

2024

ANNUAL REPORT



**ALPHA FIRE
SERVICES PLC**

DECADES OF EXCELLENCE IN FIRE SYSTEMS

SINCE 1989



ALPHA FIRE SERVICES PLC

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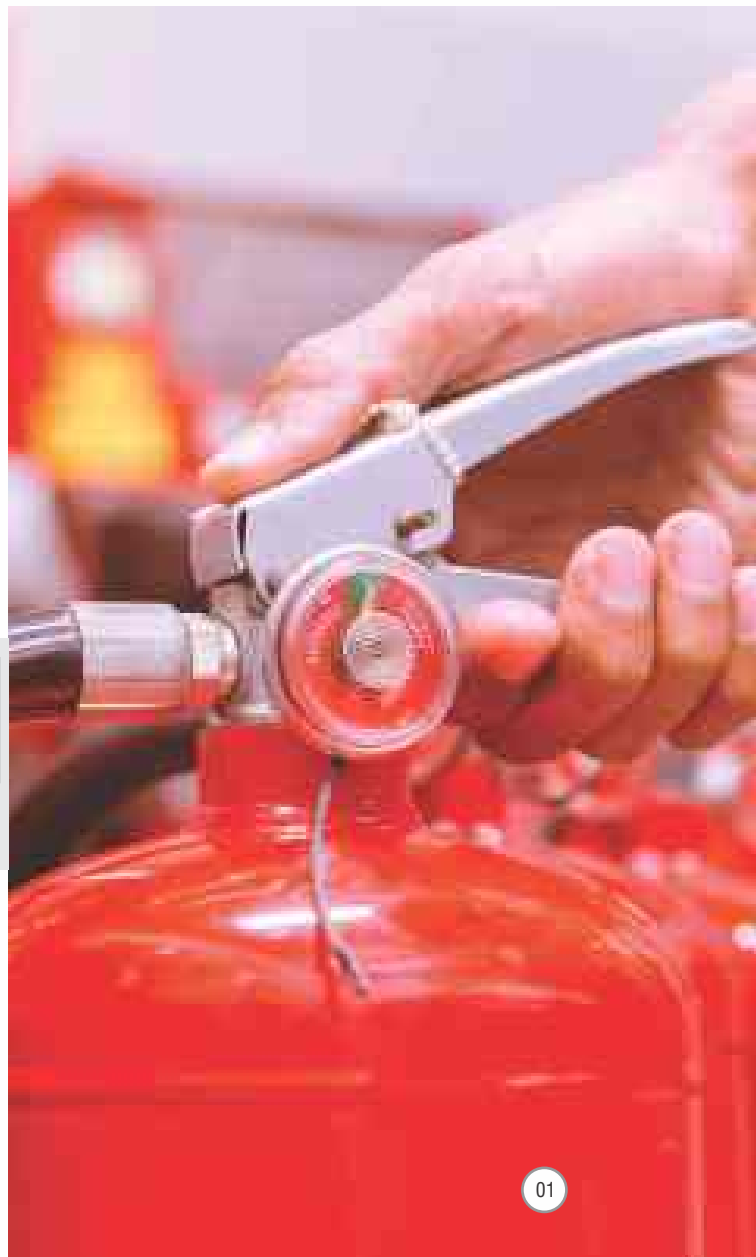
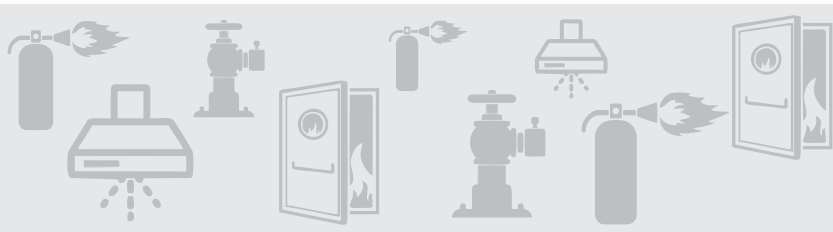
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OUR APPROACH TO REPORTING

We are pleased to present Alpha Fire Services PLC's annual report for the fiscal year ending 31 March 2024, offering a comprehensive overview of our strategies, value creation, performance, and impacts. This marks our second annual report, meticulously compiled in alignment with regulatory guidelines and frameworks.

This report provides a holistic view of our achievements, encompassing both financial milestones and broader corporate responsibilities. With a steadfast commitment to sustainable growth, we have upheld the highest standards of corporate governance, ensuring transparency and accountability across all stakeholder engagements.

This report will detail Financial Statements, the Board of Directors' Report, and other essential statutory disclosures. Moreover, we delve into insightful management discussions and analysis, offering a nuanced perspective on our operational performance throughout the year. At Alpha Fire Services PLC, we believe in driving our business forward while contributing positively to our community and nation.



REPORT PROFILE

Reporting period:
The financial year began on
01st April 2023 and
ended on 31st March 2024

Period of the most recent previous report:
The financial year began on
01st April 2022 and
ended on 31st March 2023

Frequency:
Annual

CONSISTENCY AND
COMPARABILITY

Where applicable, we include relevant comparable information from the previous year for clarity and context.

REPORTING GUIDELINES
AND SCOPE

At Alpha Fire Services PLC, we uphold rigorous guidelines and frameworks to enhance the credibility and effectiveness of our reporting practices. These standards not only ensure transparency but also drive continuous improvement across our reporting processes.

FINANCIAL REPORTING

- Sri Lanka Financial Reporting Standards
- Sri Lanka Accounting Standards

CORPORATE GOVERNANCE

- Companies Act No. 7 of 2007
- Listing Requirements of CSE
- Code of Best Practice on Corporate Governance

ASSURANCE

To maintain reliability and ensure authenticity, Alpha Fire Services PLC adopts a comprehensive approach to collective assurance. This approach requires a rigorous review of our entire reporting system, overseen by management and the board of directors. In addition, we utilize the services of Messrs KPMG Chartered Accountants, respected external auditors with a reputation for independence and expertise, to ensure the accuracy of our financial statements. Their confirmation adds important reassurance to our stakeholders.

RESPONSIBILITY OF THE BOARD

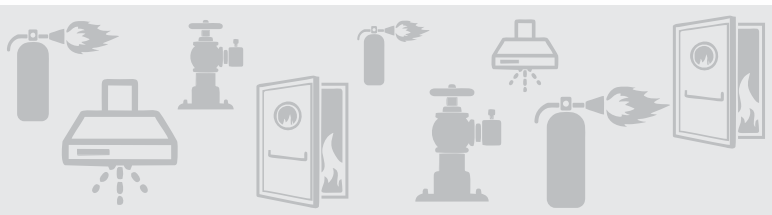
At Alpha Fire Services PLC, the Board of Directors assumes paramount responsibility for maintaining the integrity of our annual report. Ensuring that all relevant issues are fully covered and that we are adequately represented is central to our commitment.

It is important to note that once published, the Board does not allow any changes to be made to the information presented in the report. This commitment underscores our commitment to maintaining the accuracy and reliability of our disclosures to stakeholders.

QUERIES

We welcome your suggestions and feedback on this report. Please direct them to:

Address: No 28, Suleiman Terrace, Colombo-05.
Tel: 011 250 8888
E-mail: info@alphafire.lk



FINANCIAL HIGHLIGHTS

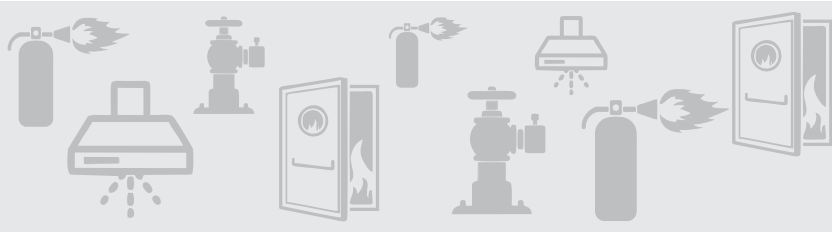
For the year ended 31 st March	2024 Rs.	2023 Rs.	Change %
Financial Performance (Rs'.000)			
Revenue	326,569,040	289,663,882	13%
Gross Profits	128,398,509	79,557,175	61%
Interest Income	4,677,036	2,649,685	77%
Interest Expense	13,623,023	12,778,380	7%
Profit Before Tax	34,949,340	15,204,846	146%
Profit After Tax	24,586,355	13,979,605	93%
Income Tax Expense	10,362,985	1,225,241	746%

Financial Position at The Year-End (Rs'.000)			
Total Equity	145,383,508	74,385,956	95%
Total Assets	305,752,952	253,291,662	21%
Total Liabilities	160,369,444	178,905,706	-10%
Total Debt	79,139,942	84,716,552	-7%
Debt/Equity	0.54	1.14	-52%
Debt/Total Assets	0.26	0.33	-23%
Current Ratio	1.39	1.05	32%

Profitability Ratios			
Gross Profit Ratio %	39.32%	27.47%	45%
Operational Profit Ratio %	13.44%	8.75%	62%
EBITDA %	14.76%	9.52%	55%
Net Profit Ratio	7.53%	4.83%	72%
Return on Assets (%)	8.04%	5.52%	60%
Return on Shareholder's Fund (%)	16.91%	18.79%	-1%

Gearing Ratios			
Equity: Interest Bearing Liabilities (Times)	0.54	1.14	-52%
Debt: Equity Ratio (Times)	1.10	2.41	-54%
Quick Assets Ratio (Times)	0.82	0.58	40%

ALPHA FIRE SERVICES PLC



Alpha Fire Services PLC initiated its journey in the fire business industry for a 'Safer World' in Bahrain and Sri Lanka in 1989. In 2007, it was registered as a Private Limited Liability Company on its way to becoming an established industry leader and the preferred choice for fire protection in Sri Lanka.

The company counts over 33 years of excellence strengthened by the quality standards it maintains, the qualified and skilled staff, and its adoption of the latest advanced machinery and techniques. AFS complies with CIDA EM1 (ICTAD) status, possesses ISO 9001:2015 certification and is also a member of the National Fire Protection Association (NFPA). The contribution from a total of 60 employees, including a team of qualified and trained engineers and technical staff, has supported the company's performance over the years. Moreover, the modern workshop facility located in Pannipitiya is equipped with the latest technologies and periodically upgraded to cater to industrial-level fire safety requirements.

CIDA EM1 (ICTAD) Status

EM1 Grade on Fire Detection and Protection System is the highest grading provided by CIDA (ICTAD).



ISO 9001:2015 Certification

This certification covers the provision of supply and installation of fire equipment and systems, upgrading of existing fire systems, maintenance services and fire training.



VISION

To be the customer's first choice of fire risk management, offering a comprehensive and unique portfolio of products and services, aiming at saving lives and protecting property from fire at all times.

MISSION

To constantly upgrade and introduce new innovations, so as to ensure our valued customers can benefit from the latest technologies.

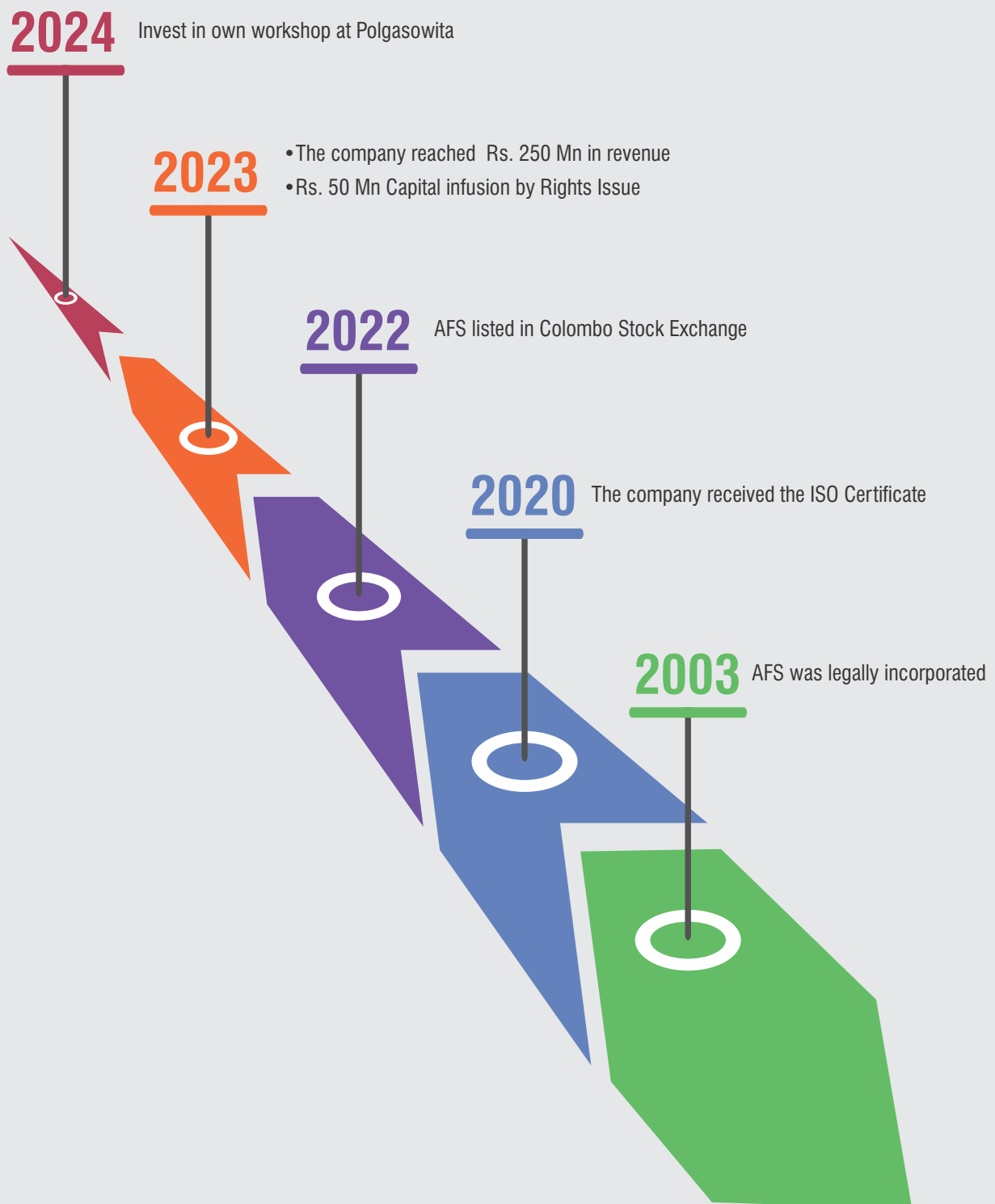
To contribute to a safer world guided by innovative technology.

To create value for our clients, employees, suppliers and shareholders.

OBJECTIVE

Doing the right thing right the first time.

MILESTONES



OUR PORTFOLIO

Fire Alarm Systems



« A range of fire alarm systems provides automatic detection and warning during a fire emergency.

« UL, FM and LPCB certified.

Fire Blanket



« Provides easily accessible and controlled supply of water for fire extinguishing.

« Compact package in convenient quick release PVC containers.

Fire Hose Reel Systems



« Fire hose reel system consist of pumps, pipes and supply of water.

« Comes with a unique ball valve shut-off device, plastic or solid brass hose reel nozzle and mounting brackets.

Fire Extinguishers



« Ideal for fire points at any premises, fire extinguishers are the first line of defense against fires.

Fire Hydrant Systems



« Compact fire hydrant systems designed to fight fire of high proportions, in every class of risks.

Fire Doors & Frames



« Cold rolled galvanized steel doors and steel-mixed wooden doors are strong, stable and durable.

« Fire door assemblies are produced and tested as per international standards.

OUR PORTFOLIO

Fire Flex Systems



- « Excellent system designed for enclosed areas to extinguish fires within 15 seconds.
- « UL certified.

Foam Bladder Tanks



- « Easily operable without external power or pump only flowing water.

Kitchen Hood Fire Suppression



- « A nano mist system used in kitchen hood fire suppression has low water usage and contains smoke scrubbing qualities.
- « LPCB/CE certified hood.

Sprinkler Systems



- « Uses an active fire protection methodology.

Fire Pump Systems



- « Diesel engine and electric motor driven, high quality pumps.
- « Fully compliant with UL/FM standards.

Fire Suppression Systems



- « Designed to a unique technology, this fire suppression system extinguishes fire with no harm to people and the surrounding.

OUR SERVICES

Alpha Fire Services PLC considers the safety of its clients with utmost importance and attends to safety practices with urgency. The company offers product-handling guidance, post-purchase maintenance, upgrades, and customization for client requirements.

All equipment and systems designed by Alpha Fire Services PLC are compatible with safety standards, and long-term customer satisfaction is ensured with its after-sales customer service.



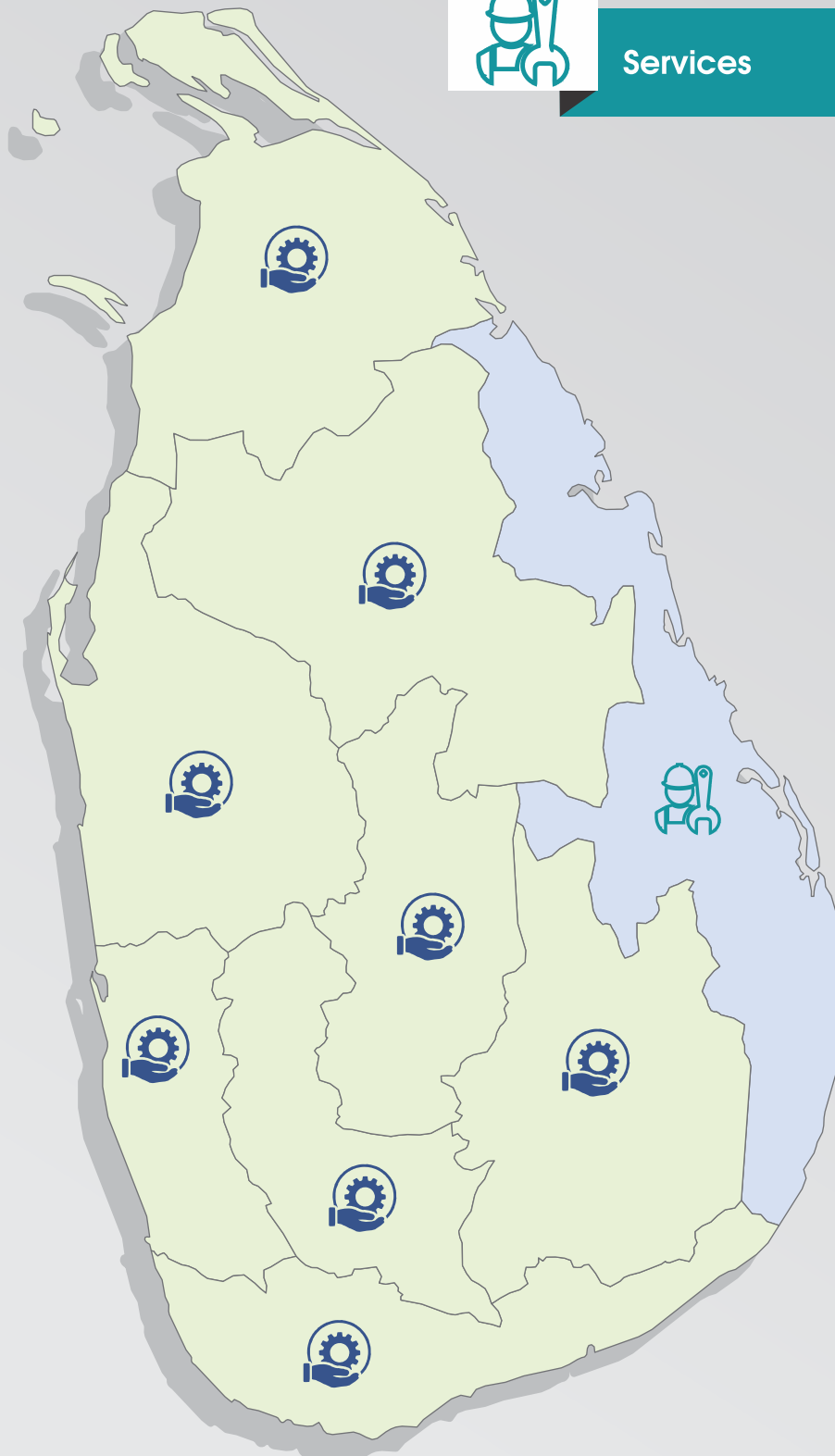
OUR REGIONAL PRESENCE



Projects and Services



Services



OUR LEADERSHIP



CHAIRMAN'S MESSAGE



Dear Shareholders,

I am pleased to welcome you to the 3rd Annual General Meeting of Alpha Fire Services PLC, and I am happy to note that the year has seen marked growth in our revenue and profitability as well as in our project portfolio.

The financial year 2023/24 presented a challenging and unstable economic environment in Sri Lanka, amidst which Alpha Fire Services PLC demonstrated resilience and continued its upward trajectory. I am pleased to report that our Company achieved notable revenue growth of 13%, with a gross profit growth of 61 percent, even as the country's construction sector experienced sluggish progress.

Moreover, the Company's profit before tax increased by approximately 130%, a testament to the commitment of the Alpha Fire Services PLC team. One of our notable accomplishments was the expansion of our order book over 500 million, despite the ongoing financial crisis. Our adherence to stringent standards and timely delivery of services were key success factors during the last financial year, paving the way for opportunities

and signifying our continuous expansion in both local and global markets.

INDUSTRY PERFORMANCE

The Central Bank Annual Economic Review 2023, reported that the construction industry experienced a notable decline due to the suspension of construction projects amidst financial constraints in the country. As the fire services industry's progress is closely tied to the construction sector, the fire services industry did not achieve optimal performance during the year under review.

Additionally, the increase in taxes posed a significant challenge for small companies, given the substantial rise in tax burdens. The increase in value added tax (VAT) and imposition of Social Security Contribution Levy (SSCL) impacted the industry's profitability. Macro economic indicators stabilized by the last quarter of the year, facilitating for positive economic recovery. In the meantime, the International Monetary Fund (IMF) Board completed the first review under the Extended Fund Facility (EFF) with Sri Lanka, providing the country with access to US Dollars 337 million to support its economic

policies and reforms, which strengthened the Sri Lanka Rupee against the US Dollar that supported to lower the cost of imported raw material.

Due to economic pressures, professional labour migration increased during the year, which in turn impacted staff retention.

COMPANY PERFORMANCE

During the last financial year, the expansion of Alpha Fire Services PLC's order book has been an outstanding achievement, accounting over Rs. 500 million. The Company adeptly navigated external economic pressures by implementing rigorous internal management strategies to ensure optimal resource allocation.

A primary objective throughout the year was to enhance shareholder value, prompting the implementation of various strategic measures. Careful oversight of overhead expenses was a pivotal component of these efforts. With a diverse shareholder base, the Company remained steadfast in safeguarding their interests and aimed to deliver a substantial payout at year-end.



Furthermore, the financial year 2023/24 saw a noteworthy increase in profit before tax of 130% at Rs. 34.9 million, driven by high-margin projects and a reduction in finance costs. These factors were instrumental in contributing to the Company's financial growth during the year under review.

BRAND SOLIDIFICATION

During the year, Alpha Fire Services PLC also solidified our stance as a leading fire services solutions provider winning the confidence and trust of our existing customers who have continued to patronize us. During the period the company's projects revenue grew 36%.

Our strong product portfolio supported by international brands and high quality service have set Alpha Fire Service apart from the competition. Being one of the only fire services companies to provide a dedicated team of fire service experts with over 20 years of experience and expertise in the industry, Alpha Fire Services PLC has been a sought after fire service and maintenance contractor for many private and public sector entities in Sri Lanka. In further strengthening our team, during the quarter the company has invested in training and development for the technical team and offered rewards and recognitions for their invaluable service.

KEY STRENGTHS

Our loyal and dedicated staff was exceptionally focused on their tasks and consistently drove the Company's performance during the year ended March 31, 2024.

Moreover, one of our greatest strengths is our ability to deliver services on time regardless of external circumstances, which has earned the confidence of our customers. This steadfast commitment to meeting the Company's obligations became our strongest selling proposition, even during the challenging COVID-19 crisis. Alpha Fire Services PLC won most contracts during the financial year 2023/24 on client confidence on our technical expertise and unwavering reliability, rather than simply competitive pricing. The Company's reputation for

consistent and dependable delivery set us apart in the industry, ensuring that clients opted for Alpha Fire Services for our proven capability and trustworthy service during the year under review. Alpha Fire Services PLC is committed to ethical business conduct and long-term sustainability. Through transparent earnings declarations, Alpha Fire Services PLC ensured that all profits were reported and accounted.

GROWTH STRATEGIES

During the last financial year, staff retention remained a challenge due to the ever-increasing salary expectations and the allure of overseas opportunities, in the midst of economic challenges. However, Alpha Fire Services PLC was able to minimize the impact through the provision of increments and incentive schemes to retain our technical staff. In the year under review, Alpha Fire Services PLC recognized the importance of preparation and took proactive measures to mitigate price shocks by increasing our raw material inventory and securing facilities to maintain sufficient inventory levels.

Additionally, Alpha Fire Services PLC implemented a dollar price escalation clause in our contract bids, enabling us to adjust prices of the dollar rate fluctuations while cushioning the company's bottom line against an unanticipated exchange rate shocks. This ensured effective cost management and allowed us to offer discounts when appropriate. These strategies accentuated our growth amidst challenges and helped to better prepare for future uncertainties.

DEVELOPMENT OPPORTUNITY

With the onset of construction of more high-rise buildings in Sri Lanka, there is a pressing need to update and enforce fire safety codes. During the financial year 2023/24, Sri Lanka saw an increase in fire outbreaks, highlighting the necessity of strengthened regulations in the fire industry, which were previously behind compared to global standards. However, these incidents prompted both the fire department and regulatory bodies to significantly tighten their regulations. This shift has created substantial opportunities for industry growth and in turn future growth potential for Alpha Fire Services PLC.

EXPANSION INITIATIVES

Recognizing the potential and opportunities in the Maldives,

Alpha Fire Services PLC has taken strategic steps to explore potential projects, marking our entry into the global market. This initiative is a crucial part of our growth strategy aimed at diversifying our portfolio and seizing new opportunities. Further, Alpha Fire Services PLC aims to further develop the trading operations by exploring opportunities beyond the current scope of importing materials exclusively for internal use and projects. The Company has recognized an opportunity in entering the external trading market, which would enable us to expand our revenue streams and capitalize on new market segments. Additionally, the Company will be relocating to its own stores and workshop in Polgasowita in the next financial year, marking a milestone in our growth and expansion. This move will enable the Company to enhance operational efficiency and be better positioned to adapt to market demands.

APPRECIATIONS

I am profoundly thankful to God for safeguarding Alpha Fire Services PLC and for the blessings that have driven our growth and success during the last financial year. Alpha Fire Services PLC successfully achieved our development objectives thanks to the invaluable guidance and wisdom of the Board of Directors. I also appreciate our shareholders for their trust in our Company and their steadfast support in maintaining our business operations. I extend my gratitude to our banking partners for their timely services, which supported the Company and propelled its growth amidst economic uncertainties in the country during the financial year 2023/24. Furthermore, I thank the fire brigade for their assistance in securing approvals and the fire consultants who collaborated closely with us. The success of Alpha Fire Services PLC is attributed to the hard work, agility, and dedication of our staff members, for which I am deeply grateful. Lastly, I express heartfelt thanks to our valued customers for their trust in Alpha Fire Services PLC, and I look forward to continuing our partnership as their preferred fire services provider in the future.

VIJITH PERERA
Attorney-at-Law
Chairman

OPERATIONS DIRECTOR'S MESSAGE



The financial year 2023/24 was an exemplary period that showcased Alpha Fire Services PLC's robust operational strategy execution and secure financial framework. Achieving an order book worth over Rs. 500 million despite the challenges of dollar fluctuations and realizing a 81% profit growth solely from operations testifies to the Company's leading position in the industry.

Building on the progress of the financial year 2023/24, Alpha Fire Services PLC plans to diversify and expand our operations by entering the commercial market for related products. We are confident that these strategic initiatives will further strengthen our market presence and drive continued growth and success in the coming years.

OPERATIONAL HIGHLIGHTS

During the financial year 2022/23, Alpha Fire Services PLC encountered challenges arising from unanticipated economic and market conditions that impacted profitability of projects.

Exchange rate losses in imports, higher operational costs due to fuel and inflationary pressures, and overall increase in project costs arising from economy driven cost rise over and above book value of contracted projects had a direct impact on Alpha Fire Service operation.

Some projects fell short of the cost escalation amounts, resulting in decreased profitability. In comparison, the financial year 2023/24 showed a better performance as the country transitioned to more stable conditions. The Company closed the year with an order book worth over Rs. 500 million, providing a solid foundation for the year ahead.

During the year under review, Alpha Fire Services PLC generated a revenue of Rs. 326.6 million, an increase of 13% from Rs. 289 million reported in the last financial year 2022/23. The Company achieved a gross profit of Rs. 128 million in the year under review, an increased from Rs. 79 million last year, reporting a year-on-year growth of 61 percent.

Alpha Fire Services PLC achieved a 81% profit from operations of Rs. 43.8 million during the year under review and a profit before tax increase of 130% at Rs. 34.9 million. The Company's conservative accounting policy, ensured financial discipline and transparency. Despite the challenging year for the construction sector and the economy, Alpha Fire Services PLC's profit margin exceeded expectations, highlighting our success from direct operations indicating a relatively stable business year for the company.

PORTFOLIO PERFORMANCE

During the financial year 2023/24, Alpha Fire Services PLC achieved impressive financial results, with product supply revenue of Rs. 295 million and service revenue of Rs. 30 million. This represented significant growth compared to the previous financial year's figures of 79 million for projects installation. New projects for the year recorded Rs. 270 million, excluding the projects in the pipeline for the coming year worth of over Rs. 500 million.



The most profitable categories of revenue in the last financial year were pumps, hydrants, and sprinkler systems. The growth rate during the year under review was consistent across supply and services, as each component is interdependent and complementary to each other.

This year, the company targeted a new market segment of suppression systems for server rooms, crucial in environments where water or other substances were unsuitable, reflecting our strategic focus that propelled growth in this sector.

OVERCOMING CHALLENGES

The challenges faced in the financial year 2023/24 differed from the last year's more severe conditions, notably the dollar shortage that hindered importation. These challenges were mitigated in the last financial year.

The primary difficulty is in maintaining costs within acceptable limits to prevent existing projects from incurring losses due to increasing operational costs. In response, Alpha Fire Services PLC introduced price escalation clauses; however, these adjustments often did not fully offset the cost increases, presenting persistent challenges.

COMPETITIVE EDGES

One of our distinct advantages lay in our expertise with fire alarm systems, particularly addressable alarm systems. Unlike many competitors who rely on subcontractors, Alpha Fire Services PLC maintain an in-house team of technicians dedicated to handling these.

This approach ensures meticulous attention to detail, especially crucial for addressable alarm systems. This capability sets us apart in the industry, as the only company with the capacity and expertise to manage these systems without compromise.

FUTURE PLANS

As part of our strategic initiatives for the upcoming financial year, Alpha Fire Services PLC plan to relocate our workshop and stores from Pannipitiya to our newly acquired fully owned premises in Polgasowita, with the aim of optimizing operational efficiency and reducing costs.

Furthermore, recognizing the strategic location of Kandy and its concentration of commercial establishments, Alpha Fire Services PLC intends to establish a service center in the city, enhancing service delivery capabilities and lowering operational expenses.

Additionally, the Company initiated the in-house development of emergency exit light signboards.

Previously imported, these products will now be manufactured domestically, marking a significant step towards cost-effectiveness and innovation.

This transition underscores our commitment to enhancing service offerings and fostering growth.

Looking forward, Alpha Fire Services PLC is keen to expand our trading activities beyond our traditional focus on projects and product supply. Our strategy involves ramping up production capabilities and expanding our product range both in the domestic and export market.

Leveraging established supplier relationships will enable us to meet our internal demands and serve other fire safety companies, thereby expanding our market footprint and industry influence.

Identifying the important role of ensuring compliance with mandatory standards for fire safety, Alpha Fire Services PLC plans to conduct awareness programs targeting fire safety auditors.

These programs will emphasize the importance of verifying functional fire systems and proper equipment such as high extinguishers, essential for obtaining Certificates of Conformity (COCs) and mitigating fire risks in commercial and other buildings.

APPRECIATIONS

I thank the Chairman and the Board of Directors, without whom succeeding in a challenging year would be unrealistic.

I also appreciate the Alpha Fire Services staff for giving their best to the Company to achieve our targets. Additionally, I admire the continuous support received from our shareholders, suppliers, the Fire Department, and banks throughout the last financial year.

Last but not least, our clients receive our deepest gratitude for placing trust and confidence in us; we will ensure to serve you with our utmost commitment in the next financial year as well.

MALINDRA FERNANDO
Director-Operations

BOARD OF DIRECTORS



From Left to Right: Samud Gunasekera (Non-Independent Executive Director), Kapila Liyanagamage, Attorney-at-Law (Independent Non-Executive Director), Vijith Perera, Attorney-at-Law, (Chairman), Deana Marise Ryde (Co-Founder & Director), Nivran Joseph Weerakoon (Independent Non-Executive Director) and Malindra Fernando (Director Operations).

BOARD OF DIRECTORS' PROFILES



VIJITH PERERA

Attorney-at-Law
Chairman

Mr. Perera serves as the Chairman of Alpha Fire Services PLC. He holds a BA in Economics degree from the University of California, Berkley, USA, and is an Attorney-at-Law from Sri Lanka Law College. He is also Founder Director of Amtek Engineering (Pvt) Ltd, Ultrakleen (Pvt) Ltd and Ultrakil Pest Management Co (Pvt) Ltd. With his vast experience in Management, Mr. Perera serves on the board of several business establishments.



MALINDRA FERNANDO

Director Operations

Mr. Fernando serves as the Director of operations at Alpha Fire Services PLC and is the Founder Director of Amtek Engineering (Pvt) Ltd. With decades of experience in the business management industry, Mr. Fernando serves as a board director in several business ventures in facilities management, engineering and service sectors. He has played an active role in the infrastructure development in Sri Lanka as a consultant for numerous international contractors and investors in project management and implementation.



DEANA MARISE RYDE

Co-Founder & Director

Ms. Ryde is the Co-Founder and Executive Director of Alpha Fire Services W.L.L. Bahrain, 1996–2014, and retired Executive Director of Alpha Safety & Security Holdings BSC. Co-owner/ Chairman of Sandycroft Residences and MD of Golden Dome (Pvt) Ltd. She has over two decades of experience in office management, human resources management, marketing, and planning. She conceptualized the Alpha Fire logo and branding of the company and its subsidiaries. Ms. Ryde identified and developed business systems and procedures, set up offices, equipment and infrastructure as required, recruited and trained staff and

managed the day-to-day operations of the business at the executive level.

SAMUD GUNASEKERA

MBA(IND) MSLIM(SL) FCPM(SL)
Non-Independent Executive Director

Mr. Gunasekara serves as a Non-Independent Executive Director of Alpha Fire Services PLC and is a top-level marketer with over 20 years of corporate experience. A specialist in engineering products & solutions. He has vast experience in project sales, fire engineering, aluminum system formwork & fabrication business. He is a life member of the Sri Lanka Institute of Marketing. He is presently serving as a Director of Alumart Engineering (Pvt) Ltd and Amtek Engineering (Pvt) Ltd.



NIVRAN JOSEPH WEERAKOON

Independent Non-Executive Director

Mr. Nivran Weerakoon brings a wealth of experience and a proven track record in both local and international business arenas to the Board. He is recognized as a Fellow Member of the Chartered Institute of Management Accountants (CIMA) and holds a Master of Business Administration (MBA) from the University of West London. His career highlights include leadership positions across diverse industries, underscoring his adaptable and strategic approach to business management and development. Currently, Mr. Weerakoon holds key roles

including Managing Director of Media Monkey (Pvt) Ltd., Executive Director of the Colombo Academy of Hospitality Management (Pvt) Ltd., and Group Director of Acorn Ventures (Pvt) Ltd., which serves as the holding company for the Acorn Group. His international engagements include Director/CEO positions at Global Conversions FZ-LLC and Managing Director at Metaphase Global FZC LLC, both based in the UAE. In addition to his corporate responsibilities, Mr. Weerakoon contributes significantly to governance through his board positions at leading Sri Lankan organizations, including Non-Executive Director roles at Royal Ceramics Lanka PLC and Delmege Limited, the holding company of Delmege Group. Beyond his professional achievements, Mr. Weerakoon is committed to community welfare, actively supporting Child Action Lanka, an NGO dedicated to empowering underprivileged children. His advocacy for sustainable development is further demonstrated by his role as a Council Member of the Sustainable Development Council of Sri Lanka. Mr. Weerakoon's multifaceted expertise, spanning business leadership, governance, community engagement, and sustainable development, makes him a valuable addition to the board.

KAPILA LIYANAGAMAGE

Attorney-at-Law
Independent Non-Executive Director

Mr. Kapila Liyanagamage is an Independent Non-Executive Director and an Attorney-at-Law of the Supreme Court of Sri Lanka with more than 25 years of experience in the field of Civil & Commercial Law. He holds a degree of Master of Laws in Law of International Trade from the University of Wales. He is presently serving as a Director of Galle Face Properties Ltd, Ceylon Land & Equity PLC and Galle Face Capital Partners PLC.



MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION AND ANALYSIS



As a preeminent provider of fire safety services, we remain steadfast in our commitment to protecting lives and properties. This report outlines market conditions, our strategic initiatives, and financial outcomes, offering a thorough analysis of the company's successes and challenges in facing key industry trends and operational milestones during the financial year 2023/24. Additionally, it presents our strategic outlook aimed at ensuring sustainable growth and enhancing shareholder value.

OPERATING ENVIRONMENT

•Global Economy



The global economy in 2023 demonstrated a resilient yet complex trajectory, according to the World Economic Outlook. The baseline forecast for 2024 suggests that global growth will remain steady at 3.2%, maintaining the same pace observed in 2023. Advanced economies are expected to experience a slight acceleration, with growth rising from 1.6% in 2023 to 1.8% by 2025. In contrast, emerging markets and developing economies will face a modest slowdown, with growth anticipated to decrease from 4.3% in 2023 to 4.2% in both 2024 and 2025.

Inflation is projected to decline, with global inflation rates expected to fall from 6.8% in 2023 to 5.9% in 2024, and further to 4.5% by 2025. Advanced economies are likely to achieve their inflation targets sooner than emerging markets, although core inflation is expected to decrease more gradually.

Despite central bank interest rate hikes aimed at stabilizing prices, the global economy has shown considerable resilience.

In 2023, global growth was estimated to be 3.0%, a decline from the 3.5% growth observed in 2022. Central bank policy rates, elevated to address inflation, continued to impact economic activity. Headline inflation, which peaked at 8.7% in 2022, was forecasted to decrease to 6.8% in 2023, and further to 5.2% in 2024. However, core inflation is expected to decline more slowly, with some upward revisions to inflation forecasts for 2024.

The early months of 2024 suggest a path toward economic stabilization. Global growth is projected to remain at 3.1% in 2024, with a slight increase to 3.2% in 2025. The forecast for global growth over the next five years is 3.1%, the lowest in decades.

Elevated central bank rates and reduced fiscal support due to high debt levels continue to weigh on economic activity. Nevertheless, inflation is falling faster than anticipated in many regions, driven by unwinding supply-side issues and restrictive monetary policies. Global headline inflation is expected to decline to 5.8% in 2024 and further to 4.4% by 2025.

In the fire safety sector, 2023 marked a year of notable growth. The Fire Safety Global Market Report 2024 indicated that the fire safety equipment market expanded from \$45.07 billion in 2023 to a projected \$47.98 billion in 2024, reflecting a compound annual growth rate (CAGR) of 6.5%. This growth is attributed to factors such as increased regulatory compliance, heightened building construction, urbanization, population growth, rising demand in industrial and commercial sectors, and an enhanced focus on workplace safety.

•Domestic Economy



The Sri Lankan economy began to recover in 2023 after experiencing its most severe economic downturn in the previous year. The Central Bank Annual Economic Review 2023 mentions that this recovery was supported by a series of positive developments, including rapid disinflation, enhanced external resilience, improved fiscal balances, and maintained financial system stability.

Inflation, which had reached unprecedented levels in September 2022, saw a significant reduction, settling at lower single-digit rates by the end of 2023.

In 2023, the economy showed signs of recovery with a moderate contraction of 2.3%, a notable improvement compared to the 7.3% contraction observed in 2022. This rebound was particularly evident in the latter half of the year, as Gross Domestic Product (GDP) recorded positive growth rates.

The nominal GDP at current market prices increased by 14.8% to Rs. 27,629.7 billion, driven by the price impact reflected by a GDP deflator of 17.5%. This recovery was supported by renewed macroeconomic stability, characterized by softened inflation and reduced external sector pressures.

Despite these improvements, the overall industrial sector faced challenges throughout 2023. The sector faced a 9.2% contraction, largely attributed to a decline in construction activities. The construction industry, sensitive to economic fluctuations, was particularly affected by the suspension of numerous projects.

Looking forward to 2024, the Sri Lankan economy is anticipated to grow by approximately 3%. The benefits of an eased monetary policy stance and a low inflation environment support this projected growth. The tourism sector's quicker-than-expected recovery is anticipated to bolster economic momentum and positively impact related sectors.

Additionally, the industry sector is likely to benefit from recent favorable developments, such as the lifting of import restrictions, decreasing credit costs, and lower raw material prices. Leading indicators suggest a revival in construction activities, driven by resumed government infrastructure projects and other positive developments.

•Industry Overview



The fire safety services industry, closely tied to the construction sector, faced challenges in the financial year 2023/24. According to the Central Bank Annual Economic Review 2023, the construction industry experienced a decline due to the suspension of construction projects amidst financial constraints in the country.

This downturn directly impacted the fire safety services industry, which relies heavily on ongoing construction activities, resulting in suboptimal performance during the year under review.

In August 2023, the construction industry continued to operate at a subdued level, approaching the neutral threshold with a Total Activity Index value of 47.0. Companies often resorted to undercutting prices to secure limited projects in a highly competitive tender bidding process.

The ongoing lack of new projects severely impacted the industry, leading to a decline in new orders. Despite these challenges, the Quantity of Purchases declined at a slower rate, and Suppliers' Delivery Time shortened due to reduced pressure on supplier capacity.

The increased tax burden also posed substantial challenges for smaller companies within the fire safety sector, further exacerbating financial pressures. Despite these hurdles, there were positive indicators suggesting potential growth.

Anticipated political and financial stability are expected to uplift the construction sector, thereby enhancing turnover in the fire safety industry in the coming years compared to the financial year 2023/24.

Additionally, there were signs of recovery in the early months of 2024. According to the Department of Census and Statistics, GDP from construction industry in Sri Lanka increased to Rs. 214,415 million in the first quarter of 2024 from Rs. 181,921 million in the fourth quarter of 2023. Suggesting a gradual improvement, this recovery could signal better prospects for the fire safety services industry, contingent on the continuation of positive trends in the construction sector.

FINANCIAL PERFORMANCE

Alpha Fire Services PLC achieved a revenue of Rs. 326 million for the financial year ending 31 March 2024, marking an 13% increase from the Rs. 289 million recorded the previous year.

A major portion of the revenue came from the order book worth Rs. 500 million with expedited completion of major ongoing projects contributing Rs. 295 million, or 90% of the total revenue. Services and maintenance added another Rs. 31 million, accounting for 10% of the revenue. Another remarkable achievement for the year under review was realizing a 83% profit solely from operations.

REVENUE

During the financial year 2023/24, Alpha Fire Services PLC achieved notable financial results, with total revenue increasing from Rs. 289 million to Rs. 326 million. This increase was primarily driven by an increase in sales and support revenues from multinational clients and construction companies. Specifically, project supply and installation revenue rose to Rs. 79 million. These figures represent notable growth compared to the previous financial year, where project supply and installation revenue grew by Rs. 29 million.

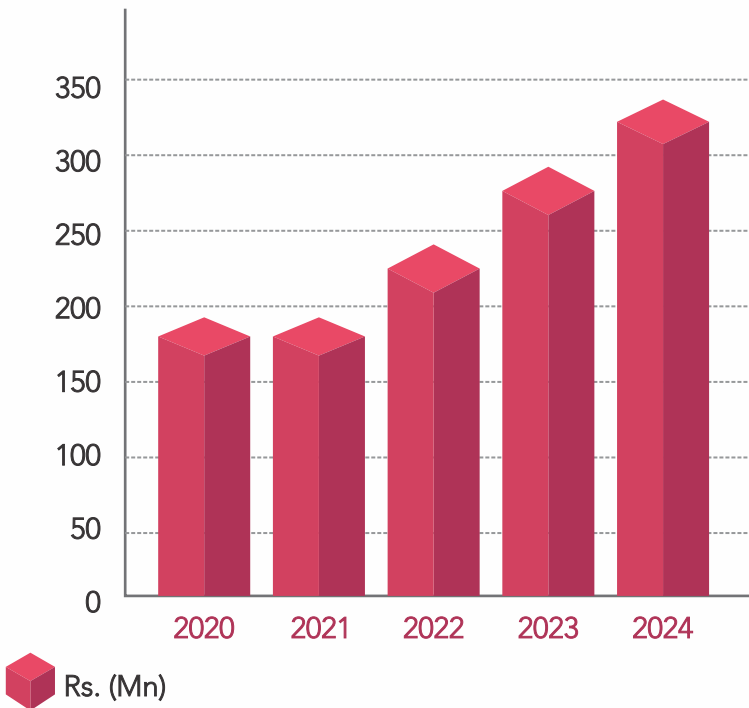
PROFITABILITY

The Company recorded a gross profit of Rs. 128 million, a 61% increase from the Rs. 79 million achieved in the previous financial year.

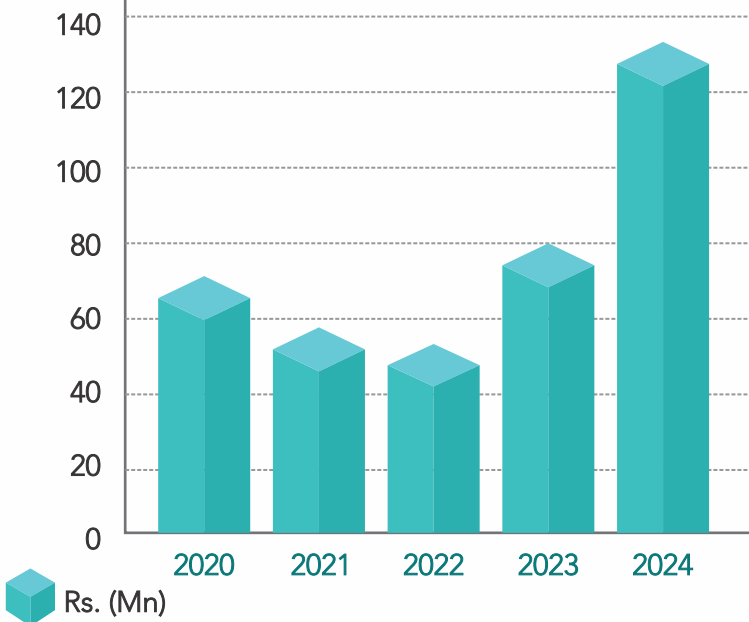
This growth in gross profits was primarily driven by the revision of contract pricing projects and reduction raw material cost, which positively impacted Alpha Fire Services PLC's bottom line. Continuous negotiations with customers to adjust contract prices were also integral to the Company's low-cost operating strategy, aligning with its lean cost management structure. Partnerships with corporate customers also enabled the Company to increase its gross profit while maintaining the delivery of quality services.

However, increased energy costs, operational expenditures, and supply chain disruptions due to the forex crisis posed operational challenges, affecting full potential of profit margins. Additionally, rising requirement of short-term borrowing to finance working capital led to a 7% increase in interest expenses.

REVENUE - 5 YEARS



GROSS PROFIT - 5 YEARS



	2022/23 (Rs.)	2023/24(Rs.)	%
Profit Before Tax	15,204,846	34,949,340	130%
Profit After Tax	13,979,605	24,586,355	76%

ASSETS

During the financial year 2023/24, the Company's total assets grew by 21%, rising from Rs. 253 million last year to Rs. 306 million. The recently acquired property in Polgasowita contributed Rs. 15.6 million to the total asset value, accounting for 5% of the total value.

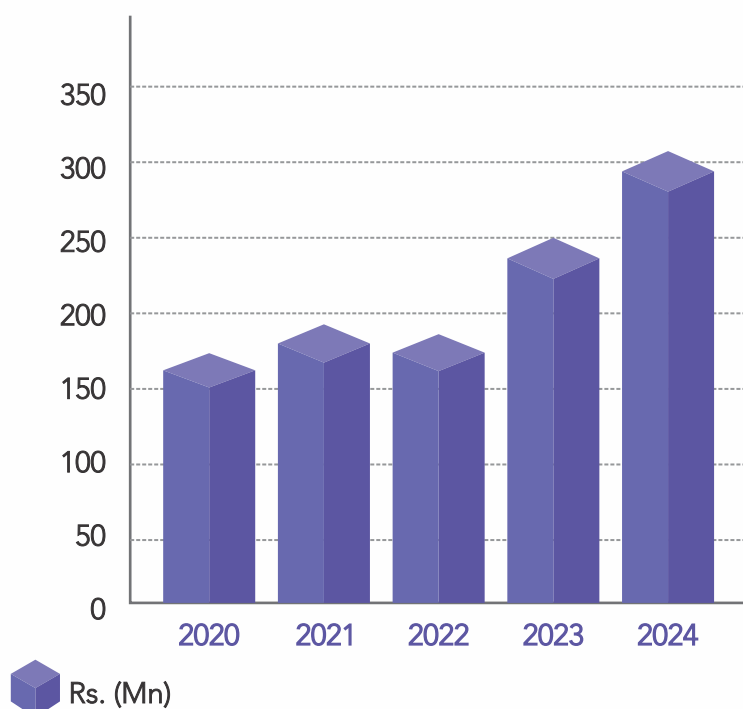
LIABILITIES

Total liabilities of the Company decreased by 11%, from Rs. 178 million to Rs. 160 million during the year under review. The Company's total bank debt decreased by 25%, from Rs. 60 million to Rs. 45 million, on settling bank debts from rights issue proceeds. Significant liabilities included both long-term and short-term loans, with low-interest, long-term bank borrowings amounting to Rs. 45 million as of March 31, 2024, for working capital and property loans. Additional liabilities included trade and other payables totaling Rs. 57 million.

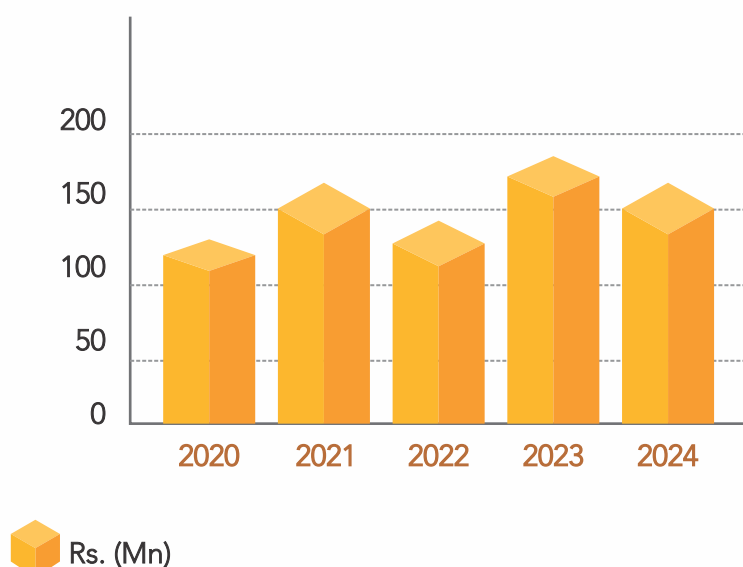
To manage the challenges arising from these liabilities, Alpha Fire Services PLC adopted stringent practices, including procedures to ensure advance payments and utilizing revolving loan facilities as needed.

As a listed company, Alpha Fire Services PLC took steps to manage the debt-to-equity ratio through a rights issue of that commenced at the end of the 2022/23 financial year and concluded in June 2024, resulting in an infusion of Rs. 50.8 million from its shareholders.

TOTAL ASSETS - 5 YEARS



TOTAL LIABILITIES - 5 YEARS



	2022/23 (Rs.)	2023/24(Rs.)	%
Total Debt	84,716,552	79,139,942	-7%
Debt/Equity	1.14	0.54	-52%
Debt/Total Assets	0.33	0.26	-23%
Current Ratio	1.05	1.39	32%

STRATEGIES

Alpha Fire Services PLC has implemented 3-tier strategic approach to maintain a steady and trustworthy service despite a challenging operating environment. Our ability to adapt to external changes and our commitment to resilience are key factors in our consistent operations over the past 30 years.



Proactive preparation



Adaptive response



Strategic forecasting

Economic Stability Building

In the year under review, Alpha Fire Services PLC recognized the critical importance of preparation during financial crises within the operating environment. Consequently, the Company implemented proactive measures to mitigate price shocks. These measures included increasing stock levels of raw materials and securing additional banking facilities to ensure the maintenance of sufficient inventory levels.

By taking these steps, Alpha Fire Services PLC aimed to enhance its resilience and sustain operational stability amid economic uncertainties.

Revenue Stream Diversification

Alpha Fire Services PLC is focused on diversifying its revenue streams to bolster financial stability and growth. By expanding beyond its current model of importing materials for internal use and project needs, the Company aims to tap into external trading markets.

This strategic move is designed to capitalize on new market demands and open additional revenue channels, allowing Alpha Fire Services PLC to serve a broader client base and mitigate risks associated with relying on a single revenue source.

Operational Growth

During the last financial year, Alpha Fire Services PLC implemented strategic plans aimed at enhancing operational efficiency and broadening its scope of functions and services. This expansion effort is focused not only on strengthening our presence within Sri Lanka but also on establishing a global footprint to capture new market opportunities.

The Company plans to relocate its operations to the newly acquired property in Polgasowita, a move that will increase our operational efficiency and streamline our processes. This new facility, being fully owned by the Company, will offer greater control over our resources and contribute to cost savings and improved performance. With the aim of improving service delivery and potentially reducing operational costs, the Company has a strategic vision of establishing a service center in Kandy, given its location provides easy access from all parts of the country.

Expanding beyond domestic boundaries, Alpha Fire Services PLC has entered the global market by exploring opportunities in the Maldives. The Company is focused on securing its position internationally with the goal of diversifying our portfolio and capturing new market prospects.

FUTURE OUTLOOK

The future outlook for the fire safety industry presents promising opportunities, driven by both global and local developments. Globally, the fire safety equipment market is expected to experience robust growth, with projections indicating an increase to \$62.24 billion by 2028, at a compound annual growth rate (CAGR) of 6.7%. This anticipated growth is fueled by rising demand for sustainable and eco-friendly solutions, increased fire risks due to climate change, and infrastructure development. Key trends shaping the industry include advancements in smart fire safety systems, innovative fire suppression technologies, enhanced fire detection and alarm systems, and specialized fire protection measures.

Locally, Sri Lanka's growing construction sector, particularly the development of high-rise buildings, emphasizes the urgent need to update and enforce fire safety codes. The increase in fire outbreaks during the financial year 2023/24 has highlighted gaps in existing regulations, which were previously less stringent compared to international standards.

These incidents have prompted both the fire department and regulatory bodies to intensify and enforce stricter regulations. This regulatory shift presents substantial opportunities for the fire safety industry, especially for companies like Alpha Fire Services PLC.

As Sri Lanka aligns its fire safety regulations with global standards and addresses existing loopholes, Alpha Fire Services PLC is well-positioned to capitalize on these opportunities. The tightening of regulations and the increasing demand for advanced fire safety solutions are likely to drive industry growth and create favorable conditions for the Company's expansion. With a more stringent regulatory environment and heightened awareness of fire safety, the Company anticipates increased demand for its services and products, paving the way for substantial growth in the near future.

STAKEHOLDER ENGAGEMENT



Alpha Fire Services PLC's success relies on the cordial and mutually beneficial stakeholder engagement of the company.

Our stakeholders are a crucial contributor in ensuring that our business operates seamlessly from sourcing to sales and support.

Our agility and enduring partnerships empower the company to consistently deliver value, even amidst challenging economic conditions.

Towards this, Alpha Fire Services PLC continuously communicate with our stakeholders and consistently.



Stakeholders	Method of Engagement	Frequency of Engagement	Interest/ Expectations	Managing concerns/ Expectations
Employees	<ul style="list-style-type: none"> • Direct interaction with Senior Management • Formal performance appraisals • Communication of company decisions, performance 	<ul style="list-style-type: none"> • Regularly and as needed 	<ul style="list-style-type: none"> • Remuneration • Employee benefits • Workplace health and safety • Conducive workplace • Training & Development • Job security • Career progression 	<ul style="list-style-type: none"> • Fair remuneration policy • Incentive programs, salary adjustments and bonus structures • Prioritizes the welfare of employees and offered benefit schemes • Renewal of mandatory health insurance program. Provision of essential personal protective equipment (PPE) • Personal protection training and first aid training and industry related training. • Annual performance appraisals, rewards and recognitions • Personal and professional development support and opportunities
Customers	<ul style="list-style-type: none"> • Personal interactions • Customer support • Trade Exhibitions • Customer feedback • Printed and digital material 	<ul style="list-style-type: none"> • Regularly and as needed • Support 24/7 	<ul style="list-style-type: none"> • Reliability of Service • Product quality • Ease of payment • Appropriate product range • After-sales service • Availability and accessibility • Timely support 	<ul style="list-style-type: none"> • Product quality assurance processes • Island-wide support • "never-say-no attitude" approach • Comprehensive fire safety equipment services including expert advice, automatic equipment selection and easy installation • Continuous testing, upgrades, and extended warranties • Payment plans to assist customers • Regular communication
Shareholders	<ul style="list-style-type: none"> • Financial Statements • Annual General Meeting • CSE announcements 	<ul style="list-style-type: none"> • Quarterly • As needed 	<ul style="list-style-type: none"> • Earnings & Dividends • Growth prospects • Transparency • Governance • Share price and liquidity 	<ul style="list-style-type: none"> • Safeguarding our market position • Corporate governance and risk management • Issuance of dividends • Growth and improved performance
Suppliers	<ul style="list-style-type: none"> • Supplier assessment and feedback • Managing relationships • Visits • Long term contracts • Prompt payments 	<ul style="list-style-type: none"> • As needed 	<ul style="list-style-type: none"> • Increased business • Transparent procurement processes • Timely payments • Constructive feedback 	<ul style="list-style-type: none"> • Acceptable procurement processes • Timely payments • Supported diversity of the supply chain and fostered positive relationships with each of its suppliers, ensuring strong support and cooperation in its operations.

Stakeholders	Method of Engagement	Frequency of Engagement	Interest/ Expectations	Managing concerns/ Expectations
Regulators	<ul style="list-style-type: none"> • Facilitating visits • Compliance with regulatory and legal obligations 	<ul style="list-style-type: none"> • Regularly • As needed 	<ul style="list-style-type: none"> • Compliance with regulations 	<ul style="list-style-type: none"> • Compliance with regulatory standards • Continuous testing and upgrades • Ensuring safety of buildings, institutions, people • Provides security and reliability • Assist the formulation of fire safety policies
Government	<ul style="list-style-type: none"> • Filing returns 	<ul style="list-style-type: none"> • As needed 	<ul style="list-style-type: none"> • Timely filing of returns and payments • Foreign currency Earnings • Tax and duty payments 	<ul style="list-style-type: none"> • Economic contribution • Employment opportunities
Community	<ul style="list-style-type: none"> • Recruit from local communities where skills are available • Support Community Initiatives • Fire safety campaigns 	<ul style="list-style-type: none"> • As needed 	<ul style="list-style-type: none"> • Employment opportunities • Socio-economic support • Fire safety • Support for community needs 	<ul style="list-style-type: none"> • Recruit from local communities where possible • Provide opportunities for local entrepreneurs where possible • Managing fire safety and health hazards in compliance with state policy • Regular maintenance of fire protection equipment and systems • Protecting the community from potential harm.

HUMAN RESOURCE REVIEW



KEY HIGHLIGHTS

New Recruits	18
Retention Rate	89%
Promotions	12
Revenue per Employee	Rs. 5.3 MN
Net Profit per Employee	Rs. 0.5 MN
Injuries - First Aid Cases	Nil
Total Training Hours	32 Hours
Total Investment in Training	Rs. 167,000

Alpha Fire Services PLC is more than a fire prevention agency; It represents a group of dedicated professionals driven by a shared mission for a safer world.

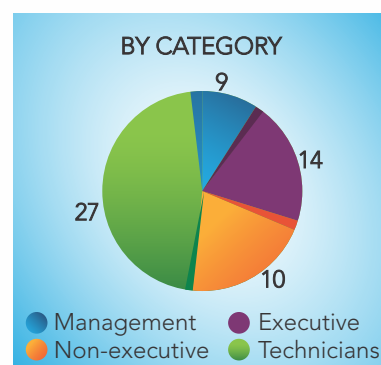
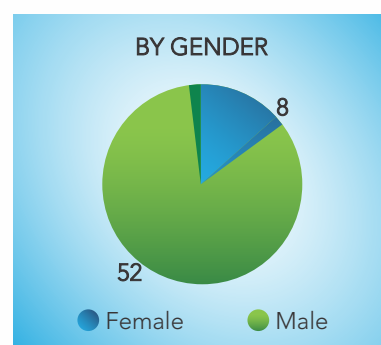
Looking back over the past year, our HR review underscores our unwavering commitment to enhancing employee value and well-being.

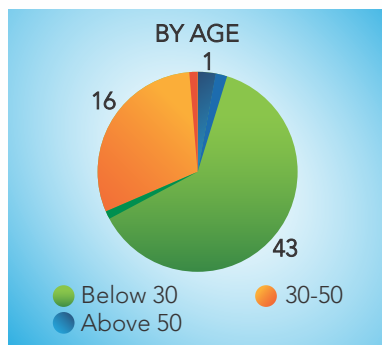
In this review, we dive deeper into our HR processes, providing deeper insights into key areas such as talent acquisition, comprehensive development plans, strict performance measures, robust security measures, and a variety of active projects.

These departments highlight our proactive efforts to nurture talent, foster development, ensure safety, and celebrate diversity in our workforce.

At Alpha Fire Services PLC, our HR processes are critical to a supportive and efficient work environment, empowering our team to deliver excellence in fire safety solutions and beyond.

TEAM PROFILE





Alpha Fire Services Plc is proud of its vibrant team, a tapestry of talents that makes us successful. Consisting of 60 dedicated individuals Our team thrives on a rich variety of backgrounds and skills, each contributing uniquely to the development of all of us. Our team is spread across teams, with engineers and technicians making up the largest portion. This skilled workforce is the backbone of our technical expertise, ensuring that we deliver an unparalleled level of service. Our team has a similarly diverse age distribution, with more than 70% under 30, bringing youthful energy and fresh perspective. Gender diversity is an integral part of our ethos, underscoring our commitment to inclusion and equal opportunity. This balanced mix creates a collaborative environment where ideas thrive and teamwork flourishes. Our team profile at Alpha Fire Services Plc demonstrates our commitment to fostering a culture of collaboration and collaboration that is essential to developing fire safety solutions and beyond.

STRATEGIC HR MANAGEMENT APPROACH

Alpha Fire Services Plc embraces a strategic human resource management approach embedded in a quality system. Central to our approach is a strong commitment to employee wellbeing, supporting business development and maintaining ethical standards throughout the organisation.

Comprehensive HR Policy: Our HR professionals work within a well-designed process that provides clear and consistent guidance in all aspects of the employee lifecycle. From hiring practices to performance appraisals, this process ensures fairness, transparency and equality for all.

Ethical Code: At Alpha Fire Services PLC, we adhere to a strict code of ethics and conduct that encourages honesty, integrity and respect in every transaction.

This ethical foundation extends to our relationships with employees, stakeholders and communities, and we achieve a work environment built on trust and professionalism.

This strategic approach confirms our commitment to fostering a supportive and principled workplace culture, empowering our team to excel in delivering high-quality fire safety solutions and services.

TALENT ACQUISITION AND RECRUITMENT

At Alpha Fire Services plc, talent acquisition and recruitment are critical to organizing our team and strengthening our organizational capabilities.

Strategic sourcing: Our approach to talent is proactive and deliberate. We actively seek candidates whose skills and values best align with our mission, ensuring that they will fit harmoniously into our dynamic team.

Holistic evaluation: In addition to technical skills, our recruiters value personality, cultural compatibility, and a commitment to continuous learning. This comprehensive approach ensures that each hire contributes not only to our technical expertise but also to our culture of collaboration and growth.

Collaborative selection: Our recruiting process is a collaborative effort involving department heads, HR professionals, and potential team members. This inclusive approach assures that each new addition has the necessary expertise and is well-aligned with our core values and strategic objectives.

Empowering growth: Through a commitment to strategic acquisition, holistic research, partner selection and development, we ensure that our team remains agile, innovative, and ready if delivered excellence will be provided in fire protection solutions and applications.

EMPLOYEE DEVELOPMENT AND TRAINING

Alpha Fire Services PLC prioritizes professional development and training as a key component of providing a competent workforce to meet the demands of the industry.

Comprehensive training initiatives: Our company runs an intensive training program designed to equip employees with the tools and skills they need to succeed in their roles. These projects ensure that our team members are very well-equipped to deliver exceptional service and solutions.

Ongoing learning: Recognizing the rapid growth of our industry, we emphasize continuous learning.

This commitment provides our employees with access to the latest technologies, industry standards and emerging trends, enabling them to remain at the forefront of their fields.

Focused enhancements: Considerable effort was made to develop the skills of the team during the last financial year.

Engineers and professional staff received specialized training in the ISO 9001:2015 quality management system, reinforcing our commitment to maintaining the highest standards of quality and excellence. In addition, the training programs included the pursuit of CIDA certification EM 01, which further enhanced the knowledge and expertise of our team.

By investing in comprehensive training and ongoing education opportunities, Alpha Fire Services PLC ensures that our employees are not only competent but ready to innovate and excel with fire safety solutions a higher to be lifted.

HEALTH AND SAFETY INITIATIVES

At Alpha Fire Services Plc, employee well-being is paramount, supported by a range of comprehensive health and safety measures. Our commitment to creating a safe and supportive environment is demonstrated by the proactive measures we take to protect both physical and mental health.

Robust safety measures: We implement strong safety procedures to ensure that every employee can confidently fulfil their responsibilities within a safety system, fostering a culture of excellent safety.

Training and preparedness: Regular training equips our team with the skills necessary to respond effectively to potential threats, and equips them to handle challenging situations in a way that appropriately and reliably is great.

Prioritizing mental wellness: Recognizing the demands of their operations, we are expanding our safety measures to include mental well-being. Through dedicated resources and support programs, we address stressors and promote psychological resilience in our employees.

Continuous Safety Improvements: Regular reviews and updates in our safety practices ensure they are aligned with ongoing industry trends. This ongoing commitment underscores our commitment to providing the highest level of safety for our employees.

The safety of our employees, especially those who work on-site, is extremely important. We provide Personal Protective Equipment (PPE) and safety gear for technicians, enhancing their safety and security while performing their jobs. At Alpha Fire Services Plc, protecting the welfare of our employees remains a cornerstone of our work ethic, ensuring a healthy and safe working environment.

EMPLOYEE ENGAGEMENT AND RECOGNITION



PARTICIPATION AT ARCHITECT EXHIBITION

Alpha Fire Service PLC is committed to providing a highly engaged and motivated workforce through a robust employee engagement program and recognition system.

Open communication channels: We prioritize open communication as a cornerstone of our workplace culture.

Employees are encouraged to share ideas, concerns and suggestions, creating a collaborative environment where every voice is heard and valued.

Continual feedback: We conduct regular surveys and implement feedback strategies to ensure that our communication strategies align with the needs and aspirations of our employees.

This ongoing dialogue allows us to fine-tune our programs, creating meaningful opportunities for professional growth and personal satisfaction.

EMPLOYEE RETENTION



At Alpha Fire Services Plc, we are dedicated to building a stable and loyal workforce by reducing a variety of effective strategies.

Competitive compensation: We prioritize providing fair and attractive compensation to promote financial security and a sense of value among our employees.

This approach reinforces their commitment to the organization and recognizes their contribution to our success.

Work-life balance: Creating an environment where employees can maintain a healthy balance between personal and work life is important. By maintaining this balance, we increase job satisfaction and encourage long-term commitment among our team members.

Effective leadership: We believe that effective leadership is key to retention. Our managers and managers play a key role in shaping the employee experience, providing guidance, support and development opportunities.

Recognizing the current situation, where global opportunities have increased turnover rates, especially among junior engineers, we have implemented targeted measures.

CSR ACTIVITIES



These efforts underscore our commitment to conservation under changing circumstances.

Updated Compensation Structure:

To retain our skilled engineers, we have strategically adjusted our compensation structure in line with market rates.

This ensures that our valued employees see a compelling reason to stay and grow with us.

New Incentives: Recognizing the importance of incentives for talent retention, we have introduced new incentive schemes. These programs not only reward outstanding performance but also foster a sense of achievement and recognition for employees, motivating them to perform better.

At Alpha Fire Services PLC, our commitment to employee retention is strong.

Through competitive salaries, work-life balance, effective leadership, and targeted strategies, we create an environment where our team members thrive and contribute with dedication and enthusiasm to our continued success.

EMPLOYEE BENEFITS



At Alpha Fire Services PLC, we prioritize the well-being and satisfaction of our employees by offering a comprehensive range of employee benefits to suit their diverse needs.

Health and medical coverage: We offer comprehensive health and medical coverage that provides our employees with high-quality health care. This devotion brings them material well-being and peace.

Flexible work arrangements:

Recognizing the importance of work-life balance, we offer flexible work schedules that allow our employees to fulfil their professional responsibilities while fulfilling their commitments.

In recognition of the commitment of our employees in difficult times, Alpha Fire Service Plc distributed performance bonuses of Rs. 3.4 million in the financial year 2023/24.

This gesture recognizes their hard work and contribution to the success of all of us.

Understanding the unique needs of our on-site engineers, we offer customized insurance policies that provide comprehensive coverage.

This includes basic health insurance designed to protect their well-being and provide reassurance in the face of potential challenges.

At Alpha Fire Services PLC, our commitment to supporting and growing our workforce goes beyond competitive salaries. We strive to create a supportive environment where our employees feel valued, respected and empowered to achieve their professional and personal aspirations.

These benefits underscore our firm commitment to creating a satisfied and motivated team that is essential to our continued growth and success.

DIVERSITY AND INCLUSION



At Alpha Fire Services Plc, we embrace diversity as the intersection of continuous innovation and success and celebrate an inclusive workforce that celebrates diverse backgrounds, perspectives and experiences.

Diverse recruitment: Our commitment to equality is reflected in our recruitment practices, ensuring that all applicants have the same opportunities regardless of their background.

This approach provides our team with the talents needed to develop creative and best-in-class fire protection solutions.

Inclusive work environment: We are an inclusive workplace where every employee is respected and valued.

Through open communication and collaboration, Alpha Fire Service PLC ensures that multiple voices contribute meaningfully to our decision-making processes, fostering a culture of independence.

Prominent gender parity:

Recognizing ongoing demographic trends in the sector, particularly in male-dominated technical roles, we acknowledge our current gender distribution as we strive to touch people all of these.

By focusing on the support of all employees, we maintain a supportive environment in which everyone, regardless of gender, can thrive and perform well.

Diversity-enriched leadership:

Recognizing the transformative impact on organizational success, we prioritize diversity in leadership roles.

By empowering individuals from diverse backgrounds to assume leadership positions, Alpha Fire Service PLC promotes innovation and strategic improvement at all levels of the company.

Equal opportunities:

To ensure fairness and equity, we provide all employees with equal access to career development, mentoring and professional development opportunities.

This commitment reinforces our belief in harnessing the full potential of our diverse workforce to achieve collective success.

Diversity and inclusion are key to our identity and business excellence at Alpha Fire Services plc.

By acknowledging and celebrating our differences, we create a dynamic and flexible workplace where innovation thrives, and every employee contributes to our shared vision of advancing fire safety around the world.

CORPORATE GOVERNANCE



Alpha Fire Services PLC, a leader in the fire safety industry which has set benchmarks across the sector. The Company is known for its governance and accountability in business operations and business conduct. It is dedicated to maintaining an effective governance framework and robust risk management practices.

The fire service industry is regarded as a cornerstone of public safety, entrusted with the critical task of safeguarding lives and property. In its commitment to excellence and accountability, Alpha Fire Services PLC recognizes that effective corporate governance serves as the foundation upon which its operational integrity and ethical conduct are built. This section of the annual report provides insight into Alpha Fire Services PLC's steadfast dedication to maintaining a robust corporate governance framework,

fostering transparency and upholding the highest standards of responsible management.

During the year under review, Alpha Fire Service PLC has faced many challenges arising from the country's macro-economic conditions.

In addition to currency fluctuations and inflation, the company encountered multiple challenges including import limitations, sluggish construction industry impacts that affected the sales margins and market share.

The Board of Directors of Alpha Fire Services PLC played a pivotal role in navigating through these conditions, managing risks and maintaining governance and accountability whilst ensuring the company remains stable amidst the prevailing market conditions.

The Board also played a key role in ensuring that the company remained compliant to the governance policies and framework whilst abiding by regulatory requirements. The responsibility for ensuring compliance with legal and regulatory obligations lay with the Board through internal controls.

The Company follows a comprehensive governance framework and risk management process established by the Board of Directors, ensuring strong business ethics and fostering an environmentally and socially responsible culture within the Company. This framework has helped to manage obstacles and overcome unstable situations in pursuit of corporate objectives. Moreover, the governance framework encourages accountability to stakeholders in financial reporting.

GOVERNANCE FRAMEWORK

Regulatory	<ul style="list-style-type: none"> • Companies Act No.7 of 2007, • Sri Lanka Accounting and Auditing Standards Act No.15 of 1995 • Continued Listing Re Requirements of the Colombo Stock Exchange • The Shop and Office Employees Act No. 15 of 1954 • Factories Ordinance No. 45 of 1942 • Inland Revenue and other relevant acts
Internal Documents	<ul style="list-style-type: none"> • Articles of Association • Policy framework
Voluntary Standards, Codes & Frameworks	<ul style="list-style-type: none"> • Quality standard certifications obtained by companies
Key Governance Practices	<ul style="list-style-type: none"> • Balance of power established with non-executive directors of whom 02 are independent • Annual rotation of a minimum of 1/3 of the Board • Annual evaluation of the effectiveness of the Board

NEW CORPORATE GOVERNANCE STANDARDS INTRODUCED

·Listing Rule #9 on Corporate Governance by the Colombo Stock Exchange with effective dates for compliance set out for specific provisions from 1st October 2023 to 1st October 2024.

·Issue of the revised Code of Best Practice on Corporate Governance 2023 by the Institute of Chartered Accountants of Sri Lanka.

·Issue of SLFRS Sustainability Standards by the institute of Chartered accountants which are In keeping with the new standards on governance issued by the regulatory authorities, the Board has taken into consideration the requirements to governance structures and processes, and would work towards complying within the time frame provided.

GOVERNANCE STRUCTURE

At Alpha Fire Services PLC, the governance structure is designed to uphold the principles of transparency, accountability and effective oversight. The Board of Directors has established a robust framework by appointing two dedicated committees that contribute significantly to the company's corporate governance practices.



BOARD COMPOSITION

The Board of Directors at Alpha Fire Services PLC is a diverse and experienced group of individuals who collectively bring a wealth of knowledge and expertise to guide the company's strategic direction and oversee its operations.

The Board is composed of six directors, each selected for their unique skills, industry insights and leadership capabilities. The composition reflects a balanced blend of executives from within the fire service sector, as well as professionals with backgrounds in finance, operations, legal and other relevant domains.

Out of the six directors, two are independent directors. This substantial presence of independent directors underscores the dedication to fostering an objective and impartial governance environment.

Board Members

Executive Non- Independent Directors	(3)	
Non-Executive Independent Directors	(1)	
Non-Independent Non-Executive Directors	(2)	

Composition: Gender

Female	(1)	
Male	(5)	

Composition: Age

Below 40	(1)	
40–60	(4)	
Above 60	(1)	

Composition: Expertise

Legal	(1)	
Marketing	(1)	
Finance	(1)	
Technical	(3)	

Board Membership Type	Names of Directors
Executive Non-independent Directors	Mr. Sanjay Vijith Anthony Perera Mr. Malindra Chrostopher Fernando Mr. Agampodi Samud Ishara Gunasekara
Non-executive Non-independent Directors	Mrs. Deanna Marise Ryde
Non-executive Independent Directors	Mr. Kapila Liyanagamage Mr. Nivran Joseph Weerakoon

ROLES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Chairman and Managing Director

The Chairman and Managing Directors is responsible to the Board for the company's performance and strategic initiatives. The Chairman has authority and power in the decision-making and implementation processes.

Operations Director

The Operations Director is tasked with implementing strategic plans and driving performance within a defined framework.

As a member of the Board, the Operations Director is appointed by the Board and submits quarterly reports confirming compliance with regulatory requirements.

Appointing of Directors

The Company informs the Colombo Stock Exchange of any new director appointments to the Board. This notification includes a brief resume of the director, detailing their expertise in relevant functional areas, other directorships, memberships on board committees, and the nature of the appointment.

Re-election of Directors

Directors, with the exception of those aged above 70 years, are selected by the Board and are subject to re-election by shareholders at the subsequent Annual General Meeting.

Independence of Non-Executive Directors

The independence of non-executive directors ensures impartial decision-making and compliance with regulatory standards, fostering transparency and accountability within the company.

SHAREHOLDERS

Shareholders as at 31st March 2024

NAME OF SHAREHOLDER	NO. OF SHARES
MR.S.VA.PERERA	11,005,500
MALINDRA CHRISTOPHER FERNANDO	7,910,125
A.S.I GUNASEKERA	3,819,445
PEOPLE'S LEASING & FINANCE PLC/ ULTRAKLEEN (PVT) LTD	2,399,070
TOTAL SHARES	25,134,140

ENGAGEMENT WITH SHAREHOLDERS

The Board recognizes its obligation to present a balanced and fair assessment of the Company's financial standing, performance, and prospects, and is committed to full disclosure, with an emphasis on accuracy, relevance, and timeliness.

The company ensures regular communication with shareholders through various channels to keep stakeholders informed of the company's decisions and performance.

Shareholders also have access to the company's Company Secretary who provide information and share suggestions that can be of value to the Board.

COMPANY SECRETARY

Company secretarial services are rendered by Ms. Shama Ismail. The Company Secretary is responsible for organizing of meetings, distribution of board documents, minute-taking, and to ensure that submission of required filings are prepared and shared on time.

They are also tasked with providing guidance to directors concerning board protocols and legal obligations related to their roles.

The Company Secretary coordinates the Annual General Meetings, Extraordinary General Meetings, shareholder communications, and disclosures to the Colombo Stock Exchange.

The appointment and dismissal the company Secretary is a decisions made collectively by the Board.

BOARD COMMITTEES

At Alpha Fire Services PLC, unwavering commitment to robust corporate governance is exemplified by the establishment of two pivotal board committees.

Each committee operates with a defined focus, working collaboratively to address key facets of the operations and decisions.

Their collective expertise ensures that the company's governance practices are aligned with the highest industry standards, fostering an environment of integrity and responsible leadership.

The Board has established two primary committees to support its functions and responsibilities:

Audit Committee

Related Party Transactions
Review Committee

ANNUAL

- Annual General Meeting
- Annual Report

QUARTERLY

- Interim Financial Statements
- Announcements to CSE

MONTHLY/ WEEKLY

- Company website updates
- Social Media platforms
- Press Releases

Committee Name	Composition	Mandate and Responsibilities
Audit Committee	Two Independent Non-Executive Directors - Mr. Nivran Joseph Weerakoon - Mr. Kapila Liyanagamage	<p>Ensuring the integrity of the company's financial reports by having oversight of internal control, the financial reporting process and compliance with regulatory matters as given in the Audit Committee Charter.</p> <p>Setting out high standards of corporate disclosure, corporate responsibility, integrity and accountability to the shareholders.</p> <p>Adherence to legal and regulatory requirements, including the Companies Act and other relevant financial reporting regulations.</p> <p>Assessing the independence and effectiveness of the external auditor.</p> <p>Refer to page 47 for Audit Committee Report.</p>
Related Party Transaction Review Committee	Two Independent Non-Executive Directors and One Non-Independent Executive Director - Mr. Kapila Liyanagamage - Mr. Nivran Joseph Weerakoon	<p>Ensuring that the interests of the shareholders are taken into account when entering into related party transaction.</p> <p>Providing measures to prevent Directors, Managing Director or substantial shareholders from taking advantage of their position.</p> <p>The Committee independently reviews all related party transactions to ensure the company's compliance with the rules outlined in the SEC's Code of Best Practice.</p> <p>Refer to page 49 for Related Party Transactions Review Committee Report.</p>

ACCOUNTABILITY AND AUDIT COMMITTEE

The Audit Committee reviews the financial statements and recommends the financial statements for approval by the Board. These reports are shared with the CSE and through the corporate website for public knowledge on a quarterly basis.

EXTERNAL AUDITOR

The External Auditor is appointed by the shareholders at the AGM. It is the responsibility of the Audit Committee to supervise the External Auditor's independence and objectivity. They also monitor the effectiveness of the audit process in line with relevant professional and regulatory requirements.

The Audit Committee would review assigning other functions and services that are of non-audit nature to External Auditors. Audit Committee determine the potential impairment of independence and objectivity of the External Auditor in carrying out his duties and responsibilities.

ANNUAL GENERAL MEETING (AGM)

Shareholders participate the AGM to obtain an understanding of the performance of the company as presented by the Chairman.

Board members and Chairpersons of Board Sub-committees are available at the AGM to respond to any shareholder queries and to address any concerns raised by the members. Notice of the AGM, the Annual Report and Accounts and any other resolution together with the corresponding information that may be set before the shareholders at the AGM, are circulated to shareholders minimum 21 days prior to the AGM. Separate resolutions for each item of business, facilitating voting on each of such issue, separately.

Voting procedures at the AGM are circulated to the shareholders in advance. The Company records and count all proxy votes lodged for each resolution. In the event there are a significant proportion of the votes cast against a resolution, the Board will take steps to understand the reasons behind the vote results and determine if any actions are required. The outcome of the vote on each resolution is informed to the CSE, soon after conclusion of the AGM.

MANAGING CONFLICTS OF INTEREST

On appointment of the Directors, they are required to declare their business interests and update thereafter and the Company Secretary maintains a register of Directors' Interests. Directors are disclosed on page 77.

Directors with conflict of interest do not participate in the meeting when related party matters are discussed, absenting themselves from the board room for the duration of the discussion. Related party transactions are reviewed quarterly by the Related Party Transactions Review Committee who approve the transactions and ensure appropriate disclosures in line with regulatory requirements. Related party transactions are disclosed in Note 22 to the financial statements on page 77.

EFFECTIVE MEETINGS

Board meetings are held quarterly in accordance with an annual calendar prepared by the Company Secretaries, with provision for additional meetings as maybe required. Relevant Board papers are circulated to the Directors 07 days prior to the meeting allowing sufficient time review and clarification. Performance oversight, risk management and review of financial statements are regular items on the agenda of the Board.

MEETINGS AND ATTENDANCE

The number of meetings of the Board, Audit Committee, and Related Party Transactions Review Committee and individual attendance by members are as follows:

NAME OF DIRECTOR	ATTENDANCE		
	Board	Audit Committee	Related Party Transaction Review Committee
Mr. Sanjay Vijith Anthony Perera	4/4	-	-
Mr. Malindra Chrostopher Fernando	4/4	-	-
Mr. Agampodi Samud Ishara Gunasekara	3/4	-	-
Mrs. Deanna Marise Ryde	2/4	-	-
Mr. Kapila Liyanagamage	4/4	4/4	4/4
Mr. Nivran Joseph Weerakoon	1/1	1/1	1/1
Mr. Ranil De Silva	3/3	3/3	3/3

CODE OF ETHICS AND CONDUCT

The Alpha Fire Services PLC Code of Ethics elucidates principles that delineate acceptable business and personal behaviour, ensuring alignment with the highest standards of integrity and equitable practices. With a focus on maintaining reputation and ethical clarity, this code serves as a compass for all members of the company, including leadership.

The Company Code of Ethics and Conduct covers a range of topics and guidelines to promote ethical behaviour and responsible conduct within the organization. It addresses issues relating to:



COMPLIANCE

The compliance status of Alpha Fire Services PLC with the CSE Listing Rules (Section 7-10) and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka in 2017 is as follows:

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
A. Directors			
A.1	The Board		
A. 1.1	Board Meetings	Quarterly meetings are held, with special meetings held when needed.	Complied
A1.2	Role of the Board	Sets the budget for the financial year and holds monthly meetings to monitor progress. Approval of significant capital expenditures. Ascertain the existence of an effective internal control and risk management structure.	Complied
A 1.3	Compliance with laws and access to independent professional advice	The Board is always mindful of new laws/regulations which are implemented and ensures compliance with the same. Where needed, the Board obtains independent professional assistance, particularly before making any decisions that could have a substantial impact on the Company.	Complied
A 1.4	Access to advice from the Company Secretary Indemnifying the Board, Directors and key management personnel	The services and advice of the Company Secretary Ms. Shama Ismail is made available to Directors as necessary.	Complied
A 1.5	Independent judgment of the Directors	The Board comprises of independent professionals who exercise independent judgment in discharging their duties.	Complied
A 1.6	Dedicating adequate time and effort	Regular Board meetings and sub-committee meetings are scheduled giving adequate time to prepare.	Complied

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
A 1.7	Calls for resolutions	Resolutions are passed for all Board approvals and minutes are recorded.	Complied
A 3	Chairman's Role	The Chairman ensures that meetings are conducted in an orderly manner and that each Board Member and Member of Staff is given an opportunity to present his views/concerns on matters.	Complied
A 4	Financial Acumen	Members of the Board and Management have sufficient financial knowledge and thus are able to provide guidance on financial matters.	Complied
A 5	Board Balance		
A.5.1/A5.2/A.5.3 & A.5.5 7.10.1(a) 7.10.2(a) 7.10.2(a)	Presence of Non-Executive Directors Independence of Non-Executive Directors	Non-Executive Directors -03 Independence of Non-Executive Directors -02	Complied
A.5.4 7.10.2(b)	Annual Declaration of Independence by the Non-Executive Directors	Annual declarations citing their independence are obtained by the secretary annually.	Complied
A.5.6	Alternate Director to a Non-Executive Director	Nil	
A.5.7/5.8	Senior Independent Director	Nil	
A.5.9	Chairman meeting with the Non-Executive Directors	When required the Executive Directors and Members of Staff are excused from meetings.	Complied
A.5.10	Recording concerns	Concerns of directors are recorded in minutes even in the case of disagreement.	Complied
A.6	Supply of Information		
A6.1	The obligation of the Management to provide appropriate and timely information	Board Papers and Committee papers are provided 07 Days before the meeting.	Complied
A7	Appointments to the Board		
A 7.1/ A 7.2	Nomination Committee and the assessment of composition of the Board	All new appointments are informed to the CSE as per existing regulations. Appointments are undertaken by the Board of Directors.	Complied

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
A.7.3 7.10.3 (d)	Disclosure of Appointment of a New Director	Disclosure pertaining to any new appointments is made to the CSE within 3 days from the date of such appointment. The disclosure includes a brief profile of the Director and whether the Director is an Independent/Non Executive/Executive Director.	Complied
A.8	Re-election		
A.8.1/A8.2	Re-election	At each AGM, xx of the Non-Executive Directors presents themselves for re-election.	Complied
A.8.3	Resignation	In the event of a resignation, a letter of resignation is provided by the Director. Disclose to CSE.	Complied
A.9	Appraisal of Board Performance		
A.9.1/A.9.2/ A.9.3/A.9.4	Appraisals of the Board and the sub-committees	Done when need arises	Complied
A.10	Disclosure of Information in Respect of Directors		
A.10.1	Profiles of the Board of Directors and other related information	The names of the Directors of the Board and their profiles are given on pages, from 14 to 16.	Complied
A.11	Appraisal of Chief Executive Officer		
A.11.1/A.11.2	The setting of the annual targets and the appraisal of the CEO/ MD	Not Applicable	
B. Remuneration Procedure			
B.1.1	Set up a Remuneration Committee with agreed terms of reference	Not Applicable	
B.1.2 7.10.5 (a)	Remuneration Committee to consist of Non-Executive Directors only	Not Applicable	
B.1.3	List names of the Remuneration Committee in the Annual Report	Not Applicable	

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
B.1.4 7.10.5 (b)	Determination of the remuneration of the Non-Executive Directors	Not Applicable	
B.1.5	The remuneration of the Non-Executive Directors is decided by the Board in consultation with the Chairman.		Complied
B.2	The Level & Makeup of Remuneration		
B.2.1/B.2.2/ B.2.3/B.2.4	The level and makeup of the remuneration of Directors and comparison of remuneration with other companies	In par with similar companies	
B.2.5	Performance based remuneration	Not Applicable	
B.2.7	Executive share options	Not Applicable	
B.2.8/B.2.9	Designing schemes of performance-based remuneration	Preliminary discussions	
B.3	Disclosure of Remuneration		
B.3.1 7.10.5 (c)	Disclosure of Remuneration	Notes 22 in the financial statements on page 77.	
C. Relations with Shareholders			
C.1	Constructive use of AGM and Conduct of Meetings		Complied
C.1.1	Dispatch of Notice of AGM and related papers to shareholders	Notice of Meeting, the Agenda for the Annual General Meeting and the Annual Report are circulated among shareholders prior to 21 days as required by the Articles of Association and the Code.	Complied
C.1.2	Separate resolution for substantially separate issues	Separate resolutions are passed for each matter taken up at the AGM.	Complied
C.1.3	Accurate recording and counting of valid proxy appointments received for general meeting	Valid proxies are listed together with the number of shares held by the shareholder appointing the proxy.	Complied

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
C.1.4	Availability of Chairman of Board Committees at the Annual General Meeting	The Chairmen of the Board Committees are present to answer any queries of the shareholders directed to them by the Chairman of the Company.	Complied
C.1.5	Summary of Notice of General Meetings and procedures governing voting at General Meetings	A summary of the procedure for voting is given in the Notice of Meeting.	Complied
C.2	Communication with shareholders		
C.2.1. to C.2.7	Communications with Shareholders	<p>The AGM and EGM (if any) are used as the method for communicating with the shareholders.</p> <p>All quarterly and annual financial information and other important matters as required by the Act and the Listing Rules are shared by way of disclosures through the CSE.</p> <p>The Company Secretaries/Registrars are the main contact people for the shareholders.</p> <p>All major concerns of the shareholders are brought to the notice of the Board at the AGM and at Board/ Subcommittee meetings.</p> <p>All queries of shareholders are answered at the AGM and all shareholders are given the opportunity to express their views/concerns.</p>	Complied
C.3	Major & Material Transactions		
C.3.1 & C.3.2	Disclosure of Major Transactions	<p>There were no transactions during the period under review which are considered as material/ Major as per the Companies Act.</p> <p>The report of the Related Party Transactions Review Committee is on pages 49 & 50.</p>	
D. Accountability & Audit			
D.1.1	Annual Report	Refer to Accountability & Audit on pages 55 to 50.	

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
D.1.2	Interim and price-sensitive reports to the public and regulators	In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; <ul style="list-style-type: none"> •Companies Act No. 07 of 2007, •Sri Lanka Accounting Standards and •Listing Rules of the Colombo Stock Exchange. The annual and interim Financial Statements were published within the time periods prescribed by the Listing Rules of the Colombo Stock Exchange.	Complied
D.1.3	CEO/CFO Declaration	The Statement of Financial contains a declaration by the Managing Director and the Chief Financial Officer.	Complied
D.1.4	Directors' Report declarations	Refer the Annual Report of the Board of Directors on pages 51 to 54.	Complied
D.1.5	Statements on responsibilities for the preparation of financial statements and internal control	Refer to the following: <ul style="list-style-type: none"> •Statement of Board responsibility for preparation of financial statements – page 61. •Statement from Auditors' on their reporting responsibilities – pages 55 to 60. •Statement on Internal Control – page 58. 	Complied
D.1.6	Management discussion & analysis	Refer the Annual Report from pages 17 to 21 which provides a comprehensive management discussion and analysis of the company's operations.	Complied
D.1.7	Serious loss of capital	Shareholders will be informed of a serious loss of capital in the event it happens.	Complied
D.1.8	Related Party transactions	Refer to the following disclosures on Related Party Transactions: <ul style="list-style-type: none"> •Related Party Transactions Review Committee Report on page 49. •Annual Report of the Board of Directors on page 51. •Note 21 on page 77 in the financial statements. 	Complied
D.2	Risk Management & Internal Control		
D.2.1	Monitor, review and report on financial, operational and compliance risk and internal control systems	The following reports provide details on compliance with these requirements: <ul style="list-style-type: none"> •Risk Report on pages 44 to 46. •Risk & Internal Control on pages 44 to 46. 	Complied
D.2.2	Confirm assessment of the principal risks of the company		
D.2.3	Internal Audit		

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
D.2.4	Require Audit Committee to carry out reviews of & Board responsibility for disclosures	<ul style="list-style-type: none"> •Directors' Statement on Internal Controls on page 58. •Audit Committee Report on pages 47 & 48. 	Complied
D.2.5	Compliance with Directors' responsibilities as set out by the Code		
D.3	Audit Committee		
D.3.1 7.10.6 (a)	Establish an Audit Committee comprising wholly of Non-Executive Directors of which at least 2 must be independent	Refer to Audit Committee on pages 47 & 48.	Complied
D.3.2. 7.10.6(b)	Written Terms of Reference for Audit Committee	The Audit Committee has written Terms of Reference summarized in the Audit Committee Report on pages 47 & 48.	Complied
D.3.3. 7.10.6 (c)	Disclosures	The Audit Committee Report with required disclosures is given on pages 47 & 48.	Complied
D.4	Related Party Transactions Review Committee		
D.4.1/D.4.2/ D.4.3 9.3.2	Related Party Transactions Review Committee	Refer report of the Related Party Transactions Review Committee on page 49.	Complied
D.5	Code of Business Conduct & Ethics		
D.5.1	Board declaration for compliance with Code	Not Applicable	
D.5.2	Price-sensitive information	Not Applicable	
D.5.3	Monitor Share purchase by Directors/ KMPs	Refer to the Related Party Transactions Committee Report on page 49.	Complied
D.5.4	Chairman's statement	Refer to the Chairman's Message on page 10 and The Board of Directors' Statement on Internal Controls on page 58.	Complied
D.6	Corporate Governance disclosures	The Corporate Governance Report on pages 29 to 43.	Complied
E. Institutional Investors			
E.1.1	Institutional investors	The proxies of the major institutional investors, such as the major shareholder are obtained.	Complied

Reference to ICASL Code & CSE Listing	Corporate Governance Principle	How we Comply	Compliance Status
E.2	Evaluation of Governance Disclosures	Information required for the evaluation of governance structures is provided in the Annual Report.	Complied
F. Other Investors			
F.1	Investing and divesting decision	Provide sufficient information to investors through the annual report, quarterly financial statements and announcements to the CSE to assist investors with their investment and divestment decision.	Complied
F.2	Encouraging shareholder participation	The Company encourages individual shareholders to participate in general meetings and exercise their voting rights.	Complied
G. Internet of Things and Cybersecurity			
G	Internet of Things and Cybersecurity	Controls used	
H. Environment, Society & Governance			
H	Environment, society and governance	In line with accepted process	
	Principle 3 - Reporting on Labor Practices (Human Capital)	In line with accepted process	
	Principle 4 - Reporting on Society (Social Impact)	In line with accepted process	
	Principle 5 - Reporting on Product Responsibility (Social and Network Capital)	In line with accepted process	
	Principle 6 - Reporting on Stakeholder identification, engagement and effective communication (Stakeholder Engagement)	Carried out as and when required	
	Principle 7 - Sustainable reporting to be formalized as part of the reporting process and to take place regularly (About this Report)	In line with accepted process	

STATEMENT OF COMPLIANCE

From the aforementioned details, it can be concluded that the Company is fully compliant with the requirements of the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Corporate Governance Rules of the Colombo Stock Exchange.



VIJITHA PERERA
Chairman

Furthermore, the Board confirms that all statutory payments due to the Government, other regulatory institutions, and employees have been made on time.

Therefore, the Board concludes and declares that the Company is fully compliant with the Corporate

Governance Codes of the Institute of Chartered Accountants of Sri Lanka and the Corporate Governance Rules of the Colombo Stock Exchange, and has in place a robust Corporate Governance Framework to govern the business.



MALINDRA FERNANDO
Director

RISK MANAGEMENT



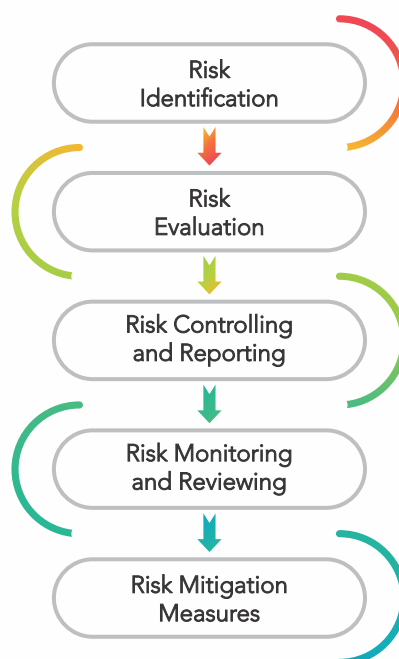
Alpha Fire Services PLC Lankaface the influence of various external and internal factors inherent to its operational environment.

BY nature of the industry we represent, the financial year 2023/24 posed significant challenges and risks arising from the macroeconomic landscape, necessitating the enhancement of the company's risk management protocols.

Alpha Fire PLC meticulously navigated risk through a structured risk management framework during the year.

This included the identification and mitigation of risks, ensuring achievement of strategic business goals and objectives.

RISK MANAGEMENT PROCESS



PRINCIPAL RISKS

Alpha Fire Services PLC specializes in providing essential fire protection services which involves a wide range of operational risks related to project complexity, technological advancements, social impacts, environmental concerns and financial changes. Our annual risk management plan includes a rigorous assessment of key risk

indicators through stakeholder engagement, enabling us to effectively identify, analyze and mitigate potential risks.

This strategic approach ensures a flexible and sustainable business model, underscoring our commitment to excellence and safety in every aspect of our operations.

The company focus on below risk factors,

RISK FACTORS



RISK GOVERNANCE

Alpha Fire PLC understands the importance of risk governance which is pivotal in achieving company objectives by effectively managing risks and facilitating informed decision-making.

Collaborating closely with the sub committees, corporate management and employees, risk exposures are maintained within acceptable thresholds.

Anticipating potential risks is crucial in steering the company's risk management strategies. The Executive Committee routinely assesses risks as part of its agenda, furnishing essential documentation to the Audit Committee and the Board.

The company adheres to a structured approach for risk management and reporting.

EXECUTIVES & SUPERVISORS

- Conducts daily identification, assessment, management, and reporting of all controllable risks.
- Ensures risk exposures are maintained within predefined limits.

CORPORATE MANAGEMENT TEAM

- Communicates risk policies effectively using a robust monitoring system.
- Ensures that risks are effectively managed across the entire business, providing assurance to stakeholders.

BOARD OF DIRECTORS

- Provides independent assurance and supervision of the risk management system and internal controls to ensure effectiveness.

Risk	Impact of Risk	Strategic Approach	Risk Rating		
			Low	Med	High
People Risk	The challenge of skilled technician shortages persists at Alpha Fire Services PLC, with qualified and experienced workers increasingly seeking opportunities abroad to manage rising living costs.	Ensure our experienced staff remains with us by consistently offering advanced training and workshops, attractive remuneration packages, and comprehensive benefits.			✓
Market Risk	Intense competition in the specialized fire and safety equipment industry is driven by smaller companies offering lower contract prices.	Guarantee the consistent delivery of reliable service and maintain the high standards that define our company's reputation.	✓		
Supply Chain Risk	The import restrictions, and forex challenges have led to shipping delays, increased costs of raw materials that are directly impacting our business operations.	Provisions have been made to maintain sufficient inventories and material at warehouses to overcome import and supply chain risks and fluctuations. In addition, price escalation clause have been introduced with the concurrence of customers to mitigate impact of currency fluctuation of project costs.	✓		
Financial Risk	The fluctuating inflation in Sri Lanka has significantly driven up prices for raw materials and commodities, directly affecting the demand for construction and safety products as consumers focus on meeting essential needs.	The company has maintained a mix of clientele that includes multinational and corporates that provides a continuous product and service requests. In addition, being an essential safety requirement for small to large scale businesses, services and manufacturing facilities across all sectors ensures the demand remains constant.		✓	
Business Continuity Risk	The threat of business disruption due to the industry's reliance on limited experts, clientele and suppliers.	State regulations make fire safety compulsory. Increasing reliance on fire safety regulation compliance has ensured confirmed orders on the order book.		✓	

AUDIT COMMITTEE REPORT



THE ROLE OF THE AUDIT COMMITTEE

The Audit Committee is a Sub Committee of the Board, to which it is accountable. The function of the Audit Committee is defined by the Board in line with its Charter and includes:

- To assist the Board in its oversight of the integrity of the Financial Statements of the Company, to assess the adequacy of the risk management framework of the Company,
- To assess the independence and the performance of the Company's external audit function and internal audit functions
- To review compliance of the Company with legal and regulatory requirements.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee contains two independent non-executive directors and the chairman of the Audit committee is a professional accountant meanwhile, the Board Secretary functions as the secretary of the Audit Committee.

NAME OF BOARD COMMITTEE MEMBER

Mr. Nivran Joseph Weerakoon
(Chairman)

Mr. Kapila Liyanagamage

The Managing Director, Executive Directors and Head of Finance attend the meetings at the invitation of the Audit Committee.

Representatives of the Company, external auditors and internal auditors also attend Audit Committee meetings by invitation.

The Audit Committee has the required expertise in finance, law and business management to deliberate Audit Committee matters and recommend necessary action to be taken.

MEETINGS

The committee gathered 4 times during the financial year under review.

The attendance of the members at these meetings is as follow:

MEMBER	MEETINGS ATTENDED
Mr. Nivran Joseph Weerakoon (Chairman)	1/1
Mr. Ranil De Silva *	3/3
Mr. Kapila Liyanagamage	4/4

* Mr. Ranil De Silva had resigned with effect from 09 November 2023 and Mr. Nivran Joseph Weerakoon was appointed as chairman of the audit committee and the board.

TASKS OF THE AUDIT COMMITTEE

Financial Reporting System

The Committee analyzes the financial reporting system accepted by the company in the preparation of its quarterly and annual financial statements to ensure the solidity of the processes and consistency of the accounting policies and methods approved and their acquiescence with Sri Lankan Accounting Standards.

The practice included obtaining statements of compliance from Head of Finance and Directors.

The Committee reviewed and acclaimed to the Board for Approval of the quarterly and annual financial statements prior to their release.

During the evaluation of financial reporting system, the committee also reviewed the adequacy of management information reports provided to its members.

The Audit Committee reviewed the Company's framework and practices with respect to risk assessment and risk management, including discussing with management the Company's major financial risk exposures and the steps that have been taken to monitor and control such exposures.

Statutory Audits

Annual financial statements were audited by M/S KPMG Chartered Accountants.

Issues raised by the external auditors were thoroughly examined along with the audit findings issued and actions taken by the management.

The committee discussed the effectiveness of the internal controls in place and suggested alternative actions where necessary.

Support to the Committee

The committee has received information and support from the management during the financial year to continue to initiate its duties and responsibilities effectively.

Performed other activities related to the charter as requested by the Board of Directors. Oversaw special investigations as needed. Reviewed and assessed the adequacy of the committee charter annually and proposed changes, and ensured appropriate disclosure as may be required by law or regulations.

Other Duties

The Non-Audit Services provided by the External Auditor were also reviewed and the Committee was of the view that such services did not impair with their independence and were not within the category of services identified as restricted under the guidelines for listed companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

CONCLUSION

The Audit Committee is satisfied that the Company's accounting policies, independence of the auditors and risk management policies are adequate for its operations. The Audit Committee has also accomplished responsibilities and functions that are delegated to it by the Board and outlined in the Charter.

Signed
MR. NIVRAN JOSEPH WEERAKOON
 Chairman, Audit Committee

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT



The Related Party Transactions Review Committee (RPTRC) of the Company was formed by the Board in 2022 in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange to ensure compliance with those Rules facilitating independent review, approval and oversight of Related Party Transactions of the Company

THE PURPOSE OF THE COMMITTEE

The purpose of the RPTRC of the Company is to conduct an independent review approval and oversight of all related party transactions of Alpha Fire Services PLC and to ensure that the Company complies with the rules set out in the Listing Rules.

The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering

into related party transactions, and to prevent Directors, key management personnel or substantial shareholders from taking advantage of their positions.

THE RESPONSIBILITIES OF THE COMMITTEE

The following are key responsibilities that have been set out for RPTRC:

- Ensure that the Company complies with the rules set out in the Listing Rules
- Subject to the exceptions given in the Listing Rules, review, advance all proposed related party transactions
- Perform other activities as requested by the Board

- Seek any information, the Committee requires from the management with regard to any transaction entered into with a related party

- Obtain knowledge on proposed related party transactions where necessary including obtaining appropriate professional and expert advice from suitably qualified persons

- Have meetings every fiscal quarter and report to the Board on the Committee's activities

- Share information with the Audit Committee as necessary and appropriate, to permit the Audit Committee to carry out its statutory, regulatory and other responsibilities with regard to related party transactions

- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.

- To monitor that all related party transactions of the company are transacted on normal commercial terms and an arm length transaction.

COMPOSITION OF THE COMMITTEE

The Related Party Transactions Review Committee comprises two Independent Non-Executive Directors. The Committee met four times during the financial year. The attendance of the members at these meetings is as follows:

NAME OF BOARD COMMITTEE MEMBER	MEETINGS
Mr. Kapila Liyanagamage (Chairman)	4/4
Mr. Ranil De Silva	3/3
Mr. Nivran Joseph Weerakoon	1/1

REVIEW

The Committee reviewed all related party transactions of the Company for the financial year 2023/24 and has communicated the comments and observation to the Board of Directors.

In terms of Rule 9.3.2 of the Listing Rules of the Colombo Stock Exchange on related party transactions, there were no none-recurrent related party transactions entered into during the course of the financial year aggregative value of which exceeded the lower of 10% of the equity or 5% of the assets.

There were no recurrent related party transactions carried out during the financial year ended 31st March 2024, the aggregate value of which exceeded 10% of the revenue.

In the opinion of the Committee, the terms of these transactions were not more favourable to the related parties than those generally available to the public. The details of related party transactions entered into during the year are given in Notes to the Financial Statements.

DECLARATION

The Committee has reviewed the related party transactions of the company with its related companies and communicated the same to the Board.

The Committee in its review process recognized the adequacy of the content and quality of the information forwarded to its members by the management.

A declaration by the Board of Directors on compliance with the rules pertaining to Related Party Transactions appears on the report of the Board of Directors on page 49 of this Annual Report

Signed
MR. KAPILA LIYANAGAMAGE
 Chairman, RPTRC

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY



The Board of Directors of Alpha Fire Services PLC have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the year ended 31 March 2024.

This Annual Report contains information on the affairs of the Company as required by the Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock exchange and recommended best practices. The Financial Statements were reviewed and approved by the Board of Directors on 27 August 2024.

GENERAL

Alpha Fire Services PLC was incorporated in Sri Lanka on May 07, 2003 and re-registered on October 16, 2007 as a Private Limited Liability Company under the provisions of Companies Act No. 7 of 2007.

The legal form of the company was changed from Limited Company to Public Listed Company under provision of the Section 8 of the Companies Act No. 07 of 2007 on July 04, 2022.

PRINCIPAL ACTIVITIES

The principal activities of the company include the supply, installation, commission and maintenance of fire alarm systems, fire hydrant systems, fire hose reel systems, sprinkler systems, fire flex systems, fire suppression systems, fire doors, kitchen hood fire suppression systems, fire extinguishers and gas lines.

The Company also designs and consults on installation of fire systems as per local fire authority and NFPA standards and conducts fire trainings.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

REVIEW OF OPERATIONS

An analysis of the operations of the Company during the financial year under review is given in the Chairman's Review on page 10 and the Management Discussion on pages 17 to 21.

FINANCIAL STATEMENTS

The financial statements appearing in this report have been prepared by the Sri Lanka Accounting Standards for SMEs, issued by the Institute of Chartered Accountants of Sri Lanka. The Company operates in compliance with the requirements of the Companies Act No. 07 of 2007 and the listing rules of the Colombo Stock Exchange.

In addition to all the relevant legal and regulatory frameworks and charters, Alpha Fire Services PLC also endorses and/or subscribes to the code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

The Financial Statement duly signed by the Head of Finance and two Directors of the Company on behalf of the Board and Auditors financial statements, forms an integral part of the Annual Report of the Board of Directors. The complete Financial Statements are given on pages 61 to 81.

The significant accounting policies adopted in the preparation of financial statements are given on pages 65 to 70.

Mr. Ranil De Silva had resigned with effect from 09 November 2023 and Mr. Nivran Joseph Weerakoon was appointed as chairman of the audit committee and the board.

Directors' Interests

In compliance with Section 192 (2) of the Companies Act No. 07 of 2007, the company maintains an Interest Register and are deemed to form part and parcel of this Annual Report, the disclosed interests are in Note 22 on the Financial Statements on page 77 available for inspection upon request.

Directors' Responsibility in Financial Reporting

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs.

The Directors are of the view that these financial statements have been prepared in conformity with requirements of the Sri Lanka Accounting Standards, the Companies Act No.7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

SUMMARY OF THE FINANCIAL RESULTS

PERFORMANCE	2023/24	2022/23
Revenue	326,569,040	289,663,882
Net profit for the year	24,586,355	13,979,605

AUDITORS' REPORT

Messrs. KPMG, the Auditors of the Company carried out the audit on the Financial Statements for the year under review.

The Report of the Auditors on the Financial Statements of the Company is given on pages 55 to 60.

ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium Enterprises, SLFRSs for SMES.

DIRECTORS

The names of the Directors who held office as at 31 March 2024 are given below and their brief profiles appear on pages 14 to 16.

Executive Directors

- Mr. Vijith Perera
- Mr. Malindra Fernando
- Mr. Samud Gunasekera

Non Executive Directors

- Ms. Deanna Marise Ryde

Independent Non- Executive Directors

- Mr. Kapila Liyanagame
- Mr. Nivran Joseph Weerakoon

Share Information

The relevant interests of Directors in the shares of the Company as at 31st March 2024 and 31st March 2023 are as follows:

MEMBER OF THE BOARD	SHARES HELD AS AT 31 MARCH 2024	SHARES HELD AS AT 31 MARCH 2023
Vijith Perera	11,005,500	800,400
Estate of Late Mr. Frank Ryde	Nil	676,200
Malindra Fernando	7,910,125	576,082
Amtek Engineering (Pvt) Ltd	Nil	429,439
Deanna Marise Ryde	Nil	Nil
Samud Gunasekera Ultrakleen (Pvt) Ltd	2,399,070	Nil
Nivran J Weerakoon	Nil	Nil
Kapila Liyanagamage	Nil	Nil

There were 299 shareholders registered as at 31st March 2024 after the company was publicly listed at the Colombo Stock Exchange in 2022 (7 shareholders as at 31st March 2023).

Information on the distribution of shareholding, , market values per share, earnings, dividends, net assets per share, largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on page 82 under Share Information.

DIVIDENDS

An interim dividend of Rs. 0.12 cents per share for the year ending 31st March 2024 was declared on 22 February 2024.

DELEGATION TO BOARD MEMBERS

The Board has delegated certain functions and duties to Sub Committees that comprise of Board members.

The functions and duties of each sub committee is detailed in the respective reports. They include:

Audit Committee

Related Party Transactions Review Committee

The Board is also encouraged to seek independent professional advice, when necessary, at the company's expense and also have access to the company Secretary to obtain advice and services as and when necessary.

INDEPENDENT AUDITORS

Messrs. KPMG, Chartered Accountants served as the Auditors during the year under review and also provided non audit services.

They do not have any interest in the Company other than that of Auditors.

A total amount of Rs 1 million is payable by the Company to Messrs KPMG for the services rendered during the year under review.

PROPERTY AND EQUIPMENT

Details and movements of property and equipment are given under Note 02 to the Financial Statements on page 71.

CAPITAL EXPENDITURE

The total capital expenditure during the year amounted to Rs. 16.2 million on property, plant and equipment compared to Rs. 0.3 million incurred in the previous year.

RISK MANAGEMENT

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company.

As part of the governance process, the Board continuously reviews and evaluates the internal controls and risks of the company and takes necessary measures required to mitigate risk.

Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on pages 44 to 46.

CORPORATE GOVERNANCE

The Board continued to place importance on sound corporate governance practices and is committed to the highest standards of corporate governance within the organisation.

The Directors are of the view that the Company is in compliance with the Corporate Governance Rules contained in the Listing Rules of the Colombo Stock Exchange.

The report on Corporate Governance is given on pages 29 to 43 of the Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of two Non-Executive Independent Directors.

The Report of the Audit Committee is given separately in the Annual Report detailing the functions and duties of the Committee and the specific objectives met in the financial year under review.

EMPLOYMENT POLICY

The Company has a non-discriminatory employment policy and provides career opportunities irrespective of gender, race and religion.

As at 31 March 2024, 60 persons were in employment (53 persons in employment in 2023).

There were no material issues pertaining to employees and industrial relations during the financial year.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all statutory payments including EPF, ETF, and tax have been made within the stipulated periods during the financial year.

GOING CONCERN

After making adequate enquiries from the management, the Directors are satisfied that the company has adequate resources to continue its operations in the foreseeable future.

ANNUAL GENERAL MEETING

Notice of the 3rd Annual General Meeting appears on page 83.

This Annual Report is signed for and on behalf of the Board of Directors by:



MR. VIJITH PERERA
Chairman



MS. SHAMA ISMAIL
Corporate Secretary

FINANCIAL STATEMENTS





KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alpha Fire Services PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alpha Fire Services PLC ("the Company"), which comprise the statement of financial position as at 31 March 2024, 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 and other explanatory information as set out on pages 65 to 81 of the Annual Report.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2024, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium Sized Entities (SLFRS for SMEs).

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA



Revenue recognition	
Refer Note 16 to the financial statements	
Risk Description	Our Response
<p>The Company recorded revenues of Rs. 326,569,040/- for year ended 31 March 2024 which included project-based revenue amounting to 295,725,501/- Revenue recognition and measurement on project-based revenue is complex because it is based on management estimates of;</p> <ul style="list-style-type: none"> · The stage of completion of the project; · Total project revenue and cost; · The probability of customer approval of the variation and claims; and · Project completion date. <p>This, together with the focus on volumes and revenue as key performance measures resulted in revenue being selected as a key audit matter.</p>	<p><i>Our Response Our audit procedures included;</i></p> <ul style="list-style-type: none"> • Understanding the nature of the revenue contracts entered by the Company and evaluate the design and operating effectiveness of relevant controls over the revenue recognition. • Assessing management's estimate of total contract revenue and contract costs and recalculated the stage of completion based on actual costs incurred to date for a sample of transaction. • Assessing the start and end dates of projects to supporting evidence for a sample of revenue recognized on a time basis. • Performing retrospective analysis of incomplete projects at the year end. We compared the estimated projects completion dates with the actual completion dates post year end to assess the allocation of revenue between periods. • Assessing the adequacy of the disclosures to the financial statements.



Carrying value of Inventory	
Refer Note 3 to the financial statements	
Risk Description	Our Response
<p>The Inventory balance comprise of raw consumables and work in progress, amounting to Rs. 90,129,865/- as at 31 March 2024 which forms a significant part of the Company's current assets.</p> <p>Carrying value of inventories is identified as a Key Audit matter because establishing a provision for slow-moving, obsolete and damaged inventory and valuation of inventories involve significant judgments and assumptions exercised by the management.</p>	<p><i>Our audit procedures included;</i></p> <ul style="list-style-type: none"> • Obtaining an understanding of an assessing the design, implementation and operating effectiveness of management's key internal controls over the supply chain and testing selected key controls over recognition and measurement of inventory and inventory provisioning. • On sample basis, testing the net realizable value by comparing the actual cost with relevant market data. • Attending stock counts as at the year-end. In addition, assessed the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, and expired stocks that are written off in a timely manner and evaluating the results of the other counts performed by the management throughout the period to assess the existence of inventory. Gaining an understanding of the movements in the inventory for the year and assess the adequacy of the provision for nonmoving and slow-moving inventory. • Assessing whether the Company's accounting policies had been consistently applied and the adequacy of the Company's disclosures in respect of the judgment and estimation made in respect of inventory provisioning.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.

A handwritten signature in blue ink, appearing to be 'K. S. S.', written over a light blue rectangular background.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
27 August 2024

ALPHA FIRE SERVICES PLC
STATEMENT OF FINANCIAL POSITION

As at 31 March,		2024	2023
Assets	Note	Rs.	Rs.
Non-current assets			
Property, plant & equipment	2	72,407,471	60,449,600
Term deposits		30,435,966	29,086,992
Total non-current assets		102,843,437	89,536,592
Current assets			
Inventories	3	83,548,022	73,978,714
Trade and other receivables	4	95,405,151	78,893,320
Cash margin account		10,130,325	4,140,451
Cash and cash equivalents	5	13,826,017	6,742,585
Total current assets		202,909,515	163,755,070
Total assets		305,752,952	253,291,662
Equity and liabilities			
Equity			
Stated capital	6	76,429,460	25,569,560
Revaluation reserve		23,880,760	26,335,143
Retained earnings		45,073,288	22,481,253
Total equity		145,383,508	74,385,956
Non-current liabilities			
Retirement benefits obligation	7	4,640,418	3,553,750
Bank borrowings	8	1,833,317	10,827,583
Deferred tax liabilities	9	7,795,277	9,262,606
Total non-current liabilities		14,269,012	23,643,939
Current liabilities			
Bank borrowings	8	10,591,125	19,833,341
Lease liabilities	10	-	409,403
Amount due to related parties	11	1,381,414	12,598,136
Loan from related parties	12	-	10,000,000
Short term bank borrowings	13	33,196,850	29,840,616
Trade and other payables	14	55,482,406	55,418,797
Income tax payable	15	11,929,987	2,946,463
Bank overdrafts	5	33,518,650	24,215,011
Total current liabilities		146,100,432	155,261,767
Total liabilities		160,369,444	178,905,706
Total equity and liabilities		305,752,952	253,291,662

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.



Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.

Approved and signed on behalf of the Board of Directors:



Director

27 August 2024
Colombo



Director

ALPHA FIRE SERVICES PLC
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March,		2024	2023
	Note	Rs.	Rs.
Revenue	16	326,569,040	289,663,882
Cost of sales	17	(198,170,531)	(210,106,707)
Gross profit		128,398,509	79,557,175
Other income		-	859,970
Administrative expenses		(58,543,783)	(37,320,093)
Selling and distribution expenses		(25,959,400)	(17,763,511)
Profit from operations	18	43,895,326	25,333,541
Interest income		4,677,036	2,649,685
Finance expenses	19	(13,623,022)	(12,778,380)
Net finance expenses		(8,945,986)	(10,128,695)
Profit before taxation		34,949,340	15,204,846
Income tax expenses	21	(10,362,985)	(1,225,241)
Profit after taxation		24,586,355	13,979,605
Other comprehensive income			
Items that will not be re-classified to profit/ loss			
Revaluation gain on property, plant and equipment		-	35,429,537
Tax on revaluation		-	(10,628,861)
Surplus on retirement benefits obligation		105,297	-
Other comprehensive income for the year		105,297	24,800,676
Total comprehensive income		24,691,652	38,780,281
Earning per share (Rs.)	20	0.65	0.38

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

ALPHA FIRE SERVICES PLC
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March,	Stated capital	Revaluation reserve	Retained earnings	Total
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Balance as at 01 April 2022	25,569,560	1,534,467	8,501,648	35,605,675
Total comprehensive income for the year				
Profit for the year	-	-	13,979,605	13,979,605
Other comprehensive income for the period	-	24,800,676	-	24,800,676
Balance as at 31 March 2023	25,569,560	26,335,143	22,481,253	74,385,956
Share issued during the year - Note 6	50,859,900	-	-	50,859,900
Total comprehensive income for the year				
Profit for the year	-	-	24,586,355	24,586,355
Other comprehensive income for the period	-	-	105,297	105,297
Depreciation transfer on revalued assets	-	(2,454,383)	2,454,383	-
Dividend Distribution	-	-	(4,554,000)	(4,554,000)
Balance as at 31 March 2024	76,429,460	23,880,760	45,073,288	145,383,508

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

ALPHA FIRE SERVICES PLC
STATEMENT OF CASH FLOWS

For the year ended 31 March,		2024	2023
	Note	Rs.	Rs.
Cash flows from operating activities			
Profit before taxation		34,949,340	15,204,846
Adjustments for:			
Depreciation of property plant and equipment	2	4,307,632	2,230,307
Provision for retirement benefit obligation	7	1,548,215	192,250
Revaluation deficit on property, plant and equipment		-	386,397
Profit on disposal of property, plant and equipment		-	(750,000)
Provision for slow moving inventory		1,342,884	3,912,518
Assets written off during the year		-	281,664
Interest income		(4,677,036)	(2,649,685)
Loan interest		6,723,207	7,625,549
Lease interest		20,936	235,246
Operating profit before changes in working capital		44,215,178	26,669,092
Changes in working capital			
(Increase)/decrease in inventories		(10,912,192)	1,512,897
(Increase)/decrease in trade and other receivables		(16,511,832)	(42,881,053)
Increase/ (decrease) in amount due to related parties		(11,216,722)	(14,054,968)
Increase/ (decrease) in trade and other payables		63,610	4,783,872
Cash generated / (used in) from operations		5,638,042	(23,970,160)
Income tax paid		(2,846,790)	(696,258)
Gratuity paid	7	(356,250)	(428,750)
Net cash flow generated / (used in) from operating activities		2,435,002	(25,095,168)
Cash flows from investing activities			
Acquisition of property, plant and equipment	2	(16,265,503)	(344,967)
Proceeds on disposal of property, plant and equipment		-	750,000
Interest income		686,830	120,427
Investment in cash margin		(5,989,875)	(2,574,815)
Withdrawal of fixed deposits		2,629,370	1,136,438
Net cash flow used in investing activities		(18,939,178)	(912,917)
Cash flows from financing activities			
Share issued - rights issue		50,859,900	-
Dividend paid		(4,554,000)	-
Long term loan received		-	25,000,000
Long term loan paid		(18,236,482)	(13,278,625)
Short term loan (paid) / received		3,356,234	20,301,324
Loan interest paid		(6,723,207)	(7,449,430)
Lease rental paid		(418,474)	(1,762,728)
Loan (settled)/ obtained from related parties		(10,000,000)	5,000,000
Net cash flow generated / (used in) from financing activities		14,283,969	27,810,541
Net changes in cash and cash equivalents during the year		(2,220,207)	1,802,456
Cash and cash equivalents at beginning of the year		(17,472,426)	(19,274,882)
Cash and cash equivalents at end of the year	5	(19,692,633)	(17,472,426)

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

For the year ended 31 March 2024,

1. ACCOUNTING POLICIES

1.1 REPORTING ENTITY

Alpha Fire Services PLC, ("the Company") is a public listed company incorporated in Sri Lanka, under the companies Act No.07 of 2007 and domiciled in Sri Lanka. The registered office of the company is located at No, 487/5, Old Kottawa Road, Pannipitiya. The Company has listed on the Empower Board of Colombo Stock Exchange on 07 June 2022.

(a) Principal activities and nature of operations

The principal activities of the Alpha Fire Services PLC is to provide fire protection services.

1.2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company comprise statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes comprising other explanatory information. These statements have been prepared in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities ("SLFRS for SMEs") issued by the Institute of Chartered Accountants of Sri Lanka. The Company is allowed by the Colombo Stock Exchange to follow SME Standards for three consecutive financial periods to prepare financial statements from the date of listing as per the section 1.1 A of the extraordinary gazette of the Colombo Stock Exchange.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except property, plant equipment. No adjustments have been made for inflationary factors in the financial statements.

© Going concern

The Directors have made an assessment of the company's ability to continue as a going concern in the foreseeable future and they do not intend either to liquidate or cease trading. Therefore, the going concern basis is used in the preparation of financial statements. Based on available information, the management has assessed the prevailing uncertain and volatile macro-economic environment and its impact on the Company and the appropriateness of the use of the going concern basis. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

(d) Functional and presentation currency

These financial statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(e) Use of estimates and judgements

The preparation of financial statements in conformity with SLFRS for SMEs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only the financial year, or in the period of the revision and future periods if the revision affects both current and future financial years.

For the year ended 31 March 2024,

1.2 BASIS OF PREPARATION (CONTINUED)

i. Inventory valuation

Inventories are measured at cost or net realizable value whichever is lower after making due allowance for obsolete and slow moving items.

ii. Useful lives and residual values appropriate for property, plant and equipment

The Company tests annually whether, the useful life and residual value estimates were appropriate and in accordance with its accounting policy. Useful lives and residual values of property, plant and equipment have been determined by the company.

iii. Determination of valuation of property, plant and equipment (Revaluation)

1.3 SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at fair value less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are measured at fair value less accumulated depreciation and impairment charged subsequent to the date of the revaluation. Where Property, plant and equipment are subsequently revalued, the entire class of such assets is revalued at fair value on the date of revaluation. Valuations are performed every 3-5 years (or frequently enough) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve. Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss. Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Depreciation on revaluation gain is transferred from revaluation reserve to retained.

For the year ended 31 March 2024,

1.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Depreciation

Depreciation is recognised in the statement of income and expenditure and other comprehensive income on a straight-line method over of each part of an item of property, plant and equipment.

	Years
Building	20
Machinery	5-7
Tools and Equipment	2-4
Office Equipment	2-7
Computers	2-6
Furniture and Fittings	2-10
Motor Vehicles	5-8
Containers	20-21

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Depreciation is provided from the date the assets are available for use up to the date of disposal.

(iii) Impairment

At each reporting date, property, plant and equipment, 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 is estimated and compared with its carrying amount. If the 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.

(b) Inventories

Finished goods are valued at the lower of cost or net realizable value. Cost is determined on a weighted average cost basis.

Work-in-progress are measured at cost incurred up-to the reporting date. Cost comprises of consumables, amounts paid to sub-contractors, labor costs, overheads and other related costs.

(c) Trade and other receivables

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. Trade and other receivables are measured at a mortised 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.

(d) Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, deposits held at call with bank.

The cash flow statement has been prepared using the indirect method. For the purpose of cash flow statement, cash and cash equivalents consists of deposits at banks net of outstanding bank overdrafts.

(e) Trade Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

For the year ended 31 March 2024,

1.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Bank borrowings and overdraft

Bank borrowings and overdraft are measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Obligations payable at the demand of the creditors or within one year of the reporting date are treated as current liabilities in the statement of financial position. Liabilities payable after one year from the reporting date are treated as non-current liabilities in the statement of financial position.

(g) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

(h) Employee benefit

i. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company measures the present value of the promised retirement benefits for gratuity, which is a defined benefit plan using the 'Projected Unit Credit method' (PUC). The Company continues to use an internally developed method to measure retirement benefit liability. The item is stated under liabilities in the statement of financial position.

The liability is not externally funded, nor actuarially valued. The gratuity liability is valued using a formula method with assumptions namely, rate of interest, salary increment rate, staff turnover rate and retirement age to fair value the obligation. This item is grouped under non-current liabilities in the statement of financial position.

ii. Defined contribution plan

Contributions to defined contribution plans are recognized as an expense in statement of profit or loss as incurred. The Company contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

(i) Revenue recognition

Revenue is recognized to the extent that the economic benefits will flow to the Company and revenue can be reliably measured.

i. Project Income

Project income is recognized as revenue by reference to the stage of completion of project at the given date where the outcome of the completion jobs can be reliably determined and agreed with the customers. Reliable estimation of the outcome requires reliable estimates of the stage of completion and collectability of progress invoice.

For the year ended 31 March 2024,

1.3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Sale of Goods

Revenue from the sale of goods is recognized in the statement of comprehensive income when the significant risk and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably.

iii. Rendering of Services

Revenue of a transaction involving the rendering of services are recognized when the outcome of such transaction can be estimated reliably, and it is probable that economic benefits associated with the transaction will flow to the Company.

iv. Dividend

Dividend income is recognised when the Company's right to receive payment has been established. It is included in other income.

(j) Expenditure

All expenditure related to the period have been charged on accrual basis to the statement of income and expenditure in arriving at the Company's profit for the year. Expenditures are presented by function.

(k) Management fee

Management Fee is charged by the management company M/S Amtek Engineering (Pvt) Ltd for a fixed monthly fee of Rs.600,000 managing the business operation of the company.

(l) Taxation

i. Income taxation

The provision for income tax is based on the elements of income and expenditure reported in the financial statements as adjusted for disallowable items and computed in accordance with the provisions of the Inland Revenue (Amendment) Act No. 45 of 2022.

ii. Deferred taxation

Deferred taxation is provided using the liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

The deferred tax is measured at the tax rates that are expected to be applied to the temporary difference when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized.

(m) Comparative information

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

For the year ended 31 March 2024,

(n) Events occurring after the reporting date

All material events after the reporting date and before signing of accounts have been considered and where appropriate adjustments or disclosures have been made in respective notes to the financial statements.

1.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Commitment and contingencies

All discernible risks are accounted for in determining the amount of all known liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be reliably measured. Contingent liabilities are not recognised in the statement of financial position but are disclosed unless they are remote (Note 25).

(p) Related party disclosures

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in the Accounting Standard.

Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) have been classified as Key Management Personnel of the Company (Note 22).

2 Property, plant and equipment

Property plant and equipment consist Rs 54,532,000/- worth of assets are pledged as security .

ALPHA FIRE SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTD.)

2.1 Method of valuation of property, plant and equipment

The Property, plant and equipment of the Company were revalued as at 31 March 2023. The results of such revaluations was incorporated in these financial statements effective from 31 March 2023. Fair value of the property, plant and equipment was ascertained by an independent valuation carried out by Sampath P. Dayaratne, FRICS.

All revaluations are based on market values and based on the aforesaid valuations

Location	Revaluation Date	Land Extent (Perches)	Fair Value as at 31 March 2023			
			Rs.		Number of Buildings	Level of Fair Value Hierarchy
			Land	Building		
Polgasowita	31 March 2023	38.9	38,900,000	1,649,000	3	Level 3
Valuation technique and unobservable inputs						
Valuation Techniques			Unobservable Inputs			
Land						
Market comparison for most recent sales evidences			Rs.1Mn	Price per perch for Land		
Buildings						
Cost estimation prepared based on current market prices of construction materials. Current usage, maintenance also was analysed			Rs.2,600	Price per square feet, Depreciation rate		

Other class of assets

This gives the current market price of an identical or closely identical assets providing a similar output. Current market value decided from market study and comparison of most recent sales took place.

ALPHA FIRE SERVICES PLC

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,		2024	2023
		Rs.	Rs.
3	Inventories		
	Consumables	59,677,571	59,883,605
	Work in progress	30,452,294	19,334,068
	(-) Provision for inventory (Note 3.1)	(6,581,843)	(5,238,959)
		83,548,022	73,978,714
3.1	Balance as at 01 April	5,238,959	1,326,441
	Charge for the year	1,342,884	3,912,518
	Closing balance	6,581,843	5,238,959
4	Trade and other receivables		
	Trade receivables (Note 4.1)	59,926,003	47,094,471
	Refundable deposits	750,000	400,000
	Staff receivables	386,478	233,830
	Value Added Tax	4,501,347	-
	Advance	29,841,323	31,165,019
		95,405,151	78,893,320
4.1	Trade receivables		
	Trade receivables	61,292,627	48,461,095
	Provision for bad and doubtful debt (Note 4.1.1)	(1,366,624)	(1,366,624)
		59,926,003	47,094,471
4.1.1	Balance as at 01 April	1,366,624	5,816,879
	Write-off during the year	-	(4,450,255)
	Closing balance	1,366,624	1,366,624
5	Cash and cash equivalents		
	Favourable balances		
	Cash at bank	13,043,153	6,217,158
	Cash in hand	782,864	525,427
		13,826,017	6,742,585
	Unfavourable balances		
	Bank overdrafts	33,518,650	24,215,011
	Cash and cash equivalents for the purpose of cash flow statement	(19,692,633)	(17,472,426)
Overdraft facility is the cash backed facility against term deposit and temporary overdraft facility. Interest on overdraft facility is charged rate of term deposit plus 2.5%			
6	Stated capital		
	Issued and fully paid		
	Ordinary Shares	76,429,460	25,569,560
		76,429,460	25,569,560
		No of Shares	Share Value
		2024	2023
		Nos'	Nos'
	Balance as at 01 April	2,760,000	2,760,000
	Issued during the year by rights issue	4,830,000	-
		7,590,000	2,760,000
	Increased by sub-division of shares	30,360,000	-
	Closing balance	37,950,000	2,760,000

Rights issue

The Company had issued 4,830,000 ordinary voting shares on 26 June 2023 based on issuing Seven (07) new ordinary voting shares for every Four (04) ordinary voting shares, at a consideration of Rs. 10.53 per share to raise a total sum of up to Rs. 50,859,900 via rights issue is to meet the working capital requirement and to repay the debts during the financial year.

Subdivision of shares

The company had increased its number of shares by way of a sub-division of shares where by one (01) ordinary share was subdivided in to five (5) ordinary on 26 January 2024. The resulting number of shares after the sub-division is 37,950,000.

ALPHA FIRE SERVICES PLC
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,		2024	2023
		Rs.	Rs.
7 Retirement benefits obligation			
Balance as at 01 April		3,553,750	3,790,250
Expenses recognized in comprehensive income		1,548,215	192,250
Surplus recognized in other comprehensive income		(105,297)	-
Payments made during the year		(356,250)	(428,750)
Closing balance		4,640,418	3,553,750
The company computed its defined benefit plan using the 'Projected Unit Credit method' (PUC) from the financial year.			
7.1 The Principal Assumptions used in determining Defined Benefit Obligation are shown below:			
		2024	
Discount rate		11.00%	
Salary increment		10.65%	
Staff turnover		20.13%	
Retirement age		60	
A long term treasury bond rate is used for determining the discount rate for the year ended 31 March 2024.			
7.2 Sensitivity analysis			
The company conducted a sensitivity analysis for all employees assuming the following salary increment rate and discount rate.			
		Discount Rate	Salary Increment
1% Increase		4,443,147	4,847,136
1% Decrease		4,848,385	4,440,788
8 Bank borrowings			
Hatton National Bank		3,833,321	5,833,325
People's Bank		8,591,121	24,827,599
		12,424,442	30,660,924
Payable within one year		10,591,125	19,833,341
Payable after one year		1,833,317	10,827,583
Balance as at 01 April		30,660,924	18,939,549
Loan obtained during the year		-	25,000,000
Repayment made during the year		(18,236,482)	(13,278,625)
Closing balance		12,424,442	30,660,924
Loan obtained from Hatton National Bank PLC is repayable in five years at fixed interest rate of 9% and loans obtained from peoples bank are repayable in three years at AWPLR+1% and 4.78%			
9 Deferred tax liabilities			
Opening balance as at beginning of the year		9,262,606	390,386
Recognized in Profit or Loss		(1,467,329)	(2,202,795)
Impact of rate difference		-	446,154
Recognized in OCI		-	10,628,861
Closing balance as at the year end		7,795,277	9,262,606
The deferred tax liability is recognized on temporary differences are as follows:			
	2024	2023	
	Rs.	Rs.	Rs.
	Temporary differences	Tax effect @ 30%	Temporary differences
On property, plant and equipment	1,800,721	540,216	5,605,149
Revaluation Reserve	35,429,537	10,628,861	35,429,537
On retirement benefit obligation	(4,640,418)	(1,392,125)	(3,553,750)
On Provision for Inventory	(5,238,959)	(1,571,688)	(5,238,959)
On Provision for bad and doubtful debt	(1,366,624)	(409,987)	(1,366,624)
	25,984,257	7,795,278	30,875,353
			9,262,606

ALPHA FIRE SERVICES PLC
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March,		2024	2023
		<u>Rs.</u>	<u>Rs.</u>
10 Lease liabilities			
Hatton National Bank			
Lease rental liabilities - Motor vehicle	-	209,083	
Future interest	-	(4,531)	
	-	204,552	
Lease rental liabilities - Motor vehicle	-	209,391	
Future interest	-	(4,540)	
	-	204,851	
	-	409,403	
Payable within one year	-	409,403	
Payable after one year	-	-	
11 Amount due to related parties			
Amtek Engineering (Pvt) Ltd - Current account	-	262,563	
Amtek Engineering (Pvt) Ltd - Management fee	-	10,744,999	
Data One Solutions (Pvt) Ltd	-	569,160	
Mrs. Deanna Ryde	360,000	-	
Mr. Frank Anthony Ryde	1,021,414	1,021,414	
	1,381,414	12,598,136	
Amounts due to related parties is repayable on demand and no interest is charged.			
Management Fee is charged by Amtek Engineering (Pvt) Ltd, a management company for managing the business operation of the company.			
12 Loan from related parties			
Amtek Engineering (Pvt) Ltd	-	10,000,000	
	-	10,000,000	
Loan received from Amtek Engineering is repayable on demand and no interest is charged.			
13 Short term bank borrowings			
Hatton National Bank PLC	33,196,850	29,840,616	
	33,196,850	29,840,616	
Short-term borrowings are repayable in three months at AWPLR+2.5%.			
14 Trade and other payables			
Trade payables	18,828,597	28,559,388	
Other payable	36,653,809	26,859,409	
	55,482,406	55,418,797	
15 Income tax payable			
Balance as at beginning of the year	2,946,463	660,839	
Provision for the year	11,830,314	2,981,882	
Payments made during the year	(2,846,790)	(696,258)	
Closing balance as at end of the year	11,929,987	2,946,463	
16 Revenue			
Project income	295,725,501	217,195,000	
Services	30,843,539	43,194,845	
Ex -Bond sales	-	29,274,037	
	326,569,040	289,663,882	

ALPHA FIRE SERVICES PLC
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March,		2024	2023
		<u>Rs.</u>	<u>Rs.</u>
17 Cost of sales			
Opening stocks		59,883,605	38,812,078
Opening work in progress		19,334,068	41,946,923
Purchases		132,675,629	121,344,314
		211,893,302	202,103,315
Closing stocks		(59,677,571)	(59,883,605)
Cost of goods consumed		152,215,731	142,219,710
Direct expenses		76,407,094	87,221,065
		228,622,825	229,440,775
Less: Work in progress		(30,452,294)	(19,334,068)
		198,170,531	210,106,707
18 Profit from operations			
Profit/ (Loss) from operations is stated after charging all expenses including the following;			
Audit fees		1,014,362	875,000
Depreciation		1,853,249	2,230,307
Salaries and wages		53,879,305	42,504,959
Defined contribution plan costs - EPF and ETF		3,014,811	2,681,973
Management Fee		7,200,000	7,200,000
Revaluation loss		-	386,397
19 Finance expenses			
Interest on bank overdrafts		3,070,794	2,188,956
Loan interest		6,723,207	7,625,549
Lease interest		2 0,936	235,246
Bank charges		3,808,085	2,728,629
		13,623,022	12,778,380
20 Earning per share			
Basic earnings per share is calculated by dividing the profit attributable to the equity holders by the weighted average number of ordinary shares in issue during the reporting period.			
Net profit attributable to equity holders (Rs.)		24,586,355	13,979,605
Adjusted weighted average number of shares in issue		37,777,028	36,912,166
Earnings Per Share (Rs.)		0.65	0.38
20.1 Weighted average number of ordinary shares			
Issued ordinary shares as at the beginning of the year		2,760,000	2,760,000
Effect of rights issue of shares (bonus elements)		3,792,166	3,792,166
Effect of rights issue of shares (new shares)		8 64,862	-
Effect of Subdivision of shares		30,360,000	30,360,000
Adjusted weighted average number of ordinary shares in issue		37,777,028	36,912,166
Adjusted weighted average number of ordinary shares of 2022/23 have been restated to reflect the share subdivision in 2023/24.			
21 Income tax expenses			
Income tax for the year (Note 21.1)		11,965,406	2,981,882
Over provision of income tax		(135,092)	-
Deferred tax for the year (Note 9)		(1,467,329)	(1,756,641)
		10,362,985	1,225,241

According to the Inland Revenue (Amendment) Act No. 45 of 2022, the Company is liable to pay income tax at the rate of 30% for the financials 2023/24. The Company had computed the income tax at the rate 14% for first six month and 30% for next six month on a pro rata basis for the year of assessment 2022/23.

ALPHA FIRE SERVICES PLC
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March,		2024	2023		
		<u>Rs.</u>	<u>Rs.</u>		
21.1 A reconciliation between current tax expense/ income and the product of accounting profit:					
Accounting profit before tax		34,949,340	15,204,846		
Less: other source of income		(4,677,036)	(2,649,685)		
Aggregate disallowed expenses		6,594,812	5,785,632		
Aggregate allowed expenses		(1,659,466)	(8,038,669)		
Statutory income from the business		35,207,651	10,302,124		
Income from other sources					
Interest income		4,677,036	2,649,685		
Total statutory income		39,884,686	12,951,809		
Income tax expense at special rate of 14%		-	1,039,111		
Income tax expense at 30%		11,965,406	1,942,771		
Total		11,965,406	2,981,882		
22 Transactions with related parties					
Nature of the relationship	Transaction	Transaction during the year		Closing balance payable	
		2024 <u>Rs.</u>	2023 <u>Rs.</u>	2024 <u>Rs.</u>	2023 <u>Rs.</u>
Amtek Engineering (Pvt) Ltd - Common Directors	Office expense reimbursement	2,580,000	1,620,000	-	262,563
	Management fee	7,200,000	7,200,000	-	10,744,999
	Loan Settled	10,000,000	2,008,452	-	-
	Loan Received	-	5,000,000	-	10,000,000
Dataone Solutions (Pvt) Ltd - Common Directors	Loan Settled	569,160	4,474,948	-	569,160
	Loan Received	-	-	-	-
	Support Service	1,375,000	1,043,000	-	-
	Purchases	-	6,319,808	-	-
	Payment Made	-	6,319,808	-	-
Alumart Engineering (Pvt) Ltd - Common Directors	Purchases	-	860,200	-	-
	Payment Made	-	860,200	-	-
Estate of Frank Anthony Ryde		-	-	1, 021,414	1, 021,414
Mrs.Deanna Ryde	Rent	480,000	480,000	360,000	120,000
22.1 Transactions with key management personnel					
The Board of the Directors of the Company are the members of the key management personnel of the company. Compensation paid to key management personnel of the company is as follows.					
Transaction		Transaction during the year		2024 <u>Rs.</u>	2023 <u>Rs.</u>
Director fee				520,000	520,000
22.2 Guarantees given					
Nature of the relationship		Security			
Amtek Engineering (Private) Limited		Corporate Guarantees of Rs.95 Mn			
Directors					
Mr. Vijith Perera		Joint and several personal guarantees			
Mr. Malindra Fernando		amounting to Rs. 77.5 Mn			
Mr.Samud Gunasekara					

As at 31 March,

23 Securities pledged

Nature of liability	Loan/ facility amount	Assets pledged	Carrying amount of assets pledged	
			2024 Rs.	2023 Rs.
Import loan and LC facility	50,000,000	Stock in trade	59,677,571	59,883,605
		Land	-	38,900,000
		Trade receivable	59,926,003	47,094,471
		Corporate guarantees	-	-
Permanent overdraft	16,200,000	Fixed deposit and Land	69,335,966	29,086,992
Letter of guarantee	70,000,000	Corporate guarantees, Land	54,532,000	38,900,000
Property loan	10,000,000	Land	38,900,000	38,900,000
Working capital loan	35,000,000	Personal, Corporate guarantees and Saving Account	5,300,000	2,427,321

24 Litigation and claims

There are no litigations or claims against the Company as at the reporting date which require adjustments or disclosures in the financial statements.

25 Commitment and contingencies

The Company does not have any other significant contingent liabilities outstanding as at the reporting date which require adjustments to or disclosure in the financial statements.

26 Events occurring after the reporting date

There were no material events other than stated below occurring after the reporting date which require adjustments to or disclosures in the financial statements.

27 Directors' responsibility

The directors are responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.

28 Financial instruments - risk management

The Company has exposure to the following risks from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

28.1 Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

28.1.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fail to meet contractual obligations. Credit risk arises principally from the Company's receivables from customers.

28.1.2 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

As at 31 March,

28.2 Financial instruments - Fair values and risk management**28.2.1 Exposure to credit risk (continued)**

	2024 <u>Rs.</u>	2023 <u>Rs.</u>
Trade and other receivables	92,270,428	78,893,320
Cash at bank	13,043,153	6,217,158
Term deposits	30,435,966	29,086,992
Cash margin	10,130,325	4,140,451
	145,879,872	118,337,921

28.2.2 Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and area in which customers operate, as these factors may have an influence on credit risk.

The Company is closely monitoring the economic environment in the country and is taking actions to limit its exposure to customers in the country experiencing particular economic volatility.

The maximum exposure to credit risk for trade and other receivables at the end of the reporting period by type of counter party is as follows:

	2024 <u>Rs.</u>	2023 <u>Rs.</u>
Trade receivables	59,926,003	47,094,471
Deposits	750,000	400,000
Staff receivables	386,478	233,830

28.2.3 Cash and Cash Equivalents

The Company held cash and cash equivalents of Rs.53,609,444 as at 31 March 2024 (Rs. 39,444,601 as at 31 March 2023) and the balances are with licensed Commercial Banks of Sri Lanka, which represents its maximum credit exposure on these asset.

Respective credit ratings of banks which Company's deposit and balances held are as follows:

Hatton National Bank PLC at 'A'(lka)

Commercial Bank of Ceylon PLC at A(lka)

People's Bank- A(lka)

Seylan Bank PLC - A-(lka)

28.2.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity issues can have an adverse impact on ongoing operations as well as investment decisions of the Company. In order to minimize the risk, the Company regularly reviews its liquidity position and reports to the Board. Future cash requirements are ascertained through continuous rolling forecasts. Further, the expected cash inflows from trade receivables, outflows from trade payables and imports are closely monitored by the Company.

		2024		2023	
		<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
		Facility Amounts	Utilization	Facility Amounts	Utilization
Hatton National Bank	Short term bank	50,000,000	33,196,850	30,000,000	29,840,616
	loans Loan term bank	10,000,000	3,833,321	10,000,000	5,833,325
	loans Bank overdraft	19,200,000	33,518,650	16,200,000	24,215,011
People's Bank	Loan term bank loans	35,000,000	8,591,121	41,000,000	24,827,599

As at 31 March,

28.2.5 Maturity Analysis

The maturity profile of the Company's financial liabilities based on contractual cash flows is stated below.

	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
As at 31 March 2024	Carrying Value	Contractual Cash Flows	Less than 3 Months	3-12 Months	More than 12 Months
Bank borrowings	12,424,442	13,112,272	4,469,137	6,727,048	1,916,087
Related parties dues	1,381,414	1,381,414	360,000	-	1,021,414
Short term borrowing	33,196,850	34,881,279	16,088,027	18,793,252	-
Other payables	67,412,394	67,412,394	67,412,394	-	-
Bank overdrafts	33,518,650	33,884,842	33,884,842	-	-
	147,933,750	150,672,201	122,214,398	25,520,300	2,937,501

	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
As at 31 March 2023	Carrying Value	Contractual Cash Flows	Less than 3 Months	3-12 Months	More than 12 Months
Bank borrowings	30,660,924	33,085,646	8,742,688	15,055,542	9,287,417
Lease liabilities	409,403	418,782	418,782	-	-
Related parties dues	12,598,136	12,598,136	-	11,576,722	1,021,414
Loan from related parties	10,000,000	10,000,000	10,000,000	-	-
Short term borrowing	29,840,616	31,332,647	31,332,647	-	-
Other payables	58,365,260	58,365,260	58,365,260	-	-
Bank overdrafts	24,215,011	24,618,595	24,618,595	-	-
	166,089,350	170,419,066	133,477,972	26,632,263	10,308,831

28.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

28.4 Currency Risk

The Company is exposed to currency risk on sales, purchases that are denominated in a currency other than the respective functional currencies of entities, primarily USD and GBP. The currencies in which these transactions primarily are denominated are GBP and USD.

The following significant exchange rates were applied during the year:

	Average Rate	
	2024	2023
As at 31 March,		
USD	301.18	330.06
GBP	380.52	407.42

The Company is exposed to changes in currency rates on import advances amounts to USD 74,804 is stated below.

	Profit/ Loss	
	10% Increase	10% Decrease
As at 31 March,		
USD	(2,259,570)	(2,259,570)
	(2,259,570)	(2,259,570)

As at 31 March,

28.5 Interest Rate Risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

As at 31 March,	2024	2023
Variable rate instruments	<u>Rs.</u>	<u>Rs.</u>
Financial liabilities		
Short term bank borrowings	33,196,850	29,840,616
Bank overdrafts	33,518,650	24,215,011
	66,715,500	54,055,627

Sensitivity Analysis for Variable Rate Instruments

The Company is exposed to changes in market interest rates through bank borrowings at variable interest rates

	Profit/ Loss			
	2024		2023	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
Interest Expenses	667,155	(667,155)	540,556	(540,556)

SHAREHOLDERS' INFORMATION

The issued ordinary shares of the Company is 37,950,000

The Company had issued 4,830,000 ordinary voting shares via rights issue and increased its number of shares by way of a sub-division of shares to 37,950,000 during the financial year .

Largest 20 Shareholders

NAME		31 March 2024		31 March 2023	
		No of Shares	%	No of Shares	%
1	Mr. S.V.A. Perera	10,466,500			
	DFCC Bank PLC/ Mr. S.V.A. Perera	539,000			
2	Mr. M.C. Fernando	7,896,375			
	DFCC Bank PLC/Mr. M.C. Fernando	13,750			
3	Mr. A.S.I. Gunasekera	3,819,445	10.06%	277,778	10.06%
4	Estate of Late Mr. Frank Ryde	-	-	676,200	24.50%
5	Amtek Engineering (Pvt) Ltd	-	-	429,439	15.56%
6	People's Leasing & Finance PLC/ Ultrakleen (Pvt) Ltd	2,399,070	6.32%	-	-
7	Sandwave Limited	1,977,072	5.21%	-	-
8	Mr. F.A. Ryde	1,690,500	4.45%	-	-
9	Mr. D.A. Ryde	1,690,500	4.45%	-	-
10	Mrs. M.P.R. Silva	1,161,904	3.06%	-	-
11	Trading Partners (Pvt) Ltd	1,000,000	2.64%	-	-
12	Mr. J.R. Victoria	688,675	1.81%	-	-
13	People's Leasing & Finance PLC/ U.L.B. Ariyaratna	500,000	1.32%	-	-
14	Mr. R.J.A. Gunawardena	486,370	1.28%	-	-
15	Miss. H.I. Lokuge	375,000	0.99%	-	-
16	Mrs. C. Dissanayake	335,000	0.88%	-	-
17	People's Leasing & Finance PLC/ L.P. Hapangama	277,500	0.73%	-	-
18	Mr. M.M. Fuad	225,230	0.59%	-	-
19	Mr. B.T. De S. Weerasooria	200,000	0.53%	-	-
20	LOLC Finance PLC/ Y.M. Ambani	170,000	0.45%	-	-
21	Mr. A.S. Atapattu	162,063	0.43%	-	-
22	Mrs. I.M. Amarasiriwardane	152,190	0.40%	-	-
	Others	1,723,856	4.54%	101	0.00%
	Total	37,950,000	100.00%	2,760,000	100%

Public Holding

Public Holding - No of Shares	9,434,860	101
Public Holding as a % of Issued Share Capital	24.86%	0%
Total No. of Shareholders	293	9
Total No. of Shareholders representing the Public Holding	287	4

Directors' Shareholding

Mr. Sanjay Vijith Anthony Perera	11,005,500	800,400
Mr. Malindra Christopher Fernando	7,910,125	576,082
Mrs. Deanna Marise Ryde	Nil	Nil
Mr. Agampodi Samud Ishara Gunasekera	3,819,445	277,778
Mr. Kapila Liyanagamage	Nil	Nil
Mr. Nivran Weerakoon	Nil	Nil

Share Price

	31 March 2024	31 March 2023
Highest Price	7.60	12.20
Lowest Price	5.50	11.70
Last Traded Price	7.60	12.20

Share price for the financial year 2023/24 is refelected the post rights issue and sub division.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Third (3rd) Annual General Meeting (Post Listing) of **ALPHA FIRE SERVICES PLC** will be held at the Capri Club, No. 62, Srimath Anagarika Dharmapala Mawatha, Colombo 07 on Monday 30th September 2024 at 3.00 p.m. for the following purposes :

1. To receive and consider the Report of the Directors for the year ended 31st March 2024

2. To receive and consider the Financial Statements of the Company for the year ended 31st March 2024 together with the Auditors' Report thereon

3. To re-elect AGAMPODI SAMUD ISHARA GUNASEKARA who retires by rotation at the Annual General Meeting in terms of Article 85 of the Articles of Association as a Director of the Company.

4. To re-elect NIVRAN JOSEPH WEERAKOON who retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company.

5. To authorize the Directors to determine the remuneration of the Auditors, Messers K.P.M.G. Ford Rhodes who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.



By order of the Board
F. SHAMA ISMAIL
Company Secretary

27 August 2024
Colombo



NOTES

1) In the interest of protecting public health and facilitating compliance with the Health and Safety guidelines issued by the Government of Sri Lanka, the Annual General Meeting of Alpha Fire Services PLC will also be a virtual meeting for participants joining in person or proxy and through audio, video and or audio visual means in the manner specified below:

I. Attendance of the Chairman and the Board of Directors

The Chairman/Managing Director, Board of Directors certain Key Management Personnel, Shareholders the Company Secretary, and the External Auditors will be present together at the designated venue On 30th September 2024 at 3.00. p.m.

II. Shareholder Participation

- a. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.
- b. The Shareholders may also appoint any other persons other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting either physically or through audio or audio visual means.
- c. The shareholders who wish to participate at the meeting online will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders and forward same to Company Secretary via shama@virtualmng.lk to reach the Secretary not less than five (05) days before the date of the meeting so that the meeting login information could be forwarded to the e-mail address as provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.
- d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Form of Proxy should be sent to reach the Company Secretary via shama@virtualmng.lk Or by post to the Commercial Office of the Company Alpha Fire Services PLC No: 28, Sulaiman Terrace, Colombo 05, not less than forty – eight (48) hours before the time fixed for the meeting.

III. Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretary, via email to shama@virtualmng.lk or post to the Commercial Office of the Company, Alpha Fire Services PLC, No: 28, Sulaiman Avenue, Colombo 05 Sri Lanka not less than Five (05) days before the date of the meeting. This is in order to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that same could be addressed at the meeting.

2) The Annual Report of the Company for the year 2023/2024 will be available for perusal of the Company website <https://alphafire.lk/> and the Colombo Stock Exchange website on www.cse.lk

FORM OF PROXY

FORM OF PROXY

(Please write your Folio Number)

I/We.....of.....being a member /members of **Alpha Fire Services PLC** hereby appoint..... of whom failing.

SANJAY VIJITH ANTHONY PERERA
MALINDRA CHRISTOPHER FERNANDO
DEANNA MARISE RYDE
AGAMPODI SAMUD ISHARA GUNASEKARA
KAPILA LIYANAGAMAGE
NIVRAN JOSEPH WEERAKOON

or failing him
or failing him
or failing her
or failing him
or failing him

as my/our proxy to represent me/us and speak/ vote on my/our behalf at the Annual General Meeting of the Company to be held on Monday 30thSeptember 2024 at 3.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I/We the undersigned hereby authorize my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

Please delete the inappropriate words	For	Against
1) To receive and consider the Report of the Directors for the year ended 31stMarch 2024 together with the Auditors' Report thereon	<input type="checkbox"/>	<input type="checkbox"/>
2) To receive and consider the Financial Statements of the Company for the year ended 31stMarch 2024 together with the Auditors' Report thereon	<input type="checkbox"/>	<input type="checkbox"/>
3) To re-elect AGAMPODI SAMUD ISHARA GUNASEKARA who retires by rotation at the Annual General Meeting in terms of Article 85of the Articles of Association as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4) To re-elect NIVRAN JOSEPH WEERAKOONwho retires by rotation at the Annual General Meeting in terms of Article 91 of the Articles of Association as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5) To authorize the Directors to determine the remuneration of the Auditors, Messrs K P M G Ford Rhodes who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>

Signed on thisday ofTwo Thousand and Twenty Four

.....
Signature/s



INSTRUCTION FOR PROXY

INSTRUCTIONS FOR COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy 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 already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointer.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretary via e-mail to shama@virtualmng.lk or by post to the registered address of the Company, Alpha Fire Services PLC No: 28 Sulaiman Terrace Colombo 05 , Sri Lanka not less than forty eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory)

NIC/PP/Company Registration No. of the Shareholder/s :

.....

Folio No:

E.mail address of the Shareholder/(s) or proxy holder (other than a Director appointed as proxy) :

.....

Mobile No :

.....

Fixed Line :

.....

NOTICE

ALPHA FIRE SERVICES PLC

ANNUAL GENERAL MEETING FOR THE YEAR 2024

NOTICE is hereby given that the Third (3rd) Annual General Meeting (ÄGM”) Post Listing of ALPHA FIRE SERVICES PLC (“The Company”) for the year 2024 will be held at the Capri Club, No. 62, Srimath Anagarika Dharmapala Mawatha, Colombo 07 on Monday 30th September 2023 at 3.00 p.m. in order to transact the business stated in the notice of Meeting dated 28th August 2024

For the detailed Notice of the meeting, and Agenda, together with the form of proxy and other documents, please refer the same published on the website of the Colombo Stock Exchange www.cse.lk and the website of the Company <https://alphafire.lk/>

By order of the Board of Alpha Fire Services PLC

Sgd/=

F.S. Ismail

Company Secretary – Alpha Fire Services PLC

On this day of September 2024

CORPORATE INFORMATION

The Company	Alpha Fire Services PLC
Registered Office	No, 28, Sulaiman Terrace, Colombo-05, Sri Lanka. Tel: +94 11 508 888 / 0777 747 317 Fax: +94 112 503 392 Web: http://alphafire.lk
Legal Form of the Company	Incorporated in Sri Lanka on May 07, 2003 and reregistered on October 16, 2007 as a Private Limited Liability Company under the provisions of Companies Act No. 7 of 2007. The legal form of the company was changed from Limited Company to Public Listed Company under provision of the section 8 of the Companies Act No. 07 of 2007 on July 04, 2022.
Company Registration Number (as a Public Company)	PQ 00248999
Place of Incorporation	Colombo, Sri Lanka.
Company Secretaries	Ms. F. S. Ismail 168/5, Elvitigala Mawatha, Colombo 08, Sri Lanka. Tel: +94 11 2695009
Auditors	M/s KPMG (Chartered Accountants) 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03, Sri Lanka. Tel: +94 11 5426426 Fax: +94 11 2445872
Board of Directors	Mr. Sanjay Vijith Anthony Perera Chairman/Managing Director /Executive Non-Independent Director Mr. Malindra Christopher Fernando Executive Non-Independent Director Mrs. Deanna Marise Ryde Co-Founder/Non-Executive Non-Independent Director Mr. Agampodi Samud Ishara Gunasekera Executive Non-Independent Director Mr. Kapila Liyanagamage Independent Non-Executive Director Mr. Nivran Weerakoon Independent Non-Executive Director

