

Info Media (Private) Limited - 2015

The audit of the financial statements of the Info Media (Private) Limited (“the Company”) for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, 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.

This report is issued in terms of Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

1.2 Board’s Responsibility for the Financial Statements

Board of Directors (“Board”) is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs) and for such internal control as the Board 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. 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 judgments, including the assessment of the risk 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 Company’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 Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

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

1.4 Basis for Adverse Opinion

- (a) The Company has been non-operating since the year 2012 due to continuous business losses and negative net assets position. The negative net asset position of the Company as at 31 December 2015 was Rs. 4,496,257 and as such the Board had decided on 08 February 2016, to write off and write back the total current asset of Rs. 185,511 and total current liabilities of Rs. 4,681,768 respectively. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. However, these facts had not been disclosed in the financial statements for the year under review.
- (b) The Company had not made an explicit and unreserved statement in the financial statements about its compliance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

2 Financial Statements

2.1 Adverse Opinion

In my opinion, because of the matters described in the Basis for Adverse Opinion paragraph, the financial statements do not give a true and fair view of the financial position of the Info Media (Private) Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

2.2 Comments on Financial Statements

2.2.1 Compliance with SLFRS for SMEs.

The Accounting Standards applied in the preparation of financial statements had not been disclosed.

2.2.2 Accounting Deficiencies

Closing balances of following creditors' accounts appeared as at 31 December 2014 had been brought forwarded incorrectly as opening balances at the beginning of the year under review. Hence, the following differences were observed between those two balances.

Item of Accounts	Closing Balance as at 31 December 2014	Opening Balance as at 01 January 2015	Difference
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	Rs.	Rs.	Rs.
Other creditors	259,500	860,000	600,500
ANCL Current Account	4,417,933	3,813,833	604,100

3. Financial Review

3.1 Financial Results

According to the financial statements presented, no activities other than payment of Rs.2,500 as audit fees for the year had been carried out during the year under review and in the previous year.

4. Accountability and Good Governance

4.1 Corporate Plan

A Corporate Plan had not been prepared by the Company from its inception.