

## CASH FLOW STATEMENT

As at 31 March 2007

|   | Note | 2007<br>Rs.           | 2006<br>Rs.           |
|---|------|-----------------------|-----------------------|
| <b>Cash flow from Operating Activities</b>                |      |                       |                       |
| Excess of Income over Expenditure for the year            |      | (1,158,282.63)        | 180,835.15            |
| <b>Adjustments for</b>                                    |      |                       |                       |
| Depreciation  | 6    | 58,616.90             | -                     |
| Revenue earned  | 5    | (367,697.06)          | (604,748.02)          |
| Provision for Defined Benefit Plans                       | 15   | 4,483,020.83          | -                     |
| Finance cost  | 7    | 55,384.47             | -                     |
| Tax Paid  |      | (12,879.00)           | (29,562.48)           |
| <b>Operating Profit</b>                                   |      | <u>3,058,163.51</u>   | <u>(453,475.35)</u>   |
| (Increase) / Decrease in Unrestricted Funds               |      | 1,494,415.00          | -                     |
| (Increase) / Decrease in Debtors                          |      | (1,166,800.31)        | 48,014.29             |
| Increase / (Decrease) in Creditors                        |      | 3,448,528.35          | 1,854,207.26          |
| Increase / (Decrease) in Restricted Funds                 |      | (9,164,897.47)        | (4,524,531.09)        |
| <b>Cash Generated from operations</b>                     |      | <u>(5,388,754.43)</u> | <u>(2,622,309.54)</u> |
| Finance Costs paid  |      | (55,384.47)           | -                     |
| Defined Benefit Plan Costs paid                           | 7    | (178,750.00)          | -                     |
| <b>Net Cash Flow from Operating Activities</b>            |      | <u>(2,564,725.39)</u> | <u>(3,075,784.89)</u> |
| <b>Cash Flow from Investing Activities</b>                |      |                       |                       |
| Acquisition of Property, Plant & Equipment                | 9    | (636,645.50)          | (731,852.97)          |
| Investment in Treasury Bills                              |      | -                     | 13,000,000.00         |
| Interest Received   |      | 367,697.06            | 604,748.02            |
| <b>Net Cash Flow from Investing Activities</b>            |      | <u>(268,948.44)</u>   | <u>12,872,895.05</u>  |
| <b>Cash Flow from Financing Activities</b>                |      |                       |                       |
| Salary Fund   |      | -                     | (70,162.80)           |
| Excess Funds received on projects transferred to CPA Fund |      | -                     | 1,361,314.69          |
| <b>Net Cash Flow from Financing Activities</b>            |      | <u>-</u>              | <u>1,291,151.89</u>   |
| <b>Net Increase in cash and cash equivalents</b>          |      | (2,833,673.83)        | 11,088,262.05         |
| Cash & Cash Equivalents at the beginning of the Year      |      | 18,358,096.64         | 7,269,834.59          |
| <b>Cash &amp; Cash Equivalents at the end of the year</b> |      | <u>15,524,422.81</u>  | <u>18,358,096.64</u>  |

The accounting policies and notes on pages 7 through 23 form an integral part of the financial statements.

Colombo  
January 10, 2008