

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

OF

ZOTA HEALTHCARE LANKA (PVT) LTD

REGISTERED ADDRESS  
NO.7 ½, DEVANAMPIYA IISSA MA WATHA,  
COLOMBO 10.

DINITWAY PARTNERS  
Chartered Accountants



**Dinitway Partners**

CHARTERED ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE SHAREHOLDERS OF ZOTA HEALTHCARE LANKA (PVT) LTD**

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Zota Healthcare Lanka (Pvt) Ltd, which comprise the statement of financial position as at March 31, 2020, and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2020, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities "SLFRS for SMEs".

#### **Basis for Opinion**

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements of the code of ethics issued by CA Sri Lanka (code of ethics) that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities "SLFRS for SMEs", and for such internal controls as the management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at:

<http://slaasc.com/auditing/auditorsresponsibilitv.php>. This description forms part of auditor's report.

## **Report on Other Legal and Regulatory Requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for *the* audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

**S/d-**

**DINITWAY PARTNERS**

*CHARTERED ACCOUNTANTS*

Columbo.

June 17, 2020

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended March 31, 2020

	2020 Rs.	2019 Rs.
Revenue		
Less: Expenses	-	-
Audit & Accounting fees	(12,000)	(10,000)
Secretarial fees	(18,000)	-
ROC charges	(12,240)	-
Company Incorporation Expenses	-	(75,000)
Results from Operating Activities	(42,240)	(85,000)
Finance Expenses	(6,607)	-
Profit / ( Loss ) before Tax	(48,847)	(85,000)
Tax Expense	-	-
Profit / ( Loss ) after Tax	(48,847)	(85,000)

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Figures in brackets indicate deductions.

Notes to the Financial Statements From Pages 7 to 9 form an integral part of these Financial Statements.

**STATEMENT OF FINANCIAL POSITION**

As at 31 March, 2020

	31/03/2020	2019/03/31
	<u>Rs.</u>	<u>Rs.</u>
<b>ASSETS</b>		
Non-Current Assets		
Property, Plant and Equipment	-	-
Total Non-Current Assets	<u>-</u>	<u>-</u>
<b>Current Assets</b>		
Receivables from Zota Health Care Ltd	-	2,00,000
Cash at Bank	1,83,393	-
<b>Total Current Assets</b>	<u>1,83,393</u>	<u>2,00,000</u>
<b>TOTAL ASSETS</b>	<u><b>1,83,393</b></u>	<u><b>2,00,000</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated Capital	2,00,000	2,00,000
Retained Earnings	(1,33,847)	(85,000)
Total Equity	<u><b>66,153</b></u>	<u><b>1,15,000</b></u>
<b>Current Liabilities</b>		
Payable to Key Management Personnel	75,000	75,000
Audit Fees Payables	12,000	10,000
Secretarial fees & other ROC charges	30,240	-
<b>Total Current Liabilities</b>	<u>1,17,240</u>	<u>85,000</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,83,393</b></u>	<u><b>2,00,000</b></u>

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

**S/d-****Chief Financial Officer**

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

Approved and signed for and on behalf of the Board of Directors of the company.

**DIRECTORS****1. S/d-****2. S/d-**

Date: May 20, 2020

COLOMBO

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Figures in brackets indicate deductions.

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**STATEMENT OF CHANGES IN EQUITY**

For the year ended March 31, 2020

	Stated Capital Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at July 23, 2018	-	-	-
Issue of Shares	200,000	-	200,000
Profit / (Loss) for the Period	-	(85,000)	(85,000)
Balance as at 01 <sup>st</sup> April 2019	<u>200,000</u>	<u>(85,000)</u>	<u>115,000</u>
Profit/ (Loss) for the Period	-	(48,847)	(48, 847)
Balance as at March 31, 2020	<u>200,000</u>	<u>(133,847)</u>	<u>66,153</u>

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Figures in brackets indicate deductions.

Notes to the Financial Statements From Pages 7 to 9 form an integral part of these Financial Statements.

**STATEMENT OF CASH FLOWS**

For the year ended March 31, 2020

	<b>2020</b>	<b>2019</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxation	(48,847)	(85,000)
<b>ADJUSTMENTS FOR</b>		
Depreciation	-	-
<b>Operating Profit / ( Loss ) before Working Capital Changes</b>	<b>(48,847)</b>	<b>(85,000)</b>
(Increase) / Decrease in Other receivables	200,000	(200,000)
Increase / (Decrease) in payables to Key Management		75,000
Increase / (Decrease) in Accrued Expenses	32,240	10,000
<b>Net Cash from / ( used in ) Operating Activities</b>	<b>232,240</b>	<b>(200,000)</b>
<b>CASH FLOWS FROM (USED IN) INVESTWG ACTIVITIES</b>		
Issue of Shares	-	200,000
Acquisition of Fixed Assets	-	-
<b>Net Cash from / ( used in ) Investing Activities</b>	<b>-</b>	<b>200,000</b>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES</b>		
<b>Net Cash from / ( used in ) Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>183,393</b>	<b>-</b>
Cash & Cash Equivalents at the Beginning of the Year		
<b>Cash &amp; Cash Equivalents at the End of the Year</b>	<b>183,393</b>	<b>-</b>
<b>Analysis of Cash &amp; Cash Equivalents</b>		
Cash & Cash Equivalents at the beginning of the year		
Cash & Bank Balances	183,393	-
	<b>183,893</b>	<b>-</b>

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Figures in brackets indicate deductions.

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ZOTA HEALTHCARE LANKA PVT LTD

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31<sup>st</sup> March 2020

### 1. CORPORATE INFORMATION

#### 1.1. General

Zota Healthcare Lanka (Pvt) Ltd is a Limited Liability Company incorporated and domiciled in Sri Lanka. The registered office of the Company and the principal place of business is situated at No. 7 1/2, Devanmpiyathissa Maratha, Colombo 10.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of Preparation

These **financial** statements have been **prepared in accordance** with the Sri **Lanka** Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements are prepared on the **historical** cost basis in accordance with Generally Accepted Accounting Principles and the Sri Lanka Accounting Standards for SMEs. No adjustment is made for inflationary factors affecting these accounts.

The said financial statements are presented in Sri Lankan Rupees which is the company's functional **currency**.

#### 2.2. Going Concern

When preparing the financial statements the Management has assessed the ability of the Company to continue as a going concern. The Management has its reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company does not foresee a need for liquidation or cessation of operations, taking into account all available information about future. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

#### 2.3. Taxation

##### *Current Taxes*

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed accordance with the provisions of the Inland Revenue Act to. 24 of 2017.

#### 2.4. Financial Instruments

##### *(i) Financial Assets*

##### *(a) Trade and Other Receivable*

Trade and other receivable are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.



**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31" March 2020

**(b) Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

**(ii) Financial Liabilities****(a) Trade and Other Payables**

Trade **payables** are obligations on the basis of normal credit terms and do not bear interest. Trade Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

**(b) Liabilities and Provisions**

All known liabilities as at the balance sheet date have been included in the financial statements. A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**2.5. Assets and Basis of their Valuation****2.5.1. Property, Plant and Equipment****(a) Cost**

Property, Plant and Equipment are stated cost less accumulated depreciation and any accumulated impairment losses. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

**(h) Depreciation**

Depreciation is recognized in Profit and Loss on a straight line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment.

Leased assets are depreciated over the shorter of the lease terms and other useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease period, Freehold land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

**2.6. Income Statement****Revenue Recognition**

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

ZOTA HEALTHCARE LANKA (PVT) LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31" March 2020

**2.7. Expenditure Recognition**

- (a) Expenses are recognized in the Statement of Comprehensive Income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit/(loss) for the year.

**2.8. Events occurring after the Reporting Period**

The directors monitor events closely and where necessary adjustments or disclosures are made in the current Financial Statements in respect of material post balance sheet events as appropriate.

**2.9. Contingent Liabilities**

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

**2.10. Statement of Cash Flow**

The cash flow statement has been prepared by using Indirect Method in accordance with the SLFRS for SME Section 7 on Cash flow statements.

The Indirect Method discloses the profit or loss adjusted by the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.