Asia Siyaka Warehousing (Pvt) Ltd	31 March 2014
51	Asian Hotels and Properties PLC	31 March 2014
52	Asian International School (Pvt) Ltd	31 March 2013
53	Asian Paints (Lanka) Ltd	31 March 2013
54	Asiri Hospital Holdings PLC	31 March 2013
55	Associated Ceat (Pvt) Ltd	31 March 2014
56	Associated Electrical Corporation Ltd	31 March 2014
57	Astrue Money Market Fund	31 March 2014
58	Astrue Gilt-Edged Fund	31 March 2014
59	ATG Ceylon (Pvt) Ltd	31 March 2013
60	Attune Lanka (Pvt) Ltd	31 December 2013
61	B.P De Silva Ceylon(Pvt) Ltd	31 March 2013
62	B.P De Silva Ceylon(Pvt) Ltd	31 March 2014
63	Bairaha Farms PLC	31 March 2013
64	Bank of Ceylon	31 December 2013
65	Bartleet Religare Securities (Pvt) Ltd	31 March 2013
66	Bata Shoe Company of Ceylon Ltd	31 December 2013
67	BCC Lanka Ltd	31 March 2013
68	Benji Ltd	31 December 2013
69	Berjaya Mount Royal Beach Hotel Ltd	30 April 2013
70	Bernard Botejue Industries Ltd	31 March 2013
71	Beruwala Resorts PLC	31 March 2014
72	Beruwala Walk Inn PLC	31 December 2013
73	Blue Oceanic Beach Hotel (Pvt) Ltd	31 March 2013
74	Bogo Power (Pvt) Ltd	31 March 2014
75	Brandix Essentials Ltd	31 March 2014
76	Brandix Hangers (Pvt) Ltd	31 March 2013
77	Brandix Lanka Ltd	31 March 2014
78	Brandix Lingerie (Pvt) Ltd	31 March 2014
79	Brandix Textile Holdings Ltd	31 March 2013
80	Brandix Textile Ltd	31 March 2013
81	Bratex (Pvt) Ltd	31 December 2013
82	British Overseas (Pvt) Ltd	31 March 2014
83	Brown & Company PLC	31 March 2013
84	Brown & Company PLC	31 March 2014

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
85	Browns Investments PLC	31 March 2014
86	Browns Investments PLC	31 March 2013
87	Building Materials Corporation Ltd	31 December 2012
88	Built Element Ltd	31 March 2014
89	Bureau Veritas Consumer Products Services Lanka (Pvt) Ltd	31 December 2013
90	Busan Dipping Ko-Lanka (Pvt) Ltd	31 March 2013
91	C T Holdings PLC	31 March 2013
92	C T Properties Ltd	31 March 2013
93	C T Real Estate (Pvt) Ltd	31 March 2013
94	C.S.D Auto Services (Pvt) Ltd	31 March 2013
95	Candor Asset Management (Pvt) Ltd	31 December 2013
96	Candor Equities Ltd	31 December 2013
97	Capital Alliance Securities (Pvt) Ltd	31 March 2014
98	Capital Trust Securities (Pvt) Ltd	31 March 2012
99	Carbotels (Pvt) Ltd	31 March 2014
100	Carecleen (Pvt) Ltd	31 March 2014
101	Cargills (Ceylon) PLC	31 March 2014
102	Cargills Agrifoods Ltd	31 March 2013
103	Cargills Quality Confectioneries (Pvt) Ltd	31 March 2013
104	Cargills Quality Dairies (Pvt) Ltd	31 March 2013
105	Cargills Quality Foods Ltd	31 March 2013
106	CBL Foods International (Pvt) Ltd	31 March 2013
107	CBL Natural Foods (Pvt) Ltd	31 March 2013
108	CCS Lanka (Pvt) Ltd	31 December 2013
109	Central Development Ltd	31 March 2014
110	Central Engineering Consultancy Bureau	31 December 2011
111	Ceramic World (Pvt) Ltd	31 March 2013
112	Certis Lanka Security Solutions (Pvt) Ltd	31 March 2013
113	Ceybank Asset Management Ltd	31 March 2013
114	Ceyko Projects (Pvt) Ltd	31 March 2013
115	Ceylinco Insurance PLC	31 December 2012
116	Ceylinco Insurance PLC	31 December 2013
117	Ceylinco Ltd	31 March 2013
118	Ceylon & Foreign Trades PLC	31 March 2013
119	Ceylon Ambuja Cements (Pvt) Ltd	31 December 2013
120	Ceylon Asset Management Company Ltd	31 December 2012
121	Ceylon Bulbs & Electricals Ltd	31 March 2013
122	Ceylon Business Appliances (Pvt) Ltd	31 March 2013
123	Ceylon Cold Stores PLC	31 March 2014

	Specified Business Enterprise	Financial Year End
124	Ceylon Fertilizer Company Ltd	31 March 2013
125	Ceylon Financial Sector Fund	31 December 2012
126	Ceylon Galvanising Industries Ltd	31 March 2013
127	Ceylon Gilt Edged Fund	31 December 2012
128	Ceylon Income Fund	31 December 2013
129	Ceylon Index Fund	31 December 2013
130	Ceylon IPO Fund	31 December 2013
131	Ceylon Leather Products PLC	31 March 2013
132	Ceylon Petroleum Storage Terminals Ltd	31 December 2010
133	Ceylon Printers PLC	31 March 2013
134	Ceylon Shipping Corporation Ltd	31 March 2013
135	Ceylon Shipping Lines Ltd	31 December 2012
136	Ceylon Tea Brokers PLC	31 March 2014
137	Ceylon Tourism Fund	31 December 2012
138	Ceylon Trading Company Ltd	31 December 2013
139	Ceymac Rubber Company Ltd	31 March 2014
140	Ceyquartz MBI (Private) Ltd	31 March 2013
141	Ceytea Plantation Management Ltd	31 March 2013
142	CF Insurance Brokers (Pvt) Ltd	31 December 2013
143	Chas. P. Hayley & Company Ltd	31 March 2014
144	Chemex PLC	31 March 2013
145	Chemcel (Private) Ltd	31 March 2013
146	Chilaw Finance PLC	31 March 2014
147	Chilaw Plantations Ltd	31 December 2012
148	CIC Agri Biotech (Private) Ltd	31 March 2014
149	CIC Mahaweli Livestock and Dairies (Pvt) Ltd	31 March 2013
150	CIC Poultry Farms Ltd	31 March 2014
151	CIC Seeds (Pvt) Ltd	31 March 2013
152	Citihealth Imports (Pvt) Ltd	31 March 2013
153	City Developers International (Private) Ltd	31 March 2013
154	City Finance Corporation Ltd	31 March 2013
155	City Housing & Real Estate Company PLC	31 March 2012
156	City Housing & Real Estate Company PLC	31 March 2013
157	Civaro Lanka (Pvt) Ltd	31 March 2014
158	CMA CGM Lanka (Pvt) Ltd	31 March 2014
159	Coats Thread Lanka (Pvt) Ltd	31 December 2013
160	Coats Tread Exports (Pvt) Ltd	31 December 2013
161	Coconut Cultivation Board	31 December 2012
162	Colombo Fort Hotels Ltd	31 March 2013
163	Comfortware (Pvt) Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
164	Continental Insurance Lanka Ltd	31 December 2012
165	Creative Cycles (Pvt) Ltd	31 March 2013
166	Crown City Developers (Pvt)_ Ltd	31 March 2013
167	Crystal Martin Central (Pvt) Ltd	31 December 2013
168	Crystal Martin Ceylon (Pvt) Ltd	31 December 2013
169	Crystal Martin Europe (Pvt) Ltd	31 December 2013
170	Crystal Sweater Lanka (Pvt) Ltd	31 December 2012
171	D R Industries (Pvt) Ltd	31 March 2012
172	D R Industries (Pvt) Ltd	31 March 2013
173	D Samson Industries (Pvt) Ltd	31 March 2013
174	D.R. Furniture (Pvt) Ltd	31 March 2013
175	D.R. Furniture Exports (Pvt) Ltd	31 March 2013
176	D.R. Manufacturing Company (Pvt) Ltd	31 March 2013
177	Darley Butler & Company Ltd	31 March 2013
178	David Pieris Automobiles Ltd	31 March 2013
179	Dawson Capital Ltd	31 March 2013
180	Dean Foster (Pvt) Ltd	31 March 2013
181	Deer Park Hotel (Pvt) Ltd	31 March 2013
182	Delmege Forsyth & Company Ltd	31 March 2013
183	Development Lotteries Board	31 December 2012
184	Dial Textile Industries (Pvt) Ltd	30 November 2013
185	Diana Chocolates (Pvt) Ltd	31 March 2013
186	Diana Trading Company (Pvt) Ltd	31 March 2013
187	Dickwella Resorts (Pvt) Ltd	31 March 2014
188	Dickwella Resorts (Pvt) Ltd	31 March 2013
189	Dipped Products PLC	31 March 2014
190	Distilleries Company of Sri Lanka PLC	31 March 2014
191	Douglas & Sons (Pvt) Ltd	31 March 2013
192	DP Global Ventures (Pvt) Ltd	31 March 2013
193	DPMC Assetline Holdings (Pvt) Ltd	31 March 2014
194	DSL Lanka (Pvt)Ltd	31 March 2013
195	Dunamis Capital PLC	31 March 2013
196	Durdans Heart Surgical Centre (Pvt) Ltd	31 March 2014
197	Durdans Hospital PLC	31 March 2013
198	Durdans Medical & Surgical Hospital (Pvt) Ltd	31 March 2014
199	Durtek Lanka (Pvt) Ltd	31 December 2013
200	Dutch Lanka Trailer Manufacturers Ltd	31 March 2013
201	E.B Creasy & Company PLC	31 March 2013
202	E.W Balasuriya & Company (Pvt) Ltd	31 March 2013
203	Eagle Gilt-Edged Fund	31 December 2013
204	Eagle Growth and Income Fund	31 December 2013
205	Eagle Growth Fund	31 December 2013
206	Eagle Income Fund	31 December 2013

	Specified Business Enterprise	Financial Year End
207	Eagle Money Fund	31 December 2013
208	Eagle Money Plus Fund	31 December 2013
209	EAM Maliban Mahiyanganaya (Pvt) Ltd	31 March 2013
210	EAM Maliban Textiles (Pvt) Ltd	31 March 2013
211	East West Properties PLC	31 March 2014
212	Eastern Brokers Ltd	31 March 2013
213	eChannelling PLC	31 March 2013
214	Eco Power (Pvt) Ltd	31 March 2013
215	Eden Hotel Lanka PLC	31 March 2014
216	Elphis Lanka (Pvt) Ltd	31 December 2012
217	Elsteel (Pvt) Ltd	30 April 2013
218	Emjay International (Pvt) Ltd	31 March 2012
219	Entrust Investments Ltd	31 March 2013
220	Esys Technologies Lanka (Pvt) Ltd	31 March 2013
221	ETAL Group (Pvt) Ltd	31 March 2013
222	ETI Finance Ltd	31 March 2011
223	Expolanka Commodities (Pvt) Ltd	31 March 2013
224	Expolanka Freight (Pvt) Ltd	31 March 2013
225	Expolanka Holdings PLC	31 March 2013
226	Farmers' Pension & Social Security Benefit Scheme	31 December 2012
227	Fashion Bug (Pvt) Ltd	31 March 2013
228	Favourite Garments (Pvt) Ltd	31 March 2013
229	FDK Lanka (Pvt) Ltd	31 March 2014
230	Fergasam Garments Industries (Pvt) Ltd	31 March 2014
231	Finco (Pvt) Ltd	31 March 2013
232	Finco Holdings (Pvt) Ltd	31 March 2013
233	Finlay Cold Storage (Pvt) Ltd	31 December 2013
234	Firoze (Pvt) Ltd	31 March 2013
235	First Capital Asset Management Ltd	31 March 2013
236	First Capital Ltd	31 March 2013
237	First Capital Markets Ltd	31 March 2014
238	First Gardial Equities (Pvt) Ltd	31 December 2013
239	Fishermen's Pension & Social Security Benefit Scheme	31 December 2012
240	Fits Aviation (Pvt) Ltd	31 March 2014
241	FLC Holdings PLC	31 March 2013
242	Forbes & Walker (Pvt) Ltd	31 December 2013
243	Forbes Air Services (Pvt) Ltd	31 March 2014
244	Forbes Plantations (Pvt) Ltd	31 December 2012
245	Fuji Cement Company (Lanka) Ltd	31 March 2013
246	Galadari Hotels (Lanka) PLC	31 December 2013
247	Galle Face Hotel Company Ltd	31 March 2013
248	Gamani & Brothers Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
249	Gamma Pizzakraft Lanka (Pvt) Ltd	31 March 2014
250	General Inks (Pvt) Ltd	31 March 2013
251	Genesiis Software (Pvt) Ltd	31 March 2014
252	Global Intimates (Pvt) Ltd	31 March 2014
253	Globe Knitting (Pvt) Ltd	31 March 2013
254	Gold Coin Feedmills (Lanka) Ltd	31 December 2013
255	Good Hope PLC	31 March 2013
256	Grand Hotel (Pvt) Ltd	31 March 2014
257	Great Cycles (Pvt) Ltd	31 March 2013
258	Grossart (Pvt) Ltd	31 March 2013
259	GTB Steel Corporation (Pvt) Ltd	31 March 2013
260	Habarana Walk Inn Ltd	31 March 2014
261	Hands Dipping (Pvt) Ltd	31 March 2013
262	Hands International (Pvt) Ltd	31 March 2013
263	Harcourts (Pvt) Ltd	31 March 2013
264	Harcros Chemical (Pvt) Ltd	31 March 2013
265	Hatton National Bank PLC	31 December 2012
266	Hatton National Bank PLC	31 December 2013
267	Haycarb Value Added Products (Pvt) Ltd	31 March 2014
268	Hayleylines Ltd	31 March 2014
269	Hayleys Advantis Ltd	31 March 2014
270	Hayleys Hydro Energy (Pvt) Ltd	31 March 2013
271	Hayleys Industrial Solutions (Pvt) Ltd	31 March 2013
272	Hayleys MGT Knitting Mills PLC	31 March 2014
273	Hayleys Plantation Services (Pvt) Ltd	31 December 2012
274	Hayleys Plantation Services (Pvt) Ltd	31 December 2013
275	HDFC Bank of Sri Lanka	31 December 2013
276	Hela Clothing (Pvt) Ltd	31 March 2013
277	Heladhanavi Ltd	31 March 2013
278	Hemachandras (Kandy) Ltd	31 March 2013
279	Hemas Air Services (Pvt) Ltd	31 March 2013
280	Hemas Development (Pvt) Ltd	31 March 2013
281	Hemas Hospitals (Pvt) Ltd	31 March 2014
282	Hemas Marketing (Pvt) Ltd	31 March 2013
283	Hemas Pharmaceuticals (Pvt) Ltd	31 March 2014
284	Hemas Southern Hospitals (Pvt) Ltd	31 March 2014
285	Hemtours (Pvt) Ltd	31 March 2013
286	Heritance (Pvt) Ltd	31 March 2014
287	Hidramani Garments Katunayake (Pvt) Ltd	31 March 2014
288	Hirdaramani (Pvt) Ltd	31 March 2013
289	Hirdaramani Apparel Holdings (Pvt) Ltd	31 March 2013
290	Hirdaramani Industries (Pvt) Ltd	31 March 2013
291	Hirdaramani International (Pvt) Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
292	Hotel Developers (Lanka) PLC	31 March 2013
293	HR Residencies (Pvt) Ltd	31 March 2013
294	Hunter & Company PLC	31 March 2014
295	Hutchison Telecommunications Lanka (Pvt) Ltd	31 December 2013
296	Hydro Trust Lanka (Pvt) Ltd	31 March 2013
297	ICC Housing (Pvt) Ltd	31 March 2013
298	ICL Marketing (Pvt) Ltd	31 March 2013
299	IFS R & D International (Pvt) Ltd	31 December 2013
300	Imperial Tea Exports (Pvt) Ltd	31 March 2013
301	Imperial Teas (Pvt) Ltd	31 March 2013
302	Ind- Sri Industrial Corporation (Pvt) Ltd	31 March 2013
303	Indocean Developers (Pvt) Ltd	31 March 2014
304	Indo-Malay PLC	31 March 2013
305	Indra Property Developments (Pvt) Ltd	31 March 2013
306	Induruwa Beach Hotel (Pvt) Ltd	31 March 2013
307	Industrial Asphalts (Ceylon) PLC	31 March 2013
308	Inter Brush Lanka Ltd	31 March 2013
309	Intercom (Pvt) Ltd	31 March 2013
310	International Cosmetics (Pvt) Ltd	31 March 2013
311	Intertea (Pvt) Ltd	31 December 2013
312	Isabella (Pvt) Ltd	31 March 2013
313	Isin Lanka (Pvt) Ltd	31 December 2013
314	J B Secirities (Pvt) Ltd	31 March 2014
315	J K Garments (Pvt) Ltd	31 March 2013
316	J.B Fishing Industries Ltd	31 March 2013
317	Janashakthi Insurance PLC	31 December 2012
318	Janashakthi Insurance PLC	31 December 2013
319	JB Vantage Money Market Fund	31 December 2013
320	JB Vantage Value Equity Fund	31 December 2012
321	J-Cey Tea (Pvt) Ltd	31 March 2013
322	Jetwing Travels (Pvt) Ltd	31 March 2014
323	JF & I Packaging (Pvt) Ltd	31 March 2013
324	Jinadasa Brothers (Pvt) Ltd	31 March 2011
325	Jinasena (Pvt) Ltd	31 March 2013
326	Jinasena Industrial Parks (Pvt) Ltd	31 March 2013
327	John Keells Holdings PLC	31 March 2013
328	John Keells PLC	31 March 2014
329	John Keells Properties Ja-Ela (Pvt) Ltd	31 March 2014
330	John Keells Warehousing (Pvt) Ltd	31 March 2013
331	John Keells Properties (Pvt) Ltd	31 March 2014
332	Kalamazoo Systems PLC	31 March 2013
333	Kamal Cables (Pvt) Ltd	31 March 2013
334	Kandyan Resorts (Pvt) Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
335	Kelani Cycles (Pvt) Ltd	31 March 2013
336	Kelani Tyres PLC	31 March 2014
337	Koggala Garments (Pvt) Ltd	31 December 2011
338	Koggala Manufacturing (Pvt) Ltd	31 March 2013
339	Korean Spa Packaging (Pvt) Ltd	31 March 2013
340	Kothmale Dairy Products (Pvt) Ltd	31 March 2013
341	Kotmale Milk Products Ltd	31 March 2013
342	Kotmale Products Ltd	31 March 2013
343	Kurunegala Plantations Ltd	31 December 2012
344	Lady Lochore Loan Fund	31 December 2013
345	Lakdhanavi Ltd	31 March 2013
346	Lake House Printers and Publishers PLC	31 March 2013
347	Lancaster Holdings Ltd	31 March 2013
348	Lanka Ashok Leyland PLC	31 March 2014
349	Lanka Canneries (Pvt) Ltd	31 March 2013
350	Lanka Ceramic PLC	31 March 2013
351	Lanka Commodity Holdings (Pvt) Ltd	31 March 2014
352	Lanka Dairies (Pvt) Ltd	31 March 2013
353	Lanka Diamond Polishing Ltd	31 March 2013
354	Lanka Electricity Company (Pvt) Ltd	31 December 2013
355	Lanka Industrial Estates Ltd	31 March 2013
356	Lanka Marine Services (Pvt) Ltd	31 March 2014
357	Lanka Milk Foods (CWE) PLC	31 March 2013
358	Lanka Naigai (Pvt) Ltd	31 January 2013
359	Lanka ORIX Leasing Company PLC	31 March 2012
360	Lanka ORIX Leasing Company PLC	31 March 2013
361	Lanka Phosphate Ltd	31 March 2014
362	Lanka Plastics Industries (Pvt) Ltd	31 March 2013
363	Lanka Securities (Pvt) Ltd	31 December 2013
364	Lanka Valiant Developers (Private) Ltd	31 March 2013
365	Lanka Walltiles PLC	31 March 2013
366	LankaClear (Private) Ltd	31 March 2014
367	Lankapura Apparel (Pvt) Ltd	31 March 2013
368	Lankem Ceylon PLC	31 March 2013
369	Lankem Developments PLC	31 March 2013
370	Lankem Tea and Rubber Plantations (Pvt) Ltd	31 March 2013
371	Latex Green (Private) Ltd	31 March 2013
372	Laugfs Capital Ltd	31 March 2013
373	Laugfs Corporation (Rubber) Ltd	31 March 2013
374	Laugfs Eco Sri (Pvt) Ltd	31 March 2014
375	Laugfs Gas PLC	31 March 2013
376	Laugfs Holdings Ltd	31 March 2013
377	Laugfs Leisure Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
378	Laugfs Lubricants Ltd	31 March 2013
379	Laugfs Petroleum (Pvt) Ltd	31 March 2013
380	Laugfs Property Developers (Pvt) Ltd	31 March 2013
381	Laxpana Batteries PLC	31 March 2014
382	Leisure Asia Investments Ltd	31 March 2013
383	Leson Ltd	31 March 2013
384	Liberty Holdings (Pvt) Ltd	31 December 2013
385	Lignocell (Pvt) Ltd	31 March 2014
386	Litro Gas Terminal Lanka (Pvt) Ltd	31 December 2012
387	Local Loan & Development Fund	31 December 2011
388	Logiwiz Ltd	31 March 2013
389	LTL Holdings (Pvt) Ltd	31 March 2013
390	LTL Transformers (Pvt) Ltd	31 March 2013
391	LVL Energy Fund Ltd	31 March 2013
392	LVS Energy (Pvt) Ltd	31 March 2013
393	Lyceum International School (Pvt) Ltd	31 March 2013
394	M S J Industries (Ceylon) (Pvt) Ltd	31 March 2013
395	M. R. C. Associates Garments Ltd	31 March 2012
396	Mabroc Teas (Pvt) Ltd	31 March 2014
397	Mackinnon Mackenzie & Compnay (Shipping) Ltd	31 March 2014
398	Mackinnons Keells Ltd	31 March 2014
399	Mackwoods Energy PLC	31 March 2013
400	Mackwoods Plantations (Pvt) Ltd	31 March 2012
401	Macson Mesh Industries (Pvt) Ltd	31 March 2013
402	Maga Engineering (Pvt) Ltd	31 March 2013
403	Mahaweli Reach Hotels PLC	31 March 2014
404	Maliban Biscuit Manufactories (Pvt) Ltd	31 March 2013
405	Maliban Milk Products (Private) Ltd	31 March 2013
406	Marangoni Industrial Tyres Lanka (Private) Ltd	31 December 2013
407	MAS Holdings (Pvt) Ltd	31 December 2012
408	Mascon (Pvt) Ltd	31 March 2013
409	Masons Mixture Ltd	31 March 2013
410	Master Divers (Pvt) Ltd	31 March 2013
411	MBSL Savings Bank Ltd	31 December 2013
412	MBSL Savings Bank Ltd	31 December 2012
413	McLarens Holdings Ltd	31 March 2013
414	McLarens Hotels Ltd	31 March 2013
415	Melbourne Textile Washing Plant (Pvt) Ltd	31 March 2013
416	Melstarcorp Ltd	31 March 2014
417	Mercantile Shipping Company PLC	31 March 2014
418	Merchant Bank of Sri Lanka PLC	31 December 2012

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
419	Merchant Bank of Sri Lanka PLC	31 December 2013
420	Merchantile Investment and Finance PLC	31 March 2013
421	Metropolitan Office (Pvt) Ltd	31 March 2013
422	Miami Beach Hotels Ltd	31 March 2013
423	Miami Exports (Pvt) Ltd	31 March 2013
424	Milco (Pvt) Ltd	31 March 2014
425	Milford Exports (Ceylon) (Pvt) Ltd	31 March 2013
426	Millers Ltd	31 March 2013
427	MIT Cargo (Pvt) Ltd	31 March 2014
428	MJF Beverages (Pvt) Ltd	31 March 2014
429	MJF Exports (Pvt) Ltd	31 March 2013
430	MJF Holdings Ltd	31 March 2013
431	MJF Teas (Pvt) Ltd	31 March 2013
432	Moceti International (Pvt) Ltd	31 March 2014
433	Mohksha Ltd	31 March 2013
434	MTV Channel (Pvt) Ltd	31 March 2013
435	Muller & Phipps (Ceylon) PLC	31 March 2014
436	N. Vaitingam & Company (Pvt) Ltd	31 March 2013
437	NAMAL Acuity Value Fund	31 March 2013
438	NAMAL Income Fund	31 March 2013
439	NAMAL Money Market Fund	31 March 2013
440	Nation Lanka Equities (Pvt) Ltd	31 March 2013
441	Nation Lanka Equities (Pvt) Ltd	31 March 2014
442	National Asset Management Ltd	31 December 2012
443	National Equity Fund	31 March 2013
444	National Film Corporation	31 December 2011
445	National Institute of Business Management	31 December 2012
446	National Insurance Trust Fund	31 December 2011
447	National Lotteries Board	31 December 2012
448	National Paper Company Ltd	31 March 2012
449	National Savings Bank	31 December 2012
450	National Wealth Corporation (Pvt) Ltd	31 December 2013
451	Navara Securities (Pvt) Ltd	31 March 2014
452	NDB Capital Holdings PLC	31 December 2012
453	NDB Capital Holdings PLC	31 December 2013
454	NDB Securities (Pvt) Ltd	31 December 2013
455	NDO Lanka (Pvt) Ltd	31 March 2013
456	Needle Craft Lanka (Pvt) Ltd	31 December 2012
457	Negombo Hotels Ltd	31 March 2013
458	Neil Marine (Pvt) Ltd	31 March 2013
459	Neluwa Cascade Hydro Power (Pvt) Ltd	31 March 2013
460	Neoprex (Pvt) Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
461	New Nawaloka Hospitals Ltd	31 March 2013
462	Nidro Supply (Pvt) Ltd	31 March 2013
463	Nivasie Developers (Pvt) Ltd	31 March 2013
464	Nividhu (Pvt) Ltd	31 March 2013
465	Nobleswear (Pvt) Ltd	31 March 2013
466	Noratel International (Pvt) Ltd	31 December 2013
467	North Cloth Lanka (Pvt) Ltd	31 December 2013
468	Ocean View Development Company (Pvt) Ltd	31 December 2013
469	Odel Properties (Pvt) Ltd	31 March 2013
470	Office Equipment PLC	31 March 2013
471	Okanda Power Grid (Pvt) Ltd	31 March 2014
472	Omega Line Ltd	31 December 2013
473	On'ally Holdings PLC	31 March 2014
474	Orel MFG (Pvt) Ltd	31 March 2013
475	Orient Garments PLC	31 March 2013
476	Orient Holdings (Pvt) Ltd	31 March 2013
477	Orit Apparels Lanka (Pvt) Ltd	31 March 2013
478	Orit Trading Lanka (Pvt) Ltd	31 March 2013
479	Osprey Clothing (Pvt) Ltd	31 December 2012
480	Overseas Reality (Ceylon) PLC	31 December 2013
481	Packages Lanka (Pvt) Ltd	31 December 2013
482	Packwell Lanka (Pvt) Ltd	31 March 2013
483	Paddy Marketing Board	31 December 2010
484	Paradise Toys (Pvt) Ltd	31 March 2013
485	Paragon Ceylon PLC	31 March 2013
486	Paranthan Chemicals Company Ltd	31 December 2012
487	PC House PLC	31 March 2013
488	PC Pharma PLC	31 March 2013
489	Peace Haven Resorts Ltd	31 March 2013
490	Pelwatte Dairy Industries Ltd	31 March 2014
491	Penguin Leisurewear (Pvt) Ltd	31 March 2013
492	Penguin Sportswear (Pvt) Ltd	31 March 2012
493	Perfect Garments (Pvt) Ltd	31 March 2013
494	Phoenix Ventures Ltd	31 March 2013
495	Pioneer Properties & Lee Hedges Ltd	31 March 2014
496	Piyestra Furniture (Pvt) Ltd	31 March 2013
497	Plastipak Lanka Ltd	31 March 2013
498	Plenty Foods (Pvt) Ltd	31 March 2014
499	Polytex Garments Ltd	31 December 2013
500	Power House Ltd	31 March 2013
501	Prima Land (Pvt) Ltd	31 December 2013
502	Prime Homes International (Pvt) Ltd	31 March 2013
503	Prime Lands (Pvt) Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
504	Printcare Packaging (Pvt) Ltd	31 March 2013
505	Printcare Secure Ltd	31 March 2013
506	Printcare Universal (Pvt) Ltd	31 March 2013
507	Prym Intimates Lanka (Pvt) Ltd	31 December 2013
508	Pubs n Places (Pvt) Ltd	31 March 2014
509	Pulses Splitting & Processing Industry (Pvt) Ltd	31 March 2013
510	Pussalla Meat Producers (Pvt) Ltd	31 March 2013
511	Pyramid Lanka (Pvt) Ltd	31 December 2012
512	Qualitea Ceylon (Pvt) Ltd	31 March 2014
513	Radiant Gems International PLC	31 March 2013
514	Rajawella Holdings Ltd	31 March 2013
515	Ranfer Teas (Pvt) Ltd	31 March 2013
516	Ravi Industries Ltd	31 March 2013
517	Readywear Industries Ltd	31 March 2013
518	Renuka Consultants and Services Ltd	31 March 2013
519	Renuka Holdings PLC	31 March 2013
520	Renuka Properties Ltd	31 March 2013
521	Resources Devepolment Consultants (Pvt) Ltd	31 March 2013
522	Rhino Roofing Products Ltd	31 March 2013
523	Richard Pieris & Company PLC	31 March 2013
524	Richard Pieris Distributors Ltd	31 March 2014
525	Richard Pieris Natural Foams Ltd	31 March 2013
526	Rileys (Pvt) Ltd	31 March 2013
527	Rising Sun Garments (Pvt) Ltd	31 December 2012
528	RM Holdings (Pvt) Ltd	31 March 2013
529	Rockland Distilleries (Pvt) Ltd	31 March 2013
530	Rosewood (Pvt) Ltd	31 March 2014
531	Rotunda Property Developments Ltd	31 March 2013
532	Royal Fernwood Porcelain Ltd	31 March 2013
533	Royal Heritage Hotel (Pvt) Ltd	31 March 2013
534	Royal Porcelain (Pvt) Ltd	31 March 2014
535	RPC Management Services (Pvt) Ltd	31 March 2014
536	Rusirumal (Pvt) Ltd	31 March 2013
537	Saboor Chatoor (Pvt) Ltd	31 March 2013
538	Samaranayake & Company (Pvt) Ltd	31 March 2013
539	Sampath Centre Ltd	31 December 2013
540	Samson Bikes (Pvt) Ltd	31 March 2013
541	Samson Exports (Pvt) Ltd	31 March 2013
542	Samson Information Technologies (Pvt) Ltd	31 March 2013
543	Samson International Ltd	31 March 2014
544	Samson Manufacturers (Pvt) Ltd	31 March 2014

	Specified Business Enterprise	Financial Year End
545	Samson Rajarata Tiles (Pvt) Ltd	31 March 2013
546	Samson Rubber Industries (Pvt) Ltd	31 March 2013
547	Samson Rubber Products (Pvt) Ltd	31 March 2013
548	SANASA Development Bank PLC	31 December 2012
549	Sarvodaya Economic Enterprise Development Services (Gurantee) Ltd	31 March 2013
550	Sathosa Motors PLC	31 March 2014
551	SC Securities (Pvt) Ltd	31 December 2012
552	Screenline Embellishers (Pvt) Ltd	31 March 2013
553	Seashells Hotel (Pvt) Ltd	31 March 2013
554	Selinsing PLC	31 March 2013
555	Semini Motors (Pvt) Ltd	31 March 2013
556	Senok Tea Ceylon (Pvt) Ltd	31 March 2013
557	Senok Trade Combine (Pvt) Ltd	31 March 2013
558	Serendib Engineering Group PLC	31 March 2014
559	Serendib Stock Brokers (Pvt) Ltd	31 March 2014
560	Seylan Developments PLC	31 December 2013
561	SGI Lanka (Pvt) Ltd	31 March 2013
562	Shalimar (Malay) PLC	31 March 2013
563	Shaw Wallace Ceylon Ltd	31 March 2013
564	Siedles (Pvt) Ltd	31 March 2013
565	Sifani Jewellers (Pvt) Ltd	31 March 2012
566	Sifani Jewellers (Pvt) Ltd	31 March 2013
567	Sigiri Weaving Mills (Pvt) Ltd	31 March 2013
568	Sigiriya Village Hotels PLC	31 March 2014
569	Silverstock Ltd	31 March 2013
570	Simmet (Pvt) Ltd	31 March 2013
571	Singha Cement (Pvt) Ltd	31 December 2013
572	Sinhaputhra Finance PLC	31 March 2013
573	Sinhaputhra Finance PLC	31 March 2014
574	Sino Lanka (Pvt) Ltd	31 March 2013
575	Sinwa Holdings Ltd	31 March 2013
576	Sirio Ltd	31 December 2013
577	Sithro Garment Finishing Company Ltd	31 March 2014
578	Skills Development Funds Ltd	31 March 2014
579	Sky Sports Lanka (Pvt) Ltd	31 March 2013
580	Sky Sports Lanka (Pvt) Ltd	31 March 2014
581	Smart Shirts (Lanka) Ltd	31 December 2013
582	Softlogic Information Technologies (Pvt) Ltd	31 March 2013
583	Softlogic Stockbrokers (Pvt) Ltd	31 March 2014
584	Somerville Stock Brokers (Pvt) Ltd	31 March 2013
585	Sotlogic International (Pvt) Ltd	31 March 2013
586	South Asia Gateway Terminals (Pvt) Ltd	31 March 2014

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
587	South Asia Textile Industries Lanka (Pvt) Ltd	31 March 2013
588	Speville Ceylon (Pvt) Ltd	31 December 2012
589	Spice of Life (Pvt) Ltd	31 March 2013
590	Sri Jayewardenepura General Hospital Board	31 March 2011
591	Sri Lanka Aurvedic Drugs Corporation	31 December 2011
592	Sri Lanka Aurvedic Drugs Corporation	31 December 2012
593	Sri Lanka Broadcasting Corporation	31 December 2011
594	Sri Lanka Bureau of Foreign Employment	31 December 2012
595	Sri Lanka Export Credit Insurance Corporation	31 December 2012
596	Sri Lanka Insurance Corporation Ltd	31 December 2012
597	Sri Lanka Land reclamation and development. Corporation	31 December 2011
598	Sri Lanka Ports Authority	31 December 2011
599	Sri Lanka Ports Authority	31 December 2012
600	Sri Lanka Rupavahini Corporation	31 December 2012
601	Sri Lanka Standards Institution	31 December 2012
602	Sri Lanka State Trading (General) Corporation Ltd	31 March 2012
603	Sri Lanka Transport Board	31 December 2007
604	Sri Lankan Airlines Ltd	31 March 2013
605	Sri Lankan Catering (Pvt) Ltd	31 March 2014
606	Sri Lanka State Trading (General) Corporation Ltd	31 March 2013
607	St Regis Packaging (Pvt) Ltd	31 March 2013
608	St. Anthony's Hardware (Pvt) Ltd	31 March 2013
609	Standard Capital PLC	31 March 2013
610	Star Garments (Pvt) Ltd	31 March 2013
611	Stassen Exports (Pvt) Ltd	31 March 2013
612	State Development and Construction Corporation	31 December 2011
613	State Engineering Corporation of Sri Lanka	31 December 2011
614	State Mortgage and Investment Bank	31 December 2012
615	State Pharmaceutical Manufacturing Corporation of Sri Lanka	31 December 2012
616	State Timber Corporation	31 December 2012
617	Stevensons Lanka (Pvt) Ltd	31 March 2014
618	Summit Industries (Pvt) Ltd	31 March 2013
619	Sun Tan Beach Resorts (Pvt) Ltd	31 March 2014
620	Suntea (Pvt) Ltd	31 December 2013
621	Suwasevana Hospitals (Pvt) Ltd	31 March 2013

	Specified Business Enterprise	Financial Year End
622	Swedish Trading Company (Pvt) Ltd	31 March 2013
623	Tal Lanka Hotels PLC	31 March 2014
624	Tea Smallholder Factories PLC	31 March 2014
625	Tess Agro PLC	31 March 2014
626	Texlan Lanka (Pvt) Ltd	31 March 2013
627	Texlan Lanka (Pvt) Ltd	31 December 2013
628	Texpro Industries Ltd	31 March 2013
629	Texwin Clothing (Pvt) Ltd	31 March 2013
630	Thaprobane Holdings PLC	31 March 2013
631	The Arunadisi (Pvt) Ltd	31 March 2013
632	The Capital Maharaja Organisation Ltd	31 March 2013
633	The Colombo Fort Land & Building Company PLC	31 March 2013
634	The Co-operative Wholesale Establishment	31 December 2010
635	The Knady Hotels Co. (1938) PLC	31 March 2014
636	The Wheel Works (Pvt) Ltd	31 March 2013
637	Thomas Kershaw Lanka (Pvt) Ltd	31 March 2013
638	Timex Garments (Pvt) ltd	31 March 2014
639	Tokyo Cement Co PLC	31 March 2013
640	Tokyo Cement Colombo Terminal (Pvt) Ltd	31 March 2013
641	Tokyo Super Cement Company Lanka (Pvt) Ltd	31 March 2013
642	Toyo Cushon Lanka (Pvt) Ltd	31 March 2014
643	Toyota Lanka (Pvt) Ltd	31 March 2013
644	Tradesmann SL (Pvt) Ltd	31 March 2013
645	Trans-ware Logistics (Pvt) Ltd	31 March 2013
646	Tree of Life (Pvt) Ltd	31 March 2013
647	Trillium Residencies Ltd	31 March 2012
648	Trillium Residencies Ltd	31 March 2013
649	Tropic Fishery (Pvt) Ltd	31 March 2013
650	Tropic Frozen Foods (Pvt) Ltd	31 March 2013
651	Tropical Findings (Pvt) Ltd	31 December 2013
652	Tropical Villas (Pvt) Ltd	31 March 2013
653	TTEL Hydro Power Company (Pvt) Ltd	31 March 2013
654	UB Finance Company Ltd	31 March 2013
655	Uni Walker Package Ltd	31 March 2013
656	Uni Walkers (Pvt) Ltd	31 March 2013
657	Unilever Lipton Ceylon Ltd	31 December 2013
658	Unilever Sri Lanka Ltd	31 December 2012
659	Union Assurance PLC	31 December 2012
660	Union Assurance PLC	31 December 2013
661	Union Commodities (Pvt) Ltd	31 March 2013

List of Specified Business Enterprises for which Letters of Observation were issued during 2014

	Specified Business Enterprise	Financial Year End
662	Union Resorts Ltd	31 March 2013
663	Unit Energy Lanka (Pvt) Ltd	31 March 2013
664	United Tractor & Equipment (Pvt) Ltd	31 December 2012
665	Upper Agra Oya Hydro Power (Pvt) Ltd	31 March 2014
666	Urban Investment & Development Company(Pvt) Ltd	31 December 2013
667	Usui Lanka (Pvt) Ltd	31 March 2013
668	V S Turbo (Pvt) Ltd	31 March 2013
669	V.S.Hydro (Pvt) Ltd	31 March 2013
670	Vechenson (Pvt) Ltd	31 March 2013
671	Venigros (Pvt) Ltd	31 March 2013
672	VF Lanka (Guarantee) Ltd	31 March 2013
673	Vidullanka PLC	31 March 2014
674	Vitusa (Pvt) Ltd	31 March 2013
675	Volanka Exports Ltd	31 March 2013
676	VT Manufacturing (Pvt) Ltd	31 March 2013
677	W A Perera and Company (Pvt) Ltd	31 March 2013
678	W.D.R. Samarakoon & Sons (Pvt) Ltd	31 March 2013
679	W.M.Mendis & Company Ltd	31 March 2013
680	Waldock Mackenzie Ltd	31 December 2013
681	Walker Sons & Company Engineering (Pvt) Ltd	31 March 2014
682	Walker Sons & Company Ltd	31 March 2013
683	Walkers Piling (Pvt) Ltd	31 March 2013
684	Wayamba Plantations (Pvt) Ltd	31 December 2012
685	Wheels Lanka (Pvt) Ltd	31 March 2013
686	Wickramaratne Logistics (Pvt) Ltd	31 March 2013
687	Wickramaratnes (Pvt) Ltd	31 March 2013
688	Wilton Metal Box Company (Pvt) Ltd	31 March 2013
689	Winterquilts (Pvt) Ltd	31 March 2013
690	World Vision Lanka (Guarantee) Ltd	30 September 2013
691	York Hotels (Kandy) Ltd	31 March 2013
692	Young An International Lanka (Pvt) Ltd	31 December 2012
693	Young An Lanka (Pvt) Ltd	31 December 2013
694	Zam Gems (Pvt) Ltd	31 March 2013

Listed Companies and Public Sector Entities which have not submitted Audited Financial Statements as at 31 December 2014

Listed companies which have not submitted financial statements for the year ended 31 December 2013 :

- Vanik Incorporation PLC
- Lanka Cement PLC

Listed Companies which have not submitted financial statements for the year ended 31 March 2014 :

- Alufab PLC
- Huejay International Investment PLC
- Miramar Beach Hotels PLC
- PC Pharma PLC
- PCH Holdings PLC
- PC House PLC
- Pelwatte Sugar Industries PLC

Public Sector entities which have not submitted financial statements for the year ended 31 December 2013 :

- Agriculture & Agrarian Insurance Scheme
- Building Materials Corporation Limited
- Central Engineering Consultancy Bureau
- Ceylon Ceramic Corporation
- Ceylon Electricity Board
- Ceylon Fisheries Corporation
- Ceylon Petroleum Corporation
- Coconut Cultivation Board
- Development Lotteries Board
- Employees Trust Fund Board
- Janatha Estates Development Board
- Local Loans & Development Fund

- National Film Corporation
- National Livestock Development Board
- National Water Supply & Drainage Board
- National Institute of Business Management
- National Lotteries Board
- Paddy Marketing Board
- Sri Lanka Broadcasting Corporation
- Sri Jayewardenepura General Hospital
- Sri Lanka Cement Corporation
- Sri Lanka Transport Board
- Sri Lanka Ayurvedic Drugs Corporation
- Sri Lanka Land Reclamation & Development Corporation
- Sri Lanka Rupavahini Corporation
- Sri Lanka Handicrafts Board
- Sri Lanka Ports Authority
- Sri Lanka Institute of Textile & Apparel
- State Development & Construction Corporation
- State Engineering Corporation of Sri Lanka
- State Pharmaceuticals Manufacturing Corporation
- State Printing Corporation
- State Pharmaceuticals Corporation of Sri Lanka
- The Co-operative Wholesale Establishment
- Tea Small Holdings Development Authority
- Urban Development Authority
- Vocational Training Authority of Sri Lanka

Observations Made on Audit Reviews during 2014

1. Introduction

Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) reviewed 100 audits carried out by 41 firms during the year 2014 compared with the 50 audits carried out by 39 firms during the previous year. Audits reviewed included 44 audits carried out by 4 firms which are members of international networks and 56 audits carried out by 37 firms which carried out audits of less than 10 Specified Business Enterprises (SBEs). Based on the risk associated with the SBE which was audited, 8 audits were subject to a comprehensive review.

2. Main findings

Deficiencies were identified in 68 audits conducted by 41 firms. The departures from Sri Lanka Auditing Standards detected were communicated to the respective firms in the form of letters of assistance.

The main findings are as follows.

2.1. Failure to obtain sufficient appropriate audit evidence

Documentation relating to 41 audits did not provide a record of obtaining sufficient appropriate audit evidence from substantive procedures and from tests of controls to support financial statement assertions.

Deficiencies included:

- Failure to document any audit procedures on any of the financial statements balances
- Absence of evidence on performing any audit procedures to test the financial statement assertions relating to revenue, cost of sales, depreciation, property, plant and equipment, goodwill, investments, inventories, related party balances, receivables on loans, payables, capital reserves, contribution against equity capital, deferred tax liabilities, interest income, interest expenses and impairment of loans and receivables in a finance company
- Absence of evidence on performing any audit procedures to test certain financial statement assertions

Examples:

- Planning and performing audit procedures to ensure existence and ownership of investment property
- Planning and performing audit procedures to ensure valuation assertion by ascertaining the existence of any impairment indicators
- Planning and performing alternate audit procedures to ensure valuation assertion where initially planned audit procedures were not satisfactory
- Performing audit procedures to ensure inventories are valued at appropriate amounts
- Performing audit procedures to verify existence and ownership of lands
- Verifying the accuracy, valuation and completeness of cash and bank balances and financial assets of a finance company when returned cheques were significant
- Carrying out audit procedures to ascertain existence of related party balances
- Carrying out audit procedures to ascertain existence and ownership of investment property
- Verifying existence of other financial liabilities and receivables
- Ascertaining the percentage holdings of investments to establish parent subsidiary relationship
- Ascertaining accuracy of income tax expenses and deferred tax computation
- Absence of evidence of performing any audit procedures to cover the period subsequent to the interim period for which audit procedures were performed, in relation to inventories, revenue and cost of sales

Observations Made on Audit Reviews during 2014

2.2. Items not sufficiently documented

Documentation in relation to 27 audits had deficiencies relating to matters which are of importance to support the audit opinion and to provide evidence that the audits were conducted in accordance with Sri Lanka Auditing Standards.

Deficiencies observed included failure to document the following as required by Sri Lanka Auditing Standards.

- Nature, timing and extent of audit procedures performed and results of such procedures
- Planning of the audit and the audit program
- The auditor's understanding of the industry and the economic and legal environment in which the entity operates
- The auditor's understanding of the accounting and internal control systems
- Analyses of transactions and balances
- Analyses of significant ratios and trends
- Identified and assessed risks of material misstatements at the financial statement and assertion level
- Evidence that the work performed by assistants was supervised and reviewed
- Conclusions reached by the auditor concerning significant aspects of the audit, including how exceptions and unusual matters were resolved and treated
- Representations received from the management

2.3. Failure to identify material misstatements in financial statements due to inadequate use of assertions to form a basis for audit procedures

Failure to identify the following material misstatements in financial statements due to inadequate use of assertions for classes of transactions, account balances and presentation and disclosures in sufficient detail to form a basis for the assessment of risks of material misstatements and the design and performance of further audit procedures were observed in 22 audits.

- Failure to recognize and present amounts attributable to unit holder's funds as equity
- Failure to recognize the fair value movement of investments in the statement of comprehensive income

- Recognizing investment property as property, plant and equipment
- Recognizing and presenting loans granted by directors as equity
- Failure to recognize jointly controlled entities using proportionate consolidation method or equity method of accounting
- Failure to amortize the prepaid lease rentals relating to operating leases
- Failure to perform an impairment test when impairment indicators exist
- Failure to account investment in associates using equity method of accounting
- Failure to present consolidated financial statements when subsidiaries exist
- Failure to disclose significant events occurred after the balance sheet date
- Failure to recognize retirement benefit obligations
- Failure to recognize deferred taxation
- Recognizing depreciation on freehold land which has an indefinite useful life
- Failure to regularly revalue property, plant and equipment when the accounting policy is to adopt a revaluation model
- Failure to present cumulative redeemable preference shares as liability

2.4. Absence of evidence on the basis of selecting the samples

20 audits did not have any documentation of the means of selecting the samples for testing so as to gather sufficient appropriate audit evidence to meet the objectives of the audit procedures while 13 audits failed to evaluate the sample results to determine whether the assessment of the characteristics of the population is confirmed or needs to be revised.

2.5. Non availability of evidence of understanding and assessment of control risk

20 audits did not have any documentation regarding the auditor's understanding of the entity's accounting and internal control system and of the assessment of control risk.

Observations Made on Audit Reviews during 2014

2.6. Failure to establish the audit materiality level

19 audits did not have any records on establishing the materiality level for the purpose of determining the nature, timing and extent of audit procedures and evaluating of the effect of misstatements.

2.7. Not ascertaining information regarding related party transactions

12 audits did not have evidence of the auditor reviewing information provided by the management on related party transactions and being alert of other material related party transactions to ascertain the completeness of the information.

Examples of deficiencies in this respect are:

- Absence of documentation of the auditor reviewing management information to identify related party relationships and transactions
- Non availability of documentation of the auditor performing any audit procedures relating to identifying and disclosing related party transactions.
- Non availability of documentation of the auditor performing any audit procedures relating to identifying and disclosing a related party transaction except for obtaining a confirmation from the related party.

3. General

Audit documentation of some of the files reviewed did not provide adequate evidence on performing analytical procedures at the planning stage, to identify the areas of potential risk and to corroborate conclusions formed during the audit of individual components of the financial statements and lacked any documentation of the overall audit strategy and of the audit plan.

Further, some of the deficiencies observed in the audit opinions included not modifying issues which were above the materiality level, qualifying the opinion when there was no basis for qualification, improper wording in the opinion paragraphs, not documenting basis for the qualifications of audit report and qualifying the audit opinion referring to SLFRSs when the company had adopted SLFRS for SMEs, referring to SLFRS for SMEs in the scope paragraph to the audit report instead of SLAuSs.

Balanced Scorecard

SLAASMB uses the Balanced Scorecard to plan its annual performance. The plan for 2014, actual for 2014 and plan for 2015 are given below;

Financial statement user Perspective: *To achieve our vision, how should financial statements users see us?*

Goals	Measures	2014 Plan	2014 Actual	2015 Plan
Financial Statements of SBE's to present a true and fair view	Review financial statements to determine compliance with Sri Lanka Accounting Standards	1,200 sets of financial statements	1,200 sets of financial statements	1,200 sets of financial statements
	Review audits to determine compliance with Sri Lanka Auditing Standards	100 audits	100 audits	100 audits

Regulated entity Perspective: *To achieve our vision, how should regulated institutions see us?*

Goals	Measures	2014 Plan	2014 Actual	2015 Plan
Collection of financial statements	Number of financial statements received	1,358	1,371 (Note 1) (Number of SBE's 1,289)	1,353

Internal Process Perspective: *To satisfy our stakeholders' what internal process must we excel at?*

Goals	Measures	2014 Plan	2014 Actual	2015 Plan
Employee performance	Achieve targeted performance points for the year (Note 2)	31,236	33,703	31,950
Eliminate obstacles in meeting present mission goals by enhancing knowledge	Weekly learning activity (internally)	48 presentations on Standards	48 presentations on Standards	48 presentations on Standards
Timely Response	Attend to complaints, clarifications sought and information received	Within an average of 5 days excluding the date of receipt and date of response	1 day	Within an average of 5 days excluding the date of receipt and date of response

Note 1

Receipt of the financial statements issued in respect of previous years due to action taken to follow up.

Note 2

Performance points are based on the nature and extent of work required to complete the tasks.

Report of the Auditor General



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මගේ අංකය
எனது இல.
My No.

} FR(2)/I/SLAASMB/1/14

ඔබේ අංකය
உமது இல.
Your No.

}

දිනය
திகதி
Date

} 17 June 2015

The Chairman,
Sri Lanka Accounting and Auditing Standards Monitoring Board

Report of the Auditor General on the Financial Statements of the Sri Lanka Accounting and Auditing Standards Monitoring Board for the year ended 31 December 2014 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the Sri Lanka Accounting and Auditing Standards Monitoring Board comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, 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, 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 33(2) of the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was issued to the Chairman on 02 April 2015.

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 Public Sector Accounting Standards and for such internal control 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 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board'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 Board'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 gives discretionary powers to the Auditor General to determine the scope and extent of the audit.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka



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SLAASMB

Sri Lanka Accounting and Auditing
Standards Monitoring Board

Report of the Auditor General

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Sri Lanka Accounting and Auditing Standards Monitoring Board as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounts Payable

The allowances payable to the former Chairman of the Board amounting to Rs.831,250 for the period from 15 September 2011 to 31 December 2014 in terms of Public Enterprises Circular No. 58(2) of 15 September 2011 had been shown under the accounts payable without being taken prompt action.

2.2.2 Non-compliance with Laws, Rules, Regulations and Management Decisions

According to the Section 9.14 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the Board should be prepared and approved a Manual of Procedures providing rules and regulations relating to Management of Human Resources and thereafter obtain the concurrence of the Secretary to the Treasury thereto. Nevertheless, action had not been taken even up to 15 March 2015 to do so.

3. Financial Review

3.1 Financial Performance

According to the financial statements presented, the particulars of Government grants (adjusted) received and recurrent expenditure incurred during the year under review and the preceding year and the increase of grants as a percentage of the preceding year are given below.

Item	For the year ended 31 December		Increase as compared with the previous year	Increase as a percentage of previous year
	2014	2013		
	Rs.	Rs.	Rs.	%
Government grants received (adjusted)	64,411,051	57,491,167	6,919,884	12
Total recurrent expenditure	(63,842,178)	(56,365,201)	7,476,977	13
Grants utilized for capital expenditure	568,873	1,125,966		

4. Operating Review

4.1 Performance

The main objective for establishment of the Board is to reviewing the financial statements of the Specific Business Enterprises (SBE). Accordingly the Board had paid sums of Rs.1,910,000 and Rs.1,970,000 for the above services in the year under review and the preceding year respectively. Therefore, the average cost of reviewing a report in the year under review and the preceding year were Rs.1,592 and Rs.2,623 respectively.

Report of the Auditor General

According to the progress reports furnished to audit, the Board had performed the following targets during the year under review and the preceding two years.

Details	Year ended 31 December		
	2014	2013	2012
Number of financial statements received during the year	1,371	1,322	1,443
Number of financial statements reviewed	1,200	751	302
Number of financial statements reviewed as a percentage of number of financial statements received	87	57	21
Technical staff participated in the review	14	13	6
Number of financial statements reviewed by one technical officer during the year	86	58	50

The following observations are made in this connection.

- Although a Plan had been prepared for the year 2014 to review of 1,200 financial statements of Specified Business Enterprises, a part of that had been assigned to external reviewers. A formal methodology had not been adopted in respect of the assigning works to the reviewers and for carrying out the works by them. The Register of payments revealed that a reviewer who had problems in relating to the quality of reviews had done the most number of reviews in the year under review and a sum of Rs.520,000 had been paid for that reviewer.
- In terms of Section 31(1) of the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, a Cess tax should be recovered from every specified business. Nevertheless, the Cess imposed under the Notification published in the Gazette Extraordinary No. 1530/15 dated 01 January 2008 had been rescinded by the Board by the Notification published in the Gazette Extraordinary No. 1570/10 dated 07 October 2008. However, it was informed that the Board intends to reconsider the basis of charging Cess when revising the Act which is ongoing at present.

4.2 Staff Administration

The particulars relating to the approved and actual cadre of the Board as at 31 December 2014 had been as follows.

Category of Staff	Approved Cadre	Actual Cadre	Number of Vacancies
Senior Level	09	08	01
Tertiary Level	07	07	-
Secondary Level	04	03	01
Primary Level	01	01	-
	21	19	02

The following matters were observed in this connection.

- Even though according to the letter No. DMS/E1/4/6/11 dated 21 April 2011 received from the Department of Management Services, the officers who had held 06 posts in the Senior Management in the permanent basis of the Board including the Director General and the Deputy Director General had been deployed in the same posts on contract basis at higher salaries. In this regard it was informed to audit that this was due to the difficulty in recruiting qualified and experienced Chartered Accountants for the relevant posts of existing salaries scale of the Board. However, the approval of the Department of Management Services obtained in this connection was not made available to audit.
- Even though a Scheme of Recruitment for the overall staff of the Board should have been prepared and obtained the approval thereto in accordance with the above letter, action in that connection had not been taken even by 27 February 2015, the date of audit.

Report of the Auditor General

5. Accountability and Good Governance

5.1 Corporate Plan

Even though the Board had prepared a Corporate Plan for the period of 2013 to 2015 and an Action Plan for the year under review, certain activities included in the Action Plan did not agree with the Corporate Plan.

5.2 Internal Audit

The Board had appointed an Internal Auditor for the year 2014 only on 10 December 2014. Hence, the function of the internal audit was at very weak level due to submission of only a first half year Internal Audit Report on 28 February 2015 and failure to prepare a formal Internal Audit Plan at the beginning of the year. In this connection the Chairman had informed to audit that the internal audit was delayed until the appointments of Board members were confirmed.

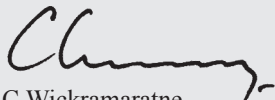
5.3 Budgetary Control

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

6. Systems and Controls

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

- (a) Maintenance of Books of Account
- (b) Personnel Management



W.P.C. Wickramaratne
Acting Auditor General

Statement of Financial Position

<i>As at</i>		31-Dec-14	31-Dec-13
	Note	Rs.	Rs.
ASSETS			
Non - Current Assets			
Property, plant and equipment	3	39,350,014	7,509,960
Deposits	4	5,138,775	1,340,550
		44,488,789	8,850,510
Current Assets			
Inventories	5	581,611	577,418
Accounts receivable	6	1,635,533	1,747,853
Cash and cash equivalents	7	923,954	285,580
		3,141,098	2,610,851
Total Assets		47,629,887	11,461,361
LIABILITIES			
Non - Current Liabilities			
Deferred income - government grant	8	40,203,275	4,604,325
Defined benefit obligations	9	2,971,962	2,069,909
		43,175,237	6,674,234
Current Liabilities			
Deferred income - government grant	10	-	-
Accounts payable	11	4,454,650	4,787,127
		4,454,650	4,787,127
Total Liabilities		47,629,887	11,461,361

The notes appearing on pages 43 to 49 form an integral part of the financial statements.

Members of the Board of Sri Lanka Accounting and Auditing Standards Monitoring Board are responsible for the preparation and presentation of these financial statements

These financial statements were approved by the Board and signed on their behalf



Chairman



Member



Director General



Finance and Administration Manager

10 June 2015

Statement of Financial Performance and Other Comprehensive Income

For the year ended 31 December

	Note	2014 Rs.	2013 Rs.
Revenue			
Government grants	12	63,429,561	57,631,494
Less: Grants released to the Institute of Chartered Accountants of Sri Lanka		2,500,000	2,500,000
		60,929,561	55,131,494
Operating Expenses			
Board Members' allowances		(612,000)	(520,000)
Auditor's remuneration	14	(126,000)	(123,715)
Staff costs	15	(31,627,090)	(28,446,361)
Fuel and lubricants		(1,164,000)	(1,209,750)
Press notices		(277,890)	(236,146)
Rent and building service charges		(6,351,852)	(5,730,505)
Depreciation and amortisation expenses	3	(3,498,813)	(3,141,098)
Electricity		(1,623,809)	(1,637,999)
Professional fees to reviewers		(1,910,000)	(1,970,000)
International memberships		(2,016,734)	(1,876,344)
International travel		(4,061,488)	(3,517,469)
Other administration expenses		(7,659,885)	(6,722,107)
Other Comprehensive Income			
Gain /(loss) on re measurement of the defined benefit obligation		(981,490)	140,327
Government grant related to re measurement of defined benefit obligation	12	981,490	(140,327)
		-	-
Net surplus / (deficit) for the year		-	-

The notes appearing on pages 43 to 49 form an integral part of the financial statements.

Statement of Changes in Net Assets

	Accumulated Fund Rs.
Balance as at 31 December 2012	-
Net surplus/deficit for the year	-
Balance as at 31 December 2013	-
Net surplus/deficit for the year	-
Balance as at 31 December 2014	-

The notes appearing on pages 43 to 49 form an integral part of the financial statements.

Cash Flow Statement

For the year ended 31 December

	Note	2014 Rs.	2013 Rs.
Cash flows from operating activities			
Net surplus / (deficit) for the year		-	-
Adjustments for;			
Government grants received during the year		100,010,000	55,215,000
Deferred government grants transferred to total comprehensive income	12	(64,411,051)	(57,491,167)
Grants received in the form of non-current assets	3	(34,770,000)	
Depreciation	3	3,498,813	3,141,098
Loss on disposal of office equipment		6	42,038
Interest received on investment in gratuity fund		(70,876)	(20,652)
Defined benefit obligation	15.1	1,767,647	750,616
Excess of income over expenditure / (expenditure over income) before working capital changes		6,024,539	1,636,933
(Increase) / decrease in rent deposit		(3,798,225)	-
(Increase) / decrease in inventories		(4,193)	(145,050)
(Increase) / decrease in accounts receivable		112,320	(152,630)
Increase / (decrease) in accounts payable		(332,476)	2,666,084
Net cash flows from operating activities		2,001,965	4,005,337
Cash flows from investing activities			
Purchase of property, plant and equipment		(568,873)	(1,125,966)
Investment in gratuity fund		(865,594)	(2,660,000)
Interest received on investment in gratuity fund		70,876	20,652
Net cash flows		638,374	240,023
Cash flows from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		638,374	240,023
Cash and cash equivalents at the beginning of the year		285,580	45,557
Cash and cash equivalents at the end of the year	7	923,954	285,580

The notes appearing on pages 43 to 49 form an integral part of the financial statements.

Notes to the Financial Statements

1. Corporate Information

The financial statements of Sri Lanka Accounting and Auditing Standards Monitoring Board for the year ended 31 December 2014 were authorised for issue by a resolution of the Members of the Board on 23 January 2015. Sri Lanka Accounting and Auditing Standards Monitoring Board is a Statutory Board established by Sri Lanka Accounting and Auditing Standards Act No.15 of 1995.

The function of the Board is to monitor compliance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards in the preparation, presentation and audit of financial statements of specified business enterprises under the provisions of Sri Lanka Accounting and Auditing Standards Act No.15 of 1995. The Board employed 13 permanent employees and 6 employees on contract basis as at 31 December 2014 (14 permanent and 5 on contract basis as at 31 December 2013).

2. Significant Accounting Policies

Basis of Preparation

The financial statements of the Board are prepared under the historical cost convention in conformity with Sri Lanka Public Sector Accounting Standards for Accrual Basis of Accounting.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Events after the date of the Statement of Financial Position

All material events after the date of the Statement of Financial Position are considered and appropriate adjustments or disclosure made in the financial statements, where necessary.

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged to the Statement of Financial Performance, on a straight-

line basis, over the estimated useful lives of the assets as follows.

Description	Estimated Useful Life
Motor Vehicles	5 Years
Office Equipment	4 Years
Furniture, Fixtures & Fittings	6-10 Years
Books and Publications	3 Years

Depreciation is provided in the year of purchase and in the year of sale based on the period used, with full depreciation being provided in the month of purchase and no depreciation being provided in the month of sale.

Items other than books and publications purchased at a cost not exceeding Rs.7500/-, all Accounting Standards and Auditing Standards, and other publications with a cost not exceeding Rs.1000/- are expensed in the year of purchase.

Inventories

Inventories are valued at lower of cost and net realisable value. The cost of the inventories is arrived at by using the first-in, first-out (FIFO) basis.

Accounts Receivable

Accounts Receivable are stated at the amounts estimated to be realised, and where necessary, allowance is made in the financial statements, for bad and doubtful debts.

Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are carried at cost.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

Accounts Payable

Liabilities for Accounts Payable are carried at the amount of cash and cash equivalents expected to be paid.

Notes to the Financial Statements

2. Significant Accounting Policies (Continued)

Defined Benefit Costs

The defined benefit obligation for retiring gratuities payable under the Payment of Gratuity Act No.12 of 1983 recognised in the Statement of Financial Position, represent the present value of the defined benefit obligation. All actuarial gains and losses are recognised immediately in the Statement of Financial Performance and Other Comprehensive Income.

Government Grants

Grants received from the General Treasury of the Government of Sri Lanka are recognised as income in the period in which the related costs are recognized.

Government grants utilized to acquire assets that will be expensed in subsequent periods are recognized as deferred income. Government Grants represented by other assets including cash and cash equivalents, less liabilities (other than liabilities on account of the Grants received) are recognized as liabilities.

Notes to the Financial Statements

3. Property, Plant and Equipment

	Motor Vehicles		Office Equipment		Furniture, Fixtures & Fittings		Library Books		Total	
As at	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13	31-Dec-14	31-Dec-13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost										
At beginning of the year	11,675,000	11,675,000	8,531,305	7,938,271	9,870,393	9,786,893	3,115,331	3,003,798	33,192,029	32,403,962
Additions	34,770,000	-	507,860	930,933	54,544	83,500	6,469	111,533	35,338,873	1,125,966
Disposals	(1,375,000)	-	(268,770)	(337,899)	(59,434)	-	-	-	(1,703,204)	(337,899)
At end of the year	45,070,000	11,675,000	8,770,395	8,531,305	9,865,503	9,870,393	3,121,800	3,115,331	66,827,698	33,192,029
Accumulated Depreciation										
At beginning of the year	6,794,998	4,994,998	6,581,602	5,774,171	9,350,766	9,186,352	2,954,703	2,881,311	25,682,069	22,836,832
Depreciation for the year	2,379,500	1,800,000	895,862	1,103,292	140,009	164,414	83,442	73,392	3,498,813	3,141,098
Depreciation on disposals	(1,374,999)	-	(268,766)	(295,861)	(59,433)	-	-	-	(1,703,198)	(295,861)
At end of the year	7,799,499	6,794,998	7,208,698	6,581,602	9,431,342	9,350,766	3,038,145	2,954,703	27,477,684	25,682,069
Written Down Value										
at end of the year	37,270,501	4,880,002	1,561,697	1,949,703	434,161	519,627	83,655	160,628	39,350,014	7,509,960

As at	31-Dec-14	31-Dec-13
	Rs.	Rs.

4. Deposits (Non-current)

Rent deposit	5,138,775	1,340,550
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5. Inventories

Stationery	581,611	577,418
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6. Accounts Receivable

Prepayments	1,555,533	1,667,853
Deposits	80,000	80,000
	1,635,533	1,747,853

7. Cash and Cash Equivalents

Cash on hand and in bank	923,954	285,580
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Notes to the Financial Statements

As at	31-Dec-14 Rs.	31-Dec-13 Rs.
8. Deferred Income - Government Grants (Non-current)		
Balance at the beginning of the year	6,780,601	6,928,387
Grants received and utilised to acquire non-current assets	568,873	1,125,966
Grants received in the form of non-current assets	34,770,000	-
Grants received and invested in gratuity fund	865,594	2,660,000
Increase of deposit (non-current)	3,798,225	-
Depreciation and amortisation expenses for the year	(3,498,813)	(3,141,098)
Interest received on gratuity fund	70,876	20,652
Loss on disposal of office equipment	(6)	(42,038)
Change in defined benefit obligation for the year	(1,838,523)	(771,268)
Balance at the end of the year	41,516,827	6,780,601
Transferred from deferred income - government grant (current)	(1,313,552)	(2,176,276)
	40,203,275	4,604,325
Represented by		
Property, plant and equipment	39,350,014	7,509,960
Deposit (non-current)	5,138,775	1,340,550
Less: Provision for gratuity	(2,971,962)	(2,069,909)
	41,516,827	6,780,601
Transferred from deferred income - government grant (current)	(1,313,552)	(2,176,276)
	40,203,275	4,604,325
9. Defined Benefit Obligations		
Balance at the beginning of the year	4,750,561	3,979,293
Charge for the year	664,055	491,161
Interest for the year	192,978	420,434
Actuarial gains / losses	981,490	(140,327)
	6,589,084	4,750,561
Payments during the year	(2,158,005)	-
	4,431,079	4,750,561
Gratuity fund (Note 9.1)	(1,459,117)	(2,680,652)
Balance at the end of the year	2,971,962	2,069,909
Present value of the obligation was measured using the following assumptions.		
Expected salary increment	10%	10%
Discount / interest rate	7.88%	10.61%
Staff turnover factor	9%	9%

The liability for gratuity is partly funded.

Notes to the Financial Statements

As at	31-Dec-14 Rs.	31-Dec-13 Rs.
9.1 Gratuity Fund		
Balance at the beginning of the year	2,680,652	-
Investments made during the year	865,594	2,660,000
Interest earned during the year	70,876	20,652
Payments during the year	(2,158,005)	-
Balance at the end of the year	1,459,117	2,680,652
10. Deferred Income - Government Grants (Current)		
Balance at the beginning of the year	(2,176,276)	(47,895)
Increase / (decrease) in inventories and accounts receivable	(108,127)	297,680
Increase / (decrease) in cash and cash equivalents	638,374	240,023
(Increase) / decrease in accounts payables	332,477	(2,666,084)
Balance at the end of the year	(1,313,552)	(2,176,276)
Transferred to deferred income - government grant (non-current)	1,313,552	2,176,276
	-	-
Represented by		
Inventories	581,611	577,418
Accounts receivable	1,635,533	1,747,853
Cash and cash equivalents	923,954	285,580
Less: Accounts payable	(4,454,650)	(4,787,127)
	(1,313,552)	(2,176,276)
Transferred to deferred income - government grant (non-current)	1,313,552	2,176,276
	-	-
11. Accounts Payable		
Auditors' remuneration	378,000	252,000
Grants payable to The Institute of Chartered Accountants of Sri Lanka	1,875,000	1,875,000
Professional fees payable to reviewers	70,000	160,000
Staff incentive payable	936,000	722,500
Other payables	1,195,650	1,777,627
	4,454,650	4,787,127

Notes to the Financial Statements

As at	31-Dec-14 Rs.	31-Dec-13 Rs.
12. Government Grants		
Government Grants received during the year	100,010,000	55,215,000
Grants received in the form of non-current assets	(34,770,000)	-
Grants used to increase rent deposit	(3,798,225)	-
Grants used for capital expenditure	(568,873)	(1,125,966)
Grants invested in gratuity fund	(865,594)	(2,660,000)
Grants used to finance net current assets	(862,723)	2,128,381
Depreciation and amortisation expenses for the year	3,498,813	3,141,098
Interest received on gratuity fund	(70,876)	(20,652)
Loss on disposal of office equipment	6	42,038
Defined benefit liability for the year	857,033	911,595
Grants shown in the Statement of Financial Performance	63,429,561	57,631,494
Grant related to remeasurement of defined benefit liability shown in Other Comprehensive Income	981,490	(140,327)
Total grants transferred to total comprehensive income shown in Cash Flow Statement	64,411,051	57,491,167

13. Net surplus / (deficit) for the year

Net surplus / (deficit) for the year is stated after charging all expenses including following

Annual report	945,807	820,706
Books and periodicals	914,878	986,024
Equipment maintenance	612,788	329,357
Stationery	785,182	409,977
Telephone	606,325	515,165
Training and development	847,750	759,249

14. Auditors' Remuneration

Current year	126,000	126,000
(Over) / under provisions in the previous years	-	(2,285)
	126,000	123,715

Notes to the Financial Statements

As at	31-Dec-14 Rs.	31-Dec-13 Rs.
15. Staff Costs		
Staff remuneration	14,274,465	14,117,251
Employees' provident fund	1,892,747	1,806,200
Employees' trust fund	473,187	451,550
Defined benefit obligation (Note 15.1)	786,157	890,943
Vehicle rent	2,304,455	1,788,077
Staff incentive	9,660,017	7,802,500
Other staff benefits	2,236,062	1,589,840
	31,627,090	28,446,361
15.1 Defined Benefit Obligation		
Charge for the year	664,055	491,161
Net interest for the year	122,102	399,782
	786,157	890,943
Actuarial gains / losses disclosed as other comprehensive income	981,490	(140,327)
Total Defined Benefit Obligation included in the Cash Flow Statement	1,767,647	750,616

16. Capital Commitments

There were no capital commitments as at 31 December 2014 (as at 31 December 2013 - Nil).

17. Contingent Liabilities

There were no contingent liabilities as at 31 December 2014 (as at 31 December 2013 - Nil).

18. Events after the Date of the Statement of Financial Position

There were no material events after the date of the Statement of Financial Position necessitating any adjustments or disclosure in the financial statements.

Specified Business Enterprises

The following have been defined as specified business enterprises by the Act and the regulations made under the Act:

- Companies licensed under the Banking Act No. 30 of 1988.
- Companies authorised under the Control of Insurance Act No. 25 of 1962, to carry on insurance business.
- Companies carrying on leasing business.
- Factoring Companies.
- Companies registered under the Finance Companies Act No. 78 of 1988.
- Companies licensed under the Securities and Exchange Commission Act No. 36 of 1987, to operate unit trust.
- Fund Management Companies.
- Companies licensed under the Securities and Exchange Commission Act No. 36 of 1987, to carry on business as stockbrokers or stock dealers.
- Companies licensed under the Securities and Exchange Commission Act No. 36 of 1987, to operate a Stock Exchange.
- Companies listed in a Stock Exchange licensed under the Securities and Exchange Commission Act No. 36 of 1987.
- Other Companies -
 - (a) which have a turnover in excess of Rupees 500 Million;
 - (b) which at the end of the previous financial year, had shareholders' equity in excess of Rupees 100 Million;
 - (c) which at the end of the previous financial year, had gross assets in excess of Rupees 300 Million;
 - (d) which at the end of the previous year, had liabilities to banks and other financial institutions in excess of Rupees 100 Million;
 - (e) which have a staff in excess of 1,000 employees.
- Public Corporations engaged in the sale of goods or the provision of services.
- A group of companies, anyone of which falls within any of the above categories. For this purpose, 'a group of companies' means a holding company and its subsidiaries, the accounts of which have to be consolidated under the Companies Act.

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Name of Organization

Sri Lanka Accounting and
Auditing Standards Monitoring Board

Legal Form

A Statutory Board established by
Sri Lanka Accounting
and Auditing Standards
Act No.15 of 1995

Country of Incorporation

Sri Lanka

Head Office

3rd Floor,
293, Galle Road,
Colombo 3

Telephone: 011 2301210

Fax: 011 2301211

E-mail: slaasmb@sltnet.lk

Website

www.slaasmb.org

Auditors**External Auditors**

The Auditor General
Auditor General's Department
No. 306/72, Polduwa Road
Battaramulla

Internal Auditors

B R De Silva & Company
Chartered Accountants
22/4, Vijaya Kumaranatunga Mw,
Colombo 05
Sri Lanka

Bankers

Bank of Ceylon

Legal Advisers

Attorney General
Attorney General's Department
Colombo 12

**Sri Lanka Accounting and Auditing
Standards Monitoring Board**

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