

LIRNE asia

FINANCIAL STATEMENTS
31ST MARCH, 2021

Wijeyeratne & Company
Chartered Accountants



INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF L I R N E a s i a
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of **L I R N E a s i a** (the Company), which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards. 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 Standards, and for such internal control as management determines is 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, 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.

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: www.slasc.com/auditingstandards/auditors_responsibility. This description forms part of our 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.

Wijeyeratne
CHARTERED ACCOUNTANTS
COLOMBO, 11TH AUGUST 2021



L I R N E asia
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2021.

	<u>NOTES</u>	<u>2021</u> Rs.	<u>2020</u> Rs.
REVENUE	(03)	19,901,442	27,988,623
OTHER INCOME	(04)	2,498,183	2,330,811
ADMINISTRATIVE EXPENSES		(25,611,979)	(29,454,331)
FINANCE COSTS	(05)	(1,778,173)	(561,570)
(LOSS)/PROFIT BEFORE TAX	(06)	(4,990,527)	303,533
INCOME TAX EXPENSE	(07)	487,542	(702,206)
NET LOSS FOR THE YEAR		<u>(4,502,985)</u>	<u>(398,673)</u>



The significant accounting policies and notes from pages 6 to 18 form an integral part of these financial statements.

L I R N E asia
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2021.

ASSETS	NOTES	2021 Rs.	2020 Rs.
Non-current assets			
Property, plant and equipment	(08)	2,275,200	1,237,363
Deferred tax asset	(09)	1,863,988	1,279,672
		<u>4,139,188</u>	<u>2,517,035</u>
Current assets			
Trade and other receivables	(10)	4,860,102	4,473,020
Current other financial assets	(11)	53,420,923	53,494,785
Taxation	(16)	41,599	-
Cash and cash equivalents	(12)	69,961,278	52,175,408
		<u>128,283,902</u>	<u>110,143,213</u>
Total assets		<u>132,423,090</u>	<u>112,660,248</u>
EQUITY AND LIABILITIES			
Equity			
Retained earnings		13,740,695	18,243,680
Exchange Equalization Reserve		5,618,471	4,522,351
		<u>19,359,166</u>	<u>22,766,031</u>
Non-current liabilities			
Retirement benefit obligation	(13)	13,482,217	9,340,371
Projects	(14)	61,074,718	45,927,090
		<u>74,556,935</u>	<u>55,267,461</u>
Current liabilities			
Trade and other payables	(15)	38,106,365	34,604,319
Taxation	(16)	-	22,437
Bank overdrafts	(12)	400,624	-
		<u>38,506,989</u>	<u>34,626,756</u>
Total liabilities		<u>113,063,924</u>	<u>89,894,217</u>
Total equity and liabilities		<u>132,423,090</u>	<u>112,660,248</u>

The Board of Directors are responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of The Board by,


Director


Director

August 11, 2021

The significant accounting policies and notes from pages 6 to 18 form an integral part of these financial statements.

Wijeyeratne & Company
Chartered Accountants



L I R N E a s i a
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021.

	Retained earnings	Exchange Equalization Reserve	Total
	Rs.	Rs.	Rs.
Balance as at 01st April, 2019	18,642,353	3,000,960	21,643,313
Loss for the year	(398,673)		(398,673)
Movement During the Year	-	1,521,391	1,521,391
Balance as at 31st March, 2020	18,243,680	4,522,351	22,766,031
Balance as at 01st April, 2020	18,243,680	4,522,351	22,766,031
Loss for the year	(4,502,985)		(4,502,985)
Movement During the Year	-	1,096,120	1,096,120
Balance as at 31st March, 2021	13,740,695	5,618,471	19,359,166

The significant accounting policies and notes from pages 6 to 18 form an integral part of these financial statements.

Wijeyeratne & Company
Chartered Accountants



L I R N E asia
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021.

	<u>2021</u>	<u>2020</u>
	Rs.	Rs.
Cash flows from operating activities		
(Loss)/ profit for the year	(4,502,985)	303,533
Adjustments for non - cash income and expenses :		
Depreciation of property, plant and equipment	895,397	769,040
Interest income	(2,498,183)	(2,330,811)
Income tax paid	(487,542)	(1,103,997)
Provision for gratuity	3,432,011	1,506,852
Exchange Equalization Reserve	1,535,266	1,970,020
Changes in working capital		
Gratuity paid	-	(1,922,511)
Increase in trade and other receivables	(387,082)	200,716
Increase / (Decrease) in trade and other payables	3,502,046	2,754,959
Net cash (absorbed in) / generated from operating activities	<u>1,488,928</u>	<u>2,147,801</u>
Cash flows from investing activities		
Interest received	2,498,183	2,330,811
Investment in fixed deposits	73,862	(25,745,104)
Acquisition of property, plant and equipment	(1,823,355)	(460,996)
Net cash absorbed in investing activities	<u>748,690</u>	<u>(23,875,289)</u>
Cash flows from financing activities		
Proceeds received from funds	15,147,628	11,694,894
Net cash generated from / (absorbed in) financing activities	<u>15,147,628</u>	<u>11,694,894</u>
Net decrease in cash and cash equivalents	<u>17,385,246</u>	<u>(10,032,594)</u>
Cash and cash equivalents at the beginning of the year	52,175,408	62,208,002
Decrease	17,385,246	(10,032,594)
Cash and cash equivalents at the end of the year	<u>69,560,654</u>	<u>52,175,408</u>
Note : (a)		
Income tax paid	-	1,103,997

The significant accounting policies and notes from pages 6 to 18 form an integral part of these financial statements.

Wijeyeratne & Company
Chartered Accountants



L I R N E asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021.

(01) CORPORATE INFORMATION

1.1 Domicile and legal form

L I R N E asia is a Company limited by guarantee incorporated and domiciled in Sri Lanka and the registration number of the Company is GA 41. The registered office and principal place of business of the Company is situated at No.12, Balcombe place, Colombo 08, Sri Lanka.

1.2 Principal activities and nature of operations

The Company is engaged in support economic and other reforms in networked economics that would enable people in Sri Lanka and Asia to better use information and communication technologies (ICTs) and complementary infrastructures, through dialogue, policy and regulatory advice, research, development, consultancy, training and other activities.

2.1 General

2.1.1 Basis of preparation

These financial statements have been prepared in accordance with the *Sri Lanka Accounting Standard for Small and Medium- Sized Entities* issued by the Institute of Chartered Accountants of Sri Lanka. These Financial Statements are presented in Sri Lankan Rupees (Rs.) and all financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee.

The Financial Statements were authorized for issue by the Board of Directors on 11th August 2021.

2.1.2 Comparative information

The Accounting Policies are consistently applied by the Company and are consistent with those of the previous year other than those required by the Sri Lanka Accounting Standards for Small and Medium Sized Entities. The previous year's figures and phrases are re-arranged wherever necessary to conform to the current year's presentation.

2.1.3 Going concern

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

2.1.4 Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Notes to the financial statements continued on page 7.



L I R N E asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.5 General (Continued)

2.1.5 Taxation

a) Current taxes

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No.24 of 2017 and subsequent amendments thereto.

b) Deferred taxation

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.1.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.1.7 Events occurring after the reporting date

All material events occurring after the reporting date are considered and where appropriate adjustments to or disclosures are made in the respective notes to the accounts.

Notes to the financial statements continued on page 8.



LIRNE asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1.5 General (Continued)

2.1.8 Foreign Currency Translation

All foreign exchange transactions are converted to Sri Lankan Rupees, which is the Company's reporting currency at the rates of exchange prevailing at the time the transactions are effected. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupees equivalents at the end of each reporting period using the closing spot foreign exchange rates.

Non monetary assets and liabilities measured at historical cost are translated using exchange rates that existed when the values were determined. Non monetary assets and liabilities measured at fair value are translated using the exchange rate that existed when the fair values were determined. The resulting exchange difference is recognised in the profit or loss for the period.

2.2 Assets and basis of their valuation

Assets classified as current assets in the Statement of financial position are cash and those which are expected to be realized in cash during the normal operating cycle of the Company's business or within one year from the reporting date whichever is shorter. Assets other than current assets are those which the Company intends to hold beyond a period of one year from the reporting date.

2.2.1 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Computers	Over 03 Years
Furniture and fittings	Over 04 Years
Equipment	Over 04 Years
Vehicle	Over 04 Years

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.2.2 Investments

All long term investments are stated at cost less any amount written off to reflect any permanent diminution in value of such investments.

The cost of the investment is the cost of acquisition inclusive of brokerage fees and bank fees.

Notes to the financial statements continued on page 9.



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NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Assets and basis of their valuation (Continued)

2.2.3 Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

2.2.4 Impairment of assets

At each reporting date, property, plant and equipment and investments are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss. Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognized immediately in profit or loss. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.2.5 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, deposits in banks net of outstanding bank overdrafts.

Interest paid is classified as operating cash flows, for the purpose of presentation of cash flow statement, reported based on indirect method.

Notes to the financial statements continued on page 10.



LIRNE asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 2021. (CONTINUED)

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Liabilities and provisions

Liabilities classified as current liabilities on the statement of financial position are those which fall due for payment on demand or within one year from the reporting date.

Non current liabilities are those balances that fall due for payment after one year from the reporting date.

All known liabilities have been accounted for in preparing these Financial Statements. Provisions and liabilities are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.3.1 Trade and other payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lankan Rupees (Rs.) using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

2.3.2 Employee benefit

2.3.2.1 Defined benefit plan – Retirement gratuity

If an entity is not able, without undue cost or effort to use the projected unit credit method to measure its obligation and cost under defined benefit plans, the entity is allowed to adopt a simplified method in measuring its defined benefit obligation with respect to current employees.

Full provision has been made on account of retiring gratuity from the first year of service of the employee, in conformity with Section 28.19 of the Sri Lanka Financial Reporting Standards for Small and Medium Sized Enterprises "Employee Benefits" at half (1/2) month's salary each year of service from the date commencement of service.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liabilities for gratuity to an employee arise only on completion of five years continued service with the Company.

The liability is not externally funded nor actuarially valued.

Notes to the financial statements continued on page 11.



L I R N E a s i a
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Liabilities and provisions (Continued)

2.3.2.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution in to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to defined contribution plans are recognized as an employee benefit expense in the statements of comprehensive income in the period during which services are rendered by employees.

a) Employees' Provident Fund

The Company and employees contribution 12% and 8% respectively on the salary of each employee to the approved provident fund.

b) Employees' Trust Fund

The Company contribution 3% of the salary of each employee to the Employees' Trust Fund.

2.3.3 Bank loans and overdrafts

Interest bearing liabilities are initially recognized at the transaction price including transaction costs, and subsequently measured at amortized cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

2.3.4 Capital commitments and contingencies

All material capital commitments and contingent liabilities of the Company are disclosed in the respective notes to the accounts.

2.4 Statement of comprehensive income

2.4.1 Revenue recognition

(a) Revenue

Revenue is recognised 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 discounts and sales-related taxes collected on behalf of the government of Sri Lanka.

(b) Finance income

Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Notes to the financial statements continued on page 12.



LIRNE asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

(02) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Statement of comprehensive income (Continued)

(c) Dividend income

Dividend income from investments is recognized in the period in which the Company's right to receive payment has been established, and is included in "other income".

(d) Other income

Other income is recognized on an accrual basis.

2.4.2 Expenditure recognition

- (a)** All 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 the statement of comprehensive income in arriving at the profit for the year.
- (b)** For the purpose of presentation of statement of comprehensive income the Directors are of the opinion that the function of expenses method presents fairly the elements of the Company's performance, hence such presentation method is adopted.

Notes to the financial statements continued on page 13.



(1)

L I R N E asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

(08) PROPERTY, PLANT AND EQUIPMENT

	As at 01st April, 2020	Additions / Adjustments	(Disposals) / Adjustments	Exchange Gain /Loss on realization	As at 31st March, 2021
Cost	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold assets					
Furniture and fittings	597,182	20,412	-	34,454	652,048
Computer	3,238,667	1,656,943	-	276,185	5,171,795
Equipment	4,905,723	146,000	-	274,128	5,325,851
Vehicles	10,698,919	-	-	590,698	11,289,617
	<u>19,440,491</u>	<u>1,823,355</u>	<u>-</u>	<u>1,175,465</u>	<u>22,439,311</u>
Accumulated depreciation					
Freehold assets					
Furniture and fittings	457,978	54,255	-	28,552	540,785
Computer	2,586,980	611,123	-	187,130	3,385,233
Equipment	4,459,251	230,019	-	259,206	4,948,476
Vehicles	10,698,919	-	-	590,698	11,289,617
	<u>18,203,128</u>	<u>895,397</u>	<u>-</u>	<u>1,065,586</u>	<u>20,164,111</u>
Carrying value	<u><u>1,237,363</u></u>				<u><u>2,275,200</u></u>

Notes to the financial statements continued on page 15.

Wijeyeratne & Company
Chartered Accountants



L I R N E asia

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

	<u>2021</u> Rs.	<u>2020</u> Rs.
(09) DEFERRED TAX ASSET		
Balance at the beginning of the year	1,279,672	1,227,183
Reversal for the year	487,542	21,214
Exchange Equalization Reserve	96,774	31,275
Balance at the end of the year	<u>1,863,988</u>	<u>1,279,672</u>

	<u>2021</u>		<u>2020</u>	
	Temporary Difference Rs.	Tax effect on Temporary Difference Rs.	Temporary Difference Rs.	Tax effect on Temporary Difference Rs.
Deferred tax provision from ;				
On property, plant and equipment	(168,386)	(23,522)	(199,857)	(27,980)
On retirement benefit obligation	13,482,217	1,887,510	9,340,371	1,307,652
Balance at the end of the year	<u>13,313,831</u>	<u>1,863,988</u>	<u>9,140,514</u>	<u>1,279,672</u>

	<u>2021</u> Rs.	<u>2020</u> Rs.
(10) TRADE AND OTHER RECEIVABLES		
Prepayments	2,087,905	2,167,662
Interest Receivable	1,556,077	1,430,144
Advances	477,491	452,508
Other receivables	653,839	422,706
	84,790	-
	<u>4,860,102</u>	<u>4,473,020</u>
(11) CURRENT OTHER FINANCIAL ASSETS		
Investments in fixed deposits		
Fixed Deposits	53,420,923	53,494,785
	<u>53,420,923</u>	<u>53,494,785</u>

Notes to the financial statements continued on page 16.



L I R N E asia
NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

	<u>2021</u> Rs.	<u>2020</u> Rs.
(12) CASH AND CASH EQUIVALENTS		
Favourable balances		
Current accounts		
Hatton National Bank A/c No003010507486- LKR	-	1,478,333
National Development Bank A/c No.101000377776- LKR	1,181,595	410,664
Nations Trust Bank A/c No.002100013507- LKR	13,405,109	428,940
Savings accounts		
Hatton National Bank		
A/c No.003910404375- CAD	606,070	4,126,330
A/c No.- 003910404384-USD	52,440,662	40,838,896
National Development Bank A/c No.106500002371- USD	1,374,156	3,964,398
Petty Cash	20,000	20,000
Cash in safe	933,686	907,847
	<u>69,961,278</u>	<u>52,175,408</u>
Unfavourable balances		
Bank overdrafts		
Nation Trust Bank A/c No.002100013507- LKR	(400,624)	-
Cash and cash equivalents for the purpose of statement of cash flows.	<u>69,560,654</u>	<u>52,175,408</u>
(13) RETIREMENT BENEFIT OBLIGATION		
Balance at the beginning of the year	9,340,371	9,127,645
Add : Provision for the year	3,432,011	1,506,852
	<u>12,772,382</u>	<u>10,634,497</u>
Less : Payments made during the year	-	(1,922,511)
Exchange gain/loss	709,835	628,385
Balance at the end of the year	<u>13,482,217</u>	<u>9,340,371</u>

Notes to the financial statements continued on page 17.

Wijeyeratne & Company
Chartered Accountants



L I R N E asia

NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

	<u>2021</u> Rs.	<u>2020</u> Rs.
(14) PROJECTS		
NTT project	-	12,072
MCC Project	-	422,894
Megatrends	2,411,342	2,285,175
GPSDD	-	1,388,270
IDRC - Big Data Network	-	5,140,559
IDRC - Turning Evidence	-	(2,747,491)
FORD 4	661,800	2,403,819
IDRC - Digital Platform	867,606	6,552,856
IDRC - Cyber Policy Research	10,581,839	30,468,936
Developing Artificial Intelligence	6,002,579	-
Education Forum	2,587	-
Face Book Project	4,927,178	-
GSMA 2020	14,217,263	-
IDRC RIA COVID	18,594,898	-
PUCSL 2020	90,761	-
Vriens & Partner	2,716,865	-
	<u>61,074,718</u>	<u>45,927,090</u>
(15) TRADE AND OTHER PAYABLES		
Other creditors		
Other Payables	7,908,962	6,372,648
Direct non related project expenses	5,293,408	5,016,445
	<u>13,202,370</u>	<u>11,389,093</u>
Accruals		
Auditors' remuneration	135,744	120,153
Staff Development Provision	23,884,524	22,634,832
Humanitarian Reserve	796,150	377,247
Income tax on donor's interest	87,577	82,994
	<u>24,903,995</u>	<u>23,215,226</u>
	<u>38,106,365</u>	<u>34,604,319</u>

Notes to the financial statements continued on page 18.



NOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021. (CONTINUED)

	<u>2021</u> Rs.	<u>2020</u> Rs.
(16) TAXATION		
Balance at the beginning of the year	22,437	476,716
Income tax under provision	-	365,765
Adjustment for exchange difference	-	62,995
Add : WHT Reversal		
Provision for the year	12,738	-
- Tax on taxable income	-	-
	-	294,660
	<u>35,175</u>	<u>1,200,136</u>
Less : Payments made during the year		
- Income tax	-	1,094,424
- Withholding tax (W.H.T.)	-	83,275
- Exchange Equalization Reserve	76,774	-
	<u>(76,774)</u>	<u>(1,177,699)</u>
Balance at the end of the year	<u>(41,599)</u>	<u>22,437</u>

(17) DIRECTORS INTEREST IN CONTRACTS

Prof. Rohan Samarajiva who is a director of the organisation received a sum of Rs. 4,023,890 from the LIRNE asia as consultancy fees during the year.

Mr. Shaheen Carder who is a director of LIRNE asia has been a consultant at Second Curve (Pvt) Ltd. Second curve (Pvt) Ltd was paid LKR 162,211.51 during this period for a research conducted

(18) CAPITAL COMMITMENTS AND CONTINGENCIES

There have been no capital commitments and contingent liabilities as at the reporting date.

(19) EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events occurring after the reporting date 31st March, 2021 that require adjustments to or disclosure in the financial statements.

L I R N E asia
INCOME STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021.

	<u>SCHEDULES</u>	<u>2021</u> Rs.	<u>2020</u> Rs.
REVENUE	(I)	19,901,442	27,988,623
ADD :			
OTHER INCOME			
Interest income		2,498,183	2,330,811
		<u>2,498,183</u>	<u>2,330,811</u>
LESS :			
EXPENSES			
Administration and establishment expenses	(II)	25,611,979	29,454,331
Finance costs	(III)	1,778,173	561,570
		<u>27,390,152</u>	<u>30,015,901</u>
NET (LOSS)/PROFIT FOR THE YEAR		<u>(4,990,527)</u>	<u>303,533</u>



L I R N E asia
SCHEDULES TO THE FINANCIAL STATEMENTS - 31ST MARCH, 2021.

	<u>2021</u> Rs.	<u>2020</u> Rs.
(I) REVENUE		
Income Received	19,901,442	27,988,623
(II) ADMINISTRATION AND ESTABLISHMENT EXPENSES		
Auditors' remuneration	92,497	114,324
Job hire advertisement	10,550	70,741
Consultancy and Research Fees	3,529,783	8,143,750
Courier Charges	77,050	66,617
Training and Educational Expenses	9,043	40,920
Professional Fees	366,787	37,215
Furniture Fittings Hiring and Maintenance Charges	-	935,629
Humanitarian Assistance	376,771	358,945
Printing and Stationery	209,862	1,258,491
Telephone Charges - Local and International	363,019	628,583
Water	41,633	74,838
Traveling Expenses	275,043	252,861
Staff Welfare	168,982	220,895
Casual Wages	181,982	231,852
Office Maintenance	210,238	447,592
Computer maintenance	123,581	93,021
EPF Contribution	1,218,290	1,000,962
ETF Contribution	304,620	250,255
Salaries	10,153,047	8,341,375
Gratuity	3,432,011	1,506,852
Business Development and Improvement Expenses	70,833	1,755,242
Web Maintenance	360,759	364,150
Medical Bills	135,638	32,485
Insurance staff	268,826	209,482
Rent	1,923,795	1,303,704
Electricity	172,373	423,719
Depreciation	895,397	769,040
Subscription	327,226	195,117
Vehicle Maintenance	217,209	135,891
Fuel for Vehicles	73,659	76,154
Board Meeting	9,984	107,486
Stamp Duty	10,926	6,143
Penalty Charges	565	-
	<u>25,611,979</u>	<u>29,454,331</u>
(III) FINANCE COSTS		
Bank Charges	263,552	395,199
Exchange Loss	1,514,621	166,371
	<u>1,778,173</u>	<u>561,570</u>

Wijeyeratne & Company
Chartered Accountants

