

Theekshana
Annual Report 2013– 2014



CORPORATE INFORMATION

Domicile and Legal Form

Theekshana is a company limited by guarantee, incorporated and domiciled in Sri Lanka.

The Registrar of Companies, under section 21 of the Companies Act, No. 17 of 1982, has directed Theekshana to be registered as a Company with limited liability without the addition of the word “LIMITED” to its name.

The company has re-registered under the Companies Act, No. 07 of 2007 on the day of 2nd March, 2009.

Principal activities and nature of operations

Principal activities of the Company are to provide information and communication technology consulting and advisory services.

Date of Incorporation

29th December, 2006

Registered Office

No. 221/2A, Dharmapala Mawatha, Colombo 7

Secretary

EW Associates
10/2, 2nd Lane, Medawelikada Road
Rajagiriya

Auditors

Gunasekera Rathnayake & Co
Chartered Accountants
65/3, Sir Chitampalam A Gardiner Mw
Colombo 2

Bankers

Peoples Bank

Council of Management

Prof G N Wikramanayake (Chairman)
Prof N D Kodikara
G P Seneviratne
G K A Dias
Prof K P Hewagamage
Dr D N Ranasinghe
S Mudalige
Dr D A S Athukorala
Dr H A Caldera
Dr A R Weerasinghe

Executive Management

G H Wijayawardhana
Chief Operating/Technical Officer

Telephone : 94 1 2158928

Fax : 94 1 2587239

e-mail : theekshana@ucsc.cmb.ac.lk

Web site : www.theekshana.lk

CHAIRMAN'S REVIEW

Theekshana was able to attract local community interest and recover within a year to end the 2013/14 financial year with profit. Theekshana received a lot of attention and due publicity for the Automated Fingerprint Identification System (AFIS) developed for Sri Lanka Police. The Student Selection system of UGC developed by Theekshana continued to be used by UGC successfully in 2012/13 academic year. In addition, Birth Marriage and Death Certificate Issuance System was successfully used and expanded to other districts in the island in 2013/14. Baseline Survey for Higher Education was successfully conducted as in the previous year in collaboration with the Department of Statistics of University of Colombo.

Another major project which began in the 2014 is the e-filing system for Supreme Court of Sri Lanka where lawyers will be able to file fundamental right cases on-line. Theekshana continued support the maintenance of Management Information System of BIT as well as the development an on-line application for admissions of Postgraduate students for University of Colombo School of Computing (UCSC). Theekshana staff also assisted the Software Development Unit of the UCSC to achieve several project deadlines by providing their services free of charge.

Discussions were made with the vice chancellor of the University of Colombo to formalize the formation of Theekshana. A council memo was also submitted. Theekshana operations were made more aware among the UCSC board and staff by including a company review in the UCSC annual report of 2013 as well as providing its information to the UCSC auditors.

Interest for Theekshana grew during the year with record number of 62 UCSC staff taking membership and showing interest of its operations. Theekshana members continued to be involved in implementing projects, however there is opportunity for more to be involved. Participation of directors at meetings was encouraging with over 70% attendance at each meeting.

Theekshana also achieved one of its original goals of taking its reserves above the 10 million mark of which 9 million is invested.

Prof. G N Wikramanayake
Chairman

1 September 2014

CHIEF OPERATING OFFICER'S REVIEW

Theekshana had a very successful financial year in 2013/14 which ended 31st March 2014 with profit. In the latter part of the financial year, Automated Fingerprint Identification System (AFIS) which was developed by Theekshana for Sri Lanka Police was launched at Dayata Kirula 2014 by Mr. Gotabayta Rajapaksha, Secretary to the Ministry of Defense and Urban Development which was held in Kuliypitiya. The launching of AFIS became the major highlight of Dayata Kirula Exhibition of 2014 and was given a prominent place in all media. INTERPOL has decided to hold its second Expert Working Group Meeting, out of the two meetings which are annually held for AFIS, in Sri Lanka as recognition for the launching of Sri Lankan AFIS and Theekshana will play a major role in presenting AFIS developed by Theekshana to the Foreign AFIS experts. Theekshana has taken further steps to extend AFIS to other parts of Sri Lanka through the Police VPN. Inspector General of Police of Maldives made a special visit to Criminal Record Division of the Police to observe functioning of AFIS which was developed by Theekshana.

In addition to AFIS, the Student Selection system of UGC developed by Theekshana continued to be used by UGC successfully in 2012/13 academic year and it is envisaged to be developed further in the next academic year. In addition, Birth Marriage and Death Issuance System was successfully used and expanded to other districts in the island in 2013/14 and it is expected that birth certificates of any district will be able to be searched and issued from any part of Sri Lanka in the coming year.

In addition to the above, Baseline Survey for Higher Education was successfully conducted as in the previous year in collaboration with the Department of Statistics of University of Colombo.

One of the major projects, which had begun in the 2014 financial year had been the development of efilling system for Supreme Court of Sri Lanka where lawyers will be able to file fundamental right cases on-line. This project was completed in a short duration of three months and is waiting for the official launching of the system after changing rules of Supreme Court of Sri Lanka.

Theekshana contributed immensely to the continued support of maintenance of Management Information System of BIT free of charge by allocating its programmers as well as the development of on-line application for admissions of Postgraduate students for University of Colombo School of Computing (UCSC).

G H Wijayawardhana
B.S. (Miami)

1 September 2014

PROFILE OF THE MEMBERS OF THE COUNCIL AND EXECUTIVE MANAGEMENT

Prof GN Wikramanayake, Chairman

BSc, MSc, PhD, FBCS, CITP, SMIEEE, MCSSL

Gihan Wikramanayake is a Professor attached to the UCSC and the Director of UCSC (2010-todate). He graduated from University of Colombo, Sri Lanka and obtained his MSc and PhD (specializing in database technologies) in Computer Science from University of Wales Cardiff, UK. He is a Founder Director of Theekshana (2006-08; 10-todate), the Chairman of Theekshana (2010-todate) and has served as Deputy Director (2004-08), Head of CIS (2007-08), Head of ISE (2002-05). He is a member of the Board of Management of the UCSC (2002-08; 2010-todate). Gihan began his career in 1984 at University of Colombo and has served the university in various capacities. Gihan initially worked on Statistical Data Processing and moved into managing large databases. His interest in Internet Technologies and his role in the BIT programme lead him to be actively involved in introducing learning technologies into courses offered by UCSC. His effort in many research projects was recognized in 2006 when University of Colombo awarded him the Research Award. During 2008-2009, Gihan was a visiting scholar in Sweden at Umeå University and Stockholm University and later at University of New Mexico, USA. Gihan was re-awarded the research award in 2012.

Gihan is a Chartered Fellow, Immediate past Chairman BCS Sri Lanka Section and former Council Member of BCS The Chartered Institute for IT, UK and has held positions in professional associations such as first Treasurer IEEE Sri Lanka Section and Student Councillor of the Computer Society of Sri Lanka (CSSL). Professor Gihan is also a board of director of the Sri Lanka Software Testing Board. He also serves on the Boards of Institute of Biochemistry, Molecular Biology and Biotechnology (IBMBB) of the University of Colombo, Staff Development Centre of the University of Colombo & Lanka Education and Research Network (LEARN) and the Board of National Institute of Library and Information Sciences (NILIS) of the University of Colombo. He is also a committee member of the Alumni Association of the University of Colombo. He has been the team leader of many national Olympiad teams and is associated with the National / International Olympiad in Informatics (IOI), National / International School's Software Competition, National Best Quality ICT Awards (NBQSA), Young Computer Scientist (YCS) and Asia Pacific ICT Awards (APICTA).

Dr AR Weerasinghe, Director

BSc, MSc, PhD

Having graduated with a first degree from the University of Colombo and Masters and PhD from the University of Cardiff, Wales, Dr Ruwan Weerasinghe has been an academic at the University of Colombo since 1988, and served as the Director of its School of Computing from 2004 to 2010, founder director and chairman of Theekshana from 2006 to 2010.

He has served on various committees and boards at the University Grants Commission (UGC), Ministries of Education and Higher Education, the National Science Foundation and the Information & Communication Technology Agency of Sri Lanka (ICTA) over the years. I have acted as a member of the Presidential Task Force Subcommittee in IT in 1998, a member of the Sri Lanka negotiating team with the World Bank on the e-Sri Lanka Project in 2003, and the Chairman of the Education Ministry Task Force for establishing a dedicated National College of Education for ICT in 2008/9. He was also part of the original group involved in introducing Internet and email connectivity to the universities and the country as a whole through the Lanka Education And Research Network (LEARN) and the former Council for Information Technology (CINTEC). From 1997 to 2001 he was an Instructor with the Internet Society's (ISOC) International Network Training (INET) Workshops around the world, and a Team Leader in 1997/2000 and Committee Member of the International Olympiad in Informatics (IOI) in Sri Lanka for most of its existence. Currently he serves as a member of the ICT Advisory Committee of the Export Development Board (EDB) and the Sectoral Committee on ICT of the Sri Lanka Standards Institute (SLSI). He is also a founder member of the Lanka Software Foundation (LSF), a prime mover of open source software in Sri Lanka. He serves as a member of the Board of Sri Lanka CERT and the Advisory Board of the Sri Lanka Association of Software and Services Companies (SLASSCOM). He was a Visiting Professor at the Management & Science University of Malaysia (MSU) during 2010 and 2011.

His research interests are in Human Language Technology including Machine Translation, and particularly in

techniques employing statistical methods and machine learning using large data sets. He lead a group of 6-8 researchers involved in Language Technology at the UCSC's Language Technology Research Lab (LTRL). He was awarded fellowships by the European Union as an ERCIM Fellow at France's INRIA Labs and by the Fulbright Commission as Senior Visiting Scholar at Carnegie-Mellon University's Language Technology Institute to pursue these research interests in 2001 and 2002 respectively. His other research interests include Intelligent Systems including Agent technology and the Semantic Web, and most recently, Machine Learning and Bioinformatics.

Dr DN Ranasinghe, Director
BSc(Eng), MSc, DIC, PhD(Wales)

Nalin Ranasinghe is a Senior Lecturer of the UCSC. He counts over 25 years of teaching and research experience. He obtained his Bachelor's degree in Electrical Engineering and Masters Degree in Communications Engineering from Imperial College, London. He obtained his PhD in Computer Science from the University of Wales, Cardiff, specializing in Network performance Modelling. He has served as the Deputy Director (2009-2011) and Head of CIS (2004-09). He is a member of the Board of Management of the UCSC (2004-11; 2011-todate) and a Founder Director of Theekshana (2006-todate). His research interests are in distributed and high performance computing and optimisation.

Prof ND Kodikara, Director
BSc, Dip, MSc, PhD

Nihal Kodikara is a Professor attached to the UCSC and the Deputy Director of UCSC. He graduated from University of Colombo and obtained his Masters and PhD in Computing at University of Manchester, UK. Professor Kodikara has served the UCSC as the Deputy Director (2002-03), Head of CMT (2002-2003), Head of ISE (2005-2011) and Head of Postgraduate Studies. He is a member of the Board of Management of the UCSC (2002-04; 2005-todate) and a Founder Director of Theekshana (2006-todate). His research interests include Computer Graphics, Computer Vision and e-Governance.

GP Seneviratne, Director
BSc, PGDip, MSc, MPhil, MIEEE

Gihan Seneviratne is a Senior Lecturer attached to the UCSC and the Head of the Department of Computation & Intelligent System (CIS). He is a graduate from University of Colombo and obtained his Masters and MPhil in Computing from University of Wales, Cardiff. Mr. Seneviratne served as Head CIS (2002-2003 and 2008-todate), Head of Internal Undergraduate Programmes (IUD) and is the current Head of External and Extension Programmes (EEP). He is a member of the Board of Management of the UCSC (2002-03; 2005-todate) and a Director of Theekshana (2009-todate). His areas of research interest include Machine learning, Internet technologies and Sensor networks.

GKA Dias, Director
BSc, PGDip, MPhil, MACM, MSLASS, MCSSL

Kapila Dias is a Senior Lecturer attached to the UCSC and the Head of Communication and Media Technologies (CMT). He is a graduate from University of Colombo and obtained his Postgraduate Diploma in Computer Studies from University of Essex, UK and MPhil in Computing from University of Wales, Cardiff. Mr. Dias is the Head of Research and Higher Degrees (RHD) and has served as the Head of EEP and Coordinator of ADMTC. He is a member of the Board of Management of the UCSC (2005; 2009-todate) and a Director of Theekshana (2008-todate). His research interests include Computer Aided Software Engineering, Object Oriented Software Engineering, Modelling & Simulation and Multimedia in Education.

S Mudalige, Director
FCA, FCMA, FCCA, FCPA, MBA

Sujeewa Mudalige is a Partner of Pricewaterhouse Coopers Sri Lanka. He has been actively involved in the accounting profession in Sri Lanka for over 20 years. He was the President of the Institute of Chartered Accountants of Sri Lanka (2010) and he has been a member of the Board of Management of the UCSC since 2005 and a Director of Theekshana (2007-todate). Sujeewa is a member of the governing Board of the Sri Lanka Accounting and Auditing Standards Monitoring Board set up by an Act of Parliament. He also serves as a commission member of the Securities Exchange Commission of Sri Lanka and a member of the Financial Stability Consultative Committee of the Central Bank of Sri Lanka.

Prof KP Hewagamage, Director
BSc, MSc, PhD

Prof. K. P. Hewagamage obtained his B.Sc. special degree in Computer Science (First Class Honors) from the University of Colombo and the Doctor of Information Engineering from Hiroshima University in Japan. Professor Mohan Munasinghe Award for the outstanding computer science graduate in 1994, the best paper award at IEEE International Conference of Visual Languages in 1999, an award for the excellence in research by the University of Colombo in 2004 and 2006, are some of awards received for his academic activities. He has more than 100 publications in International peer reviewed Journals and Conference Proceedings. He is a senior member of IEEE, an academic advocate of ISACA and a member of ACM. He is also current chair of IEEE Computer Society Chapter in Sri Lanka. Prof. K. P. Hewagamage is the Head of Information Systems Engineering and former Head of the e-Learning Centre at the University of Colombo School of Computing (UCSC).

Dr D A S Athukorala, Director
BSc, PhD

Ajantha Atukorale received his B.Sc. Degree with honors in Computer Science from the University of Colombo, Sri Lanka in 1995. He obtained his Ph.D. degree in 2002 from the University of Queensland, Australia in the field of neural pattern recognition. Currently Dr. Atukorale is a Senior Lecturer at the University of Colombo School of Computing and conduct lectures for undergraduate and postgraduate programs. His research interests include Neural Networks, Pattern Recognition, Data Analytics, Machine Learning, Computer Networks and Virtualization and Cloud Computing. He is a member of the IEEE and a member of the Computer Society of Sri Lanka (CSSL).

Dr H A Caldera, Director
BSc, PhD

Dr. Caldera graduated in January 1987 with Bachelor of Science degree obtaining a Second Class Honours at the Special Degree Examination offering Mathematics and worked as an Assistant Lecturer at the Department of Mathematic, Faculty of Science, University of Colombo from 1987 to 1991. After his Post Graduate Diploma in Information Technology in 1990 and Master of Computer Science in 1992 from University of Colombo, he worked at Department of Statistics and Computer Science as a Programmer Cum System Analyst from 1991 to 2000.

He was appointed to the post of Probationary Lecturer at the Department of Statistics and Computer Science, University of Colombo with effect from January 18, 2000 and was confirmed in the post after completion of Certificate in Teaching in Higher Education on October 1, 2007. He registered for PhD program at the University of Western Sydney, Australia in February 2001 and received his PhD degree in Computer Science from the same in 2005. Since then, he has been a Senior Lecturer at the University of Colombo School of Computing. His current research interests include Data Mining, Web server log analysis and Business Intelligent.

GH Wijayawardhana, Chief Operating Officer

Harsha Wijayawardhana is the Chief Operating Officer of Theekshana and Head of the Software Development Unit of the UCSC. He is a graduate from University of Miami, USA. He is a Biochemist turned Information and Communication Technology consultant with more than fifteen years experience in hardcore ICT. Mr. Wijayawardhana has been involved in Government ICT projects and designed and implemented government networks such as Ministry of Foreign Affairs, Information Department of Sri Lanka as well as PRIU (Policy Research Information Unit of Presidential Secretariat). He was responsible for setting up of SDU of UCSC, which employs more than 15 software engineers as well as student trainees. He is the COO of Theekshana since its inception. He is also responsible for some of the major national level software projects. Some of the recent national level software implementations are Birth, Marriage and Death Certificate issuance system which is setup throughout the country and House Holder List, which holds individual data on every Sri Lankan resident and is set up at every Divisional Secretariat.

Mr. Wijayawardhana is involved in UNICODE Sinhala technology Research in Sri Lanka and serves on numerous language committees of Information and Technology Agency (ICTA) which is involved in implementing UNICODE standard in Sri Lanka. He was a member of committee which was involved in Standardization of SINHALA SLS1134. He lead a team of scholars in search of numeration in the Sinhala Language and the results of the research was published in the recently concluded National Symposium in Archaeology. He is a member of IT Sectoral Committee of Sri Lanka Standard Institute and a member of Working Group 2 (WG2) of ISO of SC2. Mr. Wijayawardhana had been involved in several pioneering Telecenter projects in Sri Lanka and has more than six years experience in providing technology to Rural Telecenters. He is a member of the steering committee of Telecentre.org Academy of Sri Lanka and is a member of drafting committee of syllabi for the Global Telecentre.org academy and he also guides Global Telecentre.org Academy in selecting e-Learning technology platform.

He was appointed as the ICT consultant to presidential secretariat by H.E. the President of Sri Lanka in December, 2010 and was appointed as the ICT Consultant to Telecommunication Regulatory Commission of Sri Lanka in January, 2014. He has been recently appointed to the board of directors of newly formed Lanka Government Information Infrastructure (LGII). He is also a board member of nic.lk (LK Domain Registry) for the last four years. He was recently elected as the president of newly formed ISOC Sri Lanka Chapter. Mr. Wijayawardhana has published several scientific papers and authored a book titled "Numerations in the Sinhala Language" based upon the research he carried out in Sinhala numerals.

SUMMARY OF CONTRACTS

The projects undertaken by Theekshana in 2013/14 Financial year

	Project Name	Starting Year	Description	Organization to which the work was carried out	Status	Expected Date of Finishing	Contract Value (Total Amount)	Funding Organization
1	Higher Education for Twenty first Century Project – Baseline Study 2012/2013	Nov 2013	Providing consultancy for Baseline Study on University Entrants 2012/2013	HTEC	Completed	April 2014	LKR 3,830,000.00	World Bank
2	Document Management System for Birth, Marriage & Death Certificate Issuing	2009	Birth, Marriage & Death Certificate Issuing system was developed and install the system in divisional secretariats	ICTA , Ministry of Public Administration & Home Affairs	Installing the system in divisional secretariats	On going	LKR 1,078,000.00 (Revenue in 2013/14 Financial year)	ICTA, World Bank
3	BMD Certificate Issuances System Annual Maintenance	Aug 2013	Providing a technical support to divisional secretariats after installation of BMD system on annual basis.	Ministry of Public Administration & Home Affairs, Registrar General's Department	Completed	Aug 2014	LKR 100,000.00	Registrar General's Department
4	ICASL Council Election 2013	Oct 2013	Conducting the ICASL Council Election 2013 with a fully automated voting system by using touch screens on computers	Institute of Chartered Accountants of Sri Lanka (ICASL)	Canceled by Client	Dec 2013	LKR 350,000.00 (Received LKR 175,000)	ICASL
5	The automation of the selection of students to Universities (System maintenance and customization)	Dec 2013	Consultancy services on Maintenance & customization of student selection & administration system for UGC	University Grant Commission (UGC)	Completed	Feb 2014	LKR 450,000.00	UGC

	Project Name	Starting Year	Description	Organization to which the work was carried out	Status	Expected Date of Finishing	Contract Value (Total Amount)	Funding Organization
6	Domain Registration System (1 st Phase)	Dec 2013	Reimplementation of domain registry system for LK Domain Registry	LK Domain Registry	Completed	June 2014	LKR 400,000.00	LK Domain Registry
7	e-Filing System	Feb 2014	Electronic file keeping system for his lordship chief Justice of Sri Lanka	Chief Justice of Sri Lanka	Completed	May 2014	LKR 3,500,000.00	ICTA
8	Refurbishment of SLSI Website	April 2013	Redesign and redevelopment the official website of Sri Lanka Standard Institution.	Sri Lanka Standard Institute (SLSI)	Completed	Dec 2014	LKR 280,000	SLSI on ICTA recommendation
9	Comprehensive System study for SLSI	Dec 2012	Conduct a comprehensive system study to identify the requirements of the Integrated Management Information System for SLSI	Sri Lanka Standard Institute (SLSI)	Completed	Dec 2013	LKR 200,000	SLSI on ICTA recommendation
10	Tamil Digitalization	Dec 2012	Developing a self-installable Tamil OCR system	ICTA Sri Lanka	Completed	Dec 2013	LKR 1,545,000	ICTA
11	Developing a Sri Lanka Tamil Language Corpus	March 2013	Developing a Sri Lanka Tamil Language Corpus which can be used for local language projects.	ICTA Sri Lanka	Completed	Dec 2013	LKR 1,900,000	ICTA
12	Developing translation tools	March 2013	Developing a Sinhala to Tamil and Tamil to Sinhala translation system for common use	ICTA Sri Lanka	Completed	Dec 2013	LKR 2,000,000	ICTA

R. M. GUNASEKARA
(ACA, BA, DPFM, FMAAT, ATTORNEY-AT-LAW)

M.K.N.S.GUNATHILAKA,
(ACA, B.Sc(FM)SP., SAT



GUNASEKARA RATHNAYAKE & CO.
CHARTERED ACCOUNTANTS

65/3,
Sir Chittampalam A Gardiner Mw.
Colombo 02.

Tel : 011-2335194
Fax : 011-2473833
E-mail: komseky@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF THEEKSHANA

Report on the Financial Statements

We have audited the accompanying financial statements of Theekshana, which comprise the statement of financial position as at March 31, 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. 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, due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

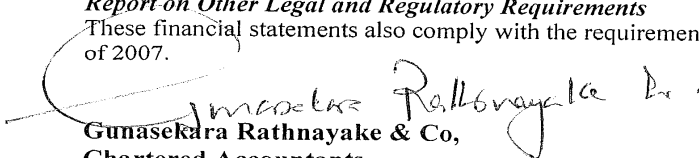
We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2014 and the financial statement give a true and fair view of the Company's state of affairs as at March 31, 2014 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal and Regulatory Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.


Gunasekara Rathnayake & Co,
Chartered Accountants.

Colombo.

1 September 2014

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 31ST MARCH

	Notes	2014 Rs	2013 Rs
Income	6	12,319,482	5,384,670
Direct Expenses	7	(7,710,085)	(2,748,720)
		4,609,397	2,635,950
Other Income	8	729,733	387,702
		5,339,130	3,023,652
Administration and Establishment Expenses	9	(3,284,403)	(3,704,216)
Finance Cost	10	(5,562)	(76,614)
Excess of income over expenditure before income tax		2,049,165	(757,178)
Income Tax Expense		(198,738)	114,027
Excess of income over expenditure		1,850,427	(643,151)

Figures in bracket indicate deductions.

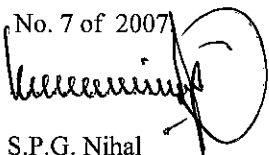
These Financial statements are to be read in conjunction with accounting policies and notes which form part of the Financial Statements of the Association set out on pages 14 to 18

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH	Notes	2014 Rs	2013 Rs
Non Current Assets			
Equipment	1	75,942	103,784
Deferred Tax Assets		147,466	147,466
		223,408	251,250
Current Assets			
Receivables	2	3,940,674	4,668,666
Investments	3	9,000,000	7,045,772
Cash and cash equivalents	4	736,901	957,393
		13,677,575	12,671,831
Total Assets		13,900,984	12,923,081
Funds employed			
Accumulated Fund		10,503,844	8,653,416
Non- Current Liabilities			
Retirement Benefit Obligation -Gratuity		216,795	125,455
Liabilities			
Current Liabilities			
Accrued & other payables	5	3,180,345	4,144,210
Funds Employed & Liabilities		13,900,984	12,923,081

The Accounting Policies & Notes from 1 to 23 form an integral part of the Financial Statements.

These Financial Statements are prepared in compliance with the requirements of the Companies Act.

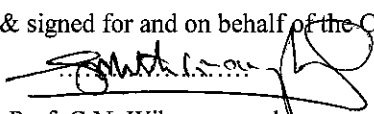
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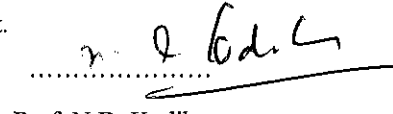
S.P.G. Nihal

Accountant

The Council of Management is responsible for the preparation & presentation of these Financial Statements.

Approved & signed for and on behalf of the Council of Management.


Prof. G.N. Wikramanayake
Chairman


Prof. N.D. Kodikara
Council Member

SATATEMENTS OF CHANGES IN ACCUMULATED FUND
FOR THE YEAR ENDED 31ST MARCH 2014

	Accumulated Fund Rs.	Total Rs.
Balance as at 31st March 2012	9,746,239	9,746,239
Excess of income over expenditure for the year	(643,151)	(643,151)
Prior year adjustment	(449,672)	(449,672)
Balance as at 31st March 2013	8,653,416	8,653,416
Excess of income over expenditure for the year	1,850,427	1,850,427
Balance as at 31st March 2014	10,503,843	10,503,843

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31STMARCH

	2014 Rs.	2013 Rs.
Cash flows from operating activities		
Income over expenditure	2,049,165	(757,178)
Adjustment for:		
Interest Income	(723,820)	(387,702)
Depreciation	58,463	86,092
Exchange Gain	(5,913)	-
Gratuity	91,340	62,340
	(579,930)	(239,270)
Operating Income / (Loss) before working capital changes	1,469,235	(996,448)
Changes in trade and other receivables	727,992	629,708
Changes in payables	(963,865)	(3,371,198)
	(235,873)	(2,741,490)
Cash generated from operating activities	1,233,362	(3,737,938)
Income tax	(198,738)	(145,753)
Net cash generated from operating activities	1,034,625	(3,883,691)
Cash flow from investing activities		
Purchase of equipment	(30,621)	-
Interest Income	723,820	387,702
Exchange Gqain	5,913	-
Net cash from investing activities	699,111	387,702
Net increase in cash and cash equivalents	1,733,736	(3,495,989)
Cash & cash equivalents at the beginning	8,003,165	11,499,154
Cash & cash equivalents at the end (Note 8)	9,736,901	8,003,165

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014**

**Accounting policies and explanatory notes to the
Financial Statements for the year ended March 31,
2014**

1. GENERAL INFORMATION

1.1 Domicile and Legal Form

Theekshana is a Company limited by guarantee, incorporated and domiciled in Sri Lanka. The registered office of the Company is situated at No. 221/2A, Dharmapala Mawatha, Colombo 07.

The Registrar of Companies, under section 21 of the Companies Act, No. 17 of 1982, has directed Theekshana to be registered as a Company with limited liability without the addition of the word "LIMITED" to its name.

The Company was incorporated on December 29, 2006.

1.2 Principal Activity and Nature of Operations

The principal activity of the Company is to provide information and communication technology consulting and advisory services.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The statement of financial position, statement of income and expenditure, statement of changes in accumulated fund, statement of cash flows and notes relevant to the financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-Sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka.

2.2 Basis of Measurement

The financial statements of the Company are prepared under the historical cost convention. Adjustments have not been made for inflationary factors affecting the financial statements.

2.3 Comparative Figures

The previous year figures and phrases have

been reclassified whenever necessary to conform to current year presentation.

2.4 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency') and rounded to the nearest rupee value. These financial statements are presented in Sri Lankan Rupees (Rs.) which is the Company's functional and presentation currency.

2.5 Use of Estimate and Judgment

The preparation of financial statements in conformity with the SLFRS for SMEs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This is the first set of financial statements prepared by the Company in accordance with the SLFRS for SMEs issued by the Institute of Chartered Accountants of Sri Lanka. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014**

3.1 Income Tax Expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in excess or deficit, except that a change attributable to an item of income or expense recognised as other income is also recognised directly in other income.

(a) Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company's liability to tax has been computed in accordance with the provisions of the Inland Revenue Act, No. 10 of 2006 and subsequent amendments thereto.

(b) Deferred Tax

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 carrying amount of deferred tax is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in excess or deficit.

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.

ASSETS AND BASES OF VALUATION

Assets classified as current assets in the statement of financial position are cash and those which are expected to be realised 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 date of financial position.

3.2 Equipment

(a) Recognition and Measurement

Items of equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials and direct labour.

Where an item of equipment comprises major components having different useful lives, they are accounted for as separate items of equipment.

(b) Subsequent Expenditure

The Company adds to the carrying amount of an item of equipment the cost of replacing parts of such an item, when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to excess or deficit during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014**

(c) Depreciation

Depreciation is charged to the excess or deficit so as to allocate the cost of assets less their residual value over the estimated useful lives of items of equipment, using the straight-line method. The estimated annual rate is as follows.

Asset	Annual Rate
Equipment	25%

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in excess or deficit, and included in 'other income' or 'other operating expenses'.

3.3 Impairment of Non-Financial Assets

At each reporting date, non-financial assets 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 excess or deficit.

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 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 excess or deficit.

3.4 Financial Instruments

Financial Assets

3.4.1 Trade and Other Receivables

Trade and other receivables are initially recognised at the transaction price. Most sales are made on the basis of normal credit terms, where the receivables do not bear interest and valued at undiscounted amount of cash receivable. 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 excess or deficit of income over expenditure.

3.4.2 Fixed Deposits

Fixed deposits are initially recognised at transaction price plus directly attributable transaction costs. Fixed deposits are subsequently measured at amortised cost using effective interest method less impairment. Interest income is included in other income.

3.4.3 Impairment of Financial Assets

At the end of each reporting period, the carrying amounts of financial assets that are not measured at fair value are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised immediately in profit or loss and carrying amount of financial asset is reduced accordingly.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014**

3.4.4 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 in current liabilities on the statement of financial position.

The statement of cash flows has been prepared by using the "Indirect Method".

Financial Liabilities

3.4.5 Trade and Other Payables

Trade and other payables are initially recognised at the transaction price (including transaction costs). Trade payables are obligations on the basis of normal credit terms and do not bear interest. Interest bearing liabilities are subsequently measured at amortized cost using the effective interest method.

3.4.6 Bank Overdrafts

Overdrafts are repayable in full on demand and are initially measured and subsequently stated at face value.

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 recognised 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.

3.5 Retirement Benefit Costs

The Company has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under

which the Company pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- (a) **Defined Contribution Plans –**
Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF)

All employees who are eligible for Employees Provident Fund and Employees Trust Fund contributions are covered by relevant contribution funds in line with respective Statutes and Regulations.

- (b) **Defined Benefit Plans – Retirement Gratuity**

Provision has been made in the accounts for Retiring Gratuity from the first year of service of the employee and the item being shown under the deferred liabilities in the statement of financial position. However, according to the Gratuity Act, No. 12 of 1983, the liability to an employee arises only on completion of five years of continuous service. Gratuity is not funded externally.

3.6 Contingencies and Capital Commitments

All material capital commitments and contingencies, which exist as at the reporting date, are disclosed in the respective notes to the financial statements.

STATEMENT OF INCOME AND EXPENDITURE

3.7 Revenue Recognition

Revenue is recognised to the extent that it

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2014**

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.

date of transition. The resulting adjustments have been recognised in accumulated fund at the date of transition.

(a) Other Gains and Losses

Net gains and losses of a revenue nature arising from the disposal of equipment and other non-current assets, including investments, are accounted for profit and loss, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

3.8 Expenditure Recognition

All expenditure incurred in the running of the business and in maintaining the equipment in a state of efficiency has been charged to revenue in arriving at the excess or deficit for the year.

3.9 Borrowing Costs

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of finance costs.

4. TRANSITIONS TO THE SLFRS FOR SMEs

The Company's financial statements for the year ended March 31, 2013, are its first annual financial statements prepared under accounting policies that comply with the SLFRS for SMEs.

Previously financial statements were prepared in accordance with Sri Lanka Accounting Standards (SLAS).

Transition date of "Theekshana" is April 1, 2011. The Company prepared its opening statement of financial position at that date.

The effects of the transition to SLFRS for SMEs on total equity and profit are presented in this section.

The Company's accounting policies presented in note 3 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information and the opening statement of financial position as at the

NOTES TO THE FINANCIAL STATEMENTS

	2014 Rs	2013 Rs
1 Equipment		
Cost	374,990	344,369
Less: Accumulated Depreciation	(299,048)	(240,585)
Balance as at 30.09.2013	75,942	103,784
Deferred Tax Assets		
Balance as at 01.04.2013	147,466	4,635
Origination during the year	-	142,831
Balance as at 31.03.2014	147,466	147,466
2 Receivables		
ICTA	1,050,000	3,109,000
Mobil Speech Project	-	24,792
Royal University of Bhutan	-	2,629
Ministry of Finance & Planning	-	60,000
LK Domain	400,000	-
Srilanka Standard Institute	240,000	340,000
VAT	-	160,454
Ministry of Public Administration	606,000	319,000
UGC	890,000	440,000
Interest Receivable	704,725	-
Metropolitan Office (Pvt) Ltd	30,000	30,000
Nation Building Tax	-	20,661
Income Tax Payable	13,449	151,730
SRL	-	2,275
Pre Payments	6,500	8,125
	3,940,674	4,668,666
3 Investments		
Investment - FD LKR	-	45,772
FD	1,000,000	1,000,000
FD	1,000,000	1,000,000
FD	1,000,000	1,000,000
FD	1,000,000	1,000,000
FD	1,000,000	1,000,000
FD	1,000,000	1,000,000
FD	1,000,000	1,000,000
FD	1,000,000	-
FD	1,000,000	-
	9,000,000	7,045,772
4 Cash and Cash Equivalents		
Petty Cash	280	160
People's Bank (LKR)	574,741	803,864
People's Bank (RFC)	161,880	153,369
	736,901	957,393

NOTES TO THE FINANCIAL STATEMENTS

	2014 Rs	2013 Rs
5 Accrued and other Payables		
NeLC Contribution (Balance)	-	789,882
Gajma & Co.	-	92,488
Gunasekera Rathnayake & co	69,820	-
Rent & Utility Payable	300,000	300,000
Consultancy Fee payable	2,689,785	2,852,500
NRC Grant	62,240	5,840
Other Payables	58,500	103,500
	3,180,345	4,144,210
<u>Accumulated Fund</u>		
Balance as at 01.04.2013	8,653,416	9,746,239
Prior Year Adjustment	-	(449,672)
Addition- 2014	1,850,428	(643,151)
Balance as at 31.3.2014	10,503,844	8,653,416
<u>Retirement Benefits</u>		
Balance at 01.04.2013	125,455	63,115
Provision during the yaer	91,340	62,340
	216,795	125,455
6 Income		
Membership Fees	6,100	4,600
Consultancy Fees - Local	11,523,500	2,635,160
Consultancy Fees - Foreign	789,882	2,744,910
	12,319,482	5,384,670
7 Direct Expenses		
Consultancy fee	7,710,085	2,748,720
	7,710,085	2,748,720
8 Other Income		
Interest Income	723,820	387,702
Exchange Gain	5,913	-
	729,733	387,702

NOTES TO THE FINANCIAL STATEMENTS

	2014 Rs	2013 Rs
9 Administration and Establishment Expenses		
Staff salaries	1,568,160	1,166,160
EPF	188,179	180,805
ETF	47,045	45,201
UCSC Staff welfare	114,900	19,113
Rent & Utility Charges	300,000	300,000
Council expenses	23,160	-
Trainee allowances	59,032	-
Travelling-Local	12,960	-
Audit fees	80,932	60,000
Stationery	880	
Professional Fees	-	32,500
Accounting & Admin Fees	258,000	258,000
Secretarial Fees	53,388	41,331
Refreshments	2,720	55,515
Food and Accomodation	64,944	-
Business Promotion expenses -Local	140,400	83,470
Business Promotion expenses -Foreign	-	801,810
Communication	32,563	24,191
Postal & Currier Charges	3,949	12,140
Assignment Fee	-	370,548
Gratuity	91,340	62,340
Other expenses	183,388	-
Bad Debts	-	105,000
Depreciation	58,463	86,092
	3,284,403	3,704,216
10 Finance Cost		
Bank charges	5,562	10,103
Exchange Loss	-	66,511
	5,562	76,614

THEEKSHANA
Financial Highlights

<i>For the year ended 31st March</i>	2014	2013	2012	2011	2010	2009	2008
	<i>Rs</i>	Rs	Rs	Rs	Rs	Rs	Rs
OPERATING RESULTS							
Consultancy Income - Local	11,523,500	2,635,160	18,090,004	6,566,279	6,212,912	6,430,063	1,500
Consultancy Income - Foreign	789,882	2,749,510	4,096,320	8,022,136	1,142,800	-	-
Investment Income	729,732	387,702	1,367,560	322,027	154,385	37,593	-
Net Income before tax	2,049,165	(757,178)	3,040,383	2,788,441	2,875,399	2,172,571	(47,650)
Income Tax expense	(198,738)	114,027	(232,603)	(189,445)	(349,586)	(315,908)	-
Net Income after tax	1,850,427	(643,151)	2,807,780	2,598,996	2,525,813	1,856,663	(47,650)
Accumulated Retained Income	10,503,844	8,653,417	9,741,604	6,933,824	4,334,828	1,809,013	(47,650)
ASSETS EMPLOYED							
Equipments(Net)	223,408	251,250	189,876	108,146	159,000	-	-
Current assets	3,940,674	4,668,666	5,160,764	5,650,895	3,294,844	224,979	-
Investments	9,000,000	7,045,773	9,811,395	2,164,259	2,041,995	2,000,000	-
Cash & cash equivalent	736,902	957,393	1,687,758	1,804,161	731,243	419,253	25,600
Current liabilities	(3,397,140)	(4,269,665)	(7,108,190)	(2,793,639)	(1,892,256)	(835,219)	(73,250)
Total Assets	10,503,844	8,653,417	9,741,604	6,933,824	4,334,828	1,809,013	(47,650)

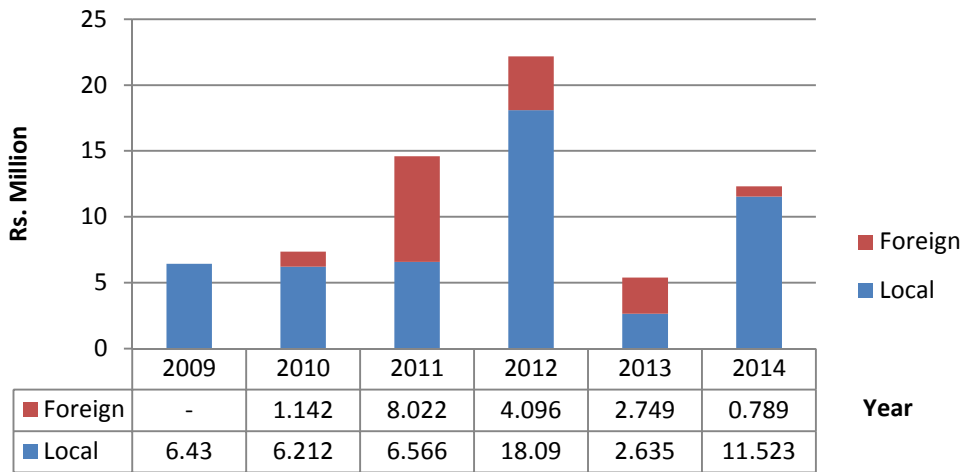
OPERATIONAL HIGHLIGHTS

Year	2013/ 2014	2012/ 2013	2011/ 2012	2010/ 2011	2009/ 2010	2008/ 2009	2007/ 2008	2006/ 2007
No. of Directors	10	10	10	10	09	09	09	07
No. of Employees	04	04	05	04	03	02	00	00
No. of Members	62	47	52	24	22	16	16	00
No. of Projects	04	09	12	11	07	03	02	00
Members Involvement for project	03	06	16	13	06	02	02	00

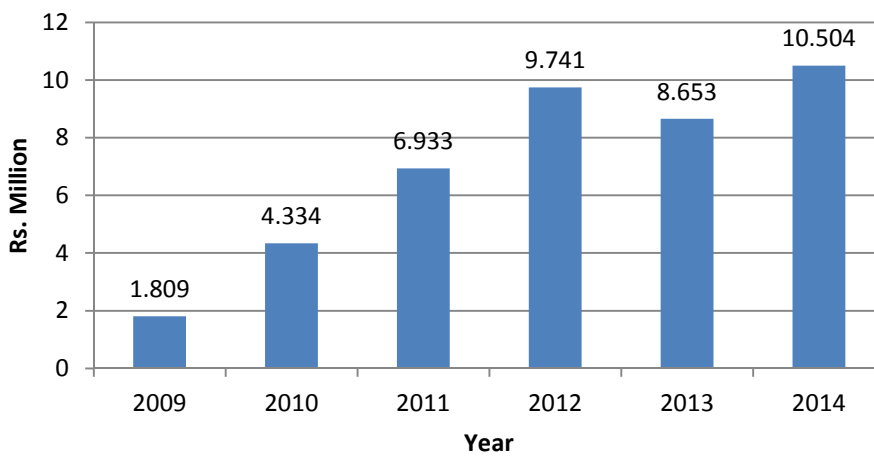
INFORMATION OF THE COUNCIL OF MANAGEMENT

No of Council Meetings held 2013/2014	July' 13	Oct' 13	Jan' 14	Mar' 14
No. of Council Members attended	08	07	07	08

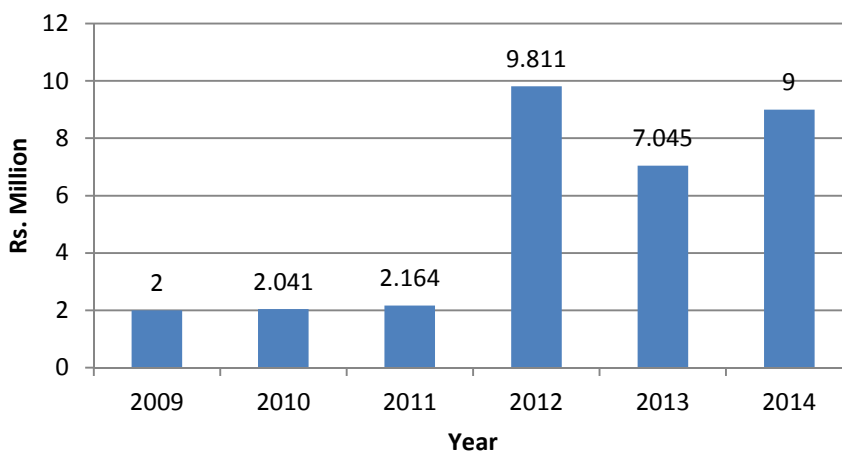
Consultancy Income



Reserves



Investments



NOTICE OF MEETING

Notice is hereby given that the 8th Annual General Meeting of Theekshana, will be held at the Board Room, 3rd Floor of the University of Colombo School of Computing, No. 35, Reid Avenue, Colombo 7 on 26th September, 2014 at 11.00 a.m. for the following purposes.

1. To receive and consider the Annual Report, Audited Financial Statement of the company for the year ended 31 March, 2014 together with the Report of the Auditors thereon.
2. To appoint two Council Members as per Section 32 (g) and one Honorary Member as per Section 32 (h) of the Articles of Association of the Company.
3. To appoint auditor for the year 2014/2015 until the conclusion of the next Annual General Meeting and authorised Members of the Council to determine their remuneration.
4. Any Other Business.

By Order of the Council,

Secretary.

1 September 2014

Note :

1. A member unable to attend the above meeting is entitled to appoint a proxy who need not be a member.
2. A Form of Proxy is attached to the report.
3. The completed Form of Proxy should be deposited at the registered office of the company at No. 221/2A, Dharmapala Mw, Colombo 7 not less than 48 hours before the time fixed for the meeting.

FORM OF PROXY

I/We

.....

of

being a member/members of Theekshana, hereby appoint :

.....

of

as my/our Proxy to vote for me/us and on my/our behalf at the 8th Annual General Meeting of the Company to be held on and at any adjournment there of and at every poll which may be taken in consequence thereof.

As witness my hand/our hands this day of two thousand fourteen.

.....

Signature

Note :

Instructions as to completion are noted on the reverse hereto.

INSTRUCTION AS TO COMPLETION

Kindly perfect the form of proxy, by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.

If the proxy form is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not been registered with the company.

The completed form of proxy should be deposited at the Registered Office of the Company No. 221/2A, Dharmapala Mw, Colombo 7, not less than 48 hours before the time fixed for the meeting.