



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF EXPORTERS' ASSOCIATION OF SRI LANKA**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Exporters' Association Of Sri Lanka .which comprise the Statement of Financial Position as at March 31, 2016, Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Executive Committee's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

**Scope of Audit and Basis of Opinion**

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

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

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

**Opinion**

In our opinion, so far as appears from our examination, the Association maintained proper accounting records for the year ended March 31, 2016 and the financial statements give a true and fair view of the Association's state of affairs as at March 31, 2016 and its surplus and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**Edirisinghe & Co.**  
**Chartered Accountants**  
**Colombo**  
**16-Jun-16**



**EXPORTERS' ASSOCIATION OF SRI LANKA**  
**STATEMENT OF COMPERHENSIVE INCOME AND RETAINED EARNINGS**

For the year ended 31 March

	Note	2016 Rs.	2015 Rs.
<b>Income</b>			
Membership Subscription		540,000	430,000
Investment income		87,119	93,750
Income received in connection with:			
- Annual General Meeting		400,600	302,500
- Seminar on Doing Business with China		-	1,203,500
- Luncheon Meeting		52,000	-
Web advertisement		60,000	75,000
Export strategy document		3,910	-
<b>Total Income</b>		<b>1,143,629</b>	<b>2,104,750</b>
<b>Expenditure</b>			
Printing and stationary		18,491	20,589
Secretarial fees		469,028	449,619
Postage, telephone, tax		2,515	5,189
Expenses incurred in connection with :			
- Annual General Meeting		260,547	278,621
- Seminar on Doing Business with China		-	956,676
- Lunch on Meeting		52,182	-
Audit fee		29,138	31,900
Tax advisory charges		12,997	12,210
Use of MMP at meetings		2,407	4,857
Write-off membership subscription	9	15,000	15,000
Web site maintenance		54,000	49,204
Communication cost		30,000	30,000
Sundry expenses		7,598	6,890
<b>Total Expenditure</b>		<b>953,903</b>	<b>1,860,755</b>
<b>Surplus Before Income Tax Expense</b>		<b>189,726</b>	<b>243,995</b>
Income tax expenses	10	21,386	23,133
<b>Surplus for the Year</b>		<b>168,340</b>	<b>220,862</b>
<b>Accumulated fund at Beginning of the Year</b>		<b>1,405,334</b>	<b>1,184,472</b>
<b>Accumulated fund End of the Year</b>		<b>1,573,674</b>	<b>1,405,334</b>

The Financial Statements are to be read in Conjunction with the related notes, which form an integral part of this Financial Statements.



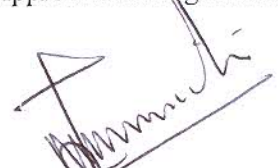
**EXPORTERS' ASSOCIATION OF SRI LANKA  
STATEMENT OF FINANCIAL POSITION**


As at	Note	31.03.2016 Rs.	31.03.2015 Rs.
<b>Assets</b>			
<b>Current Assets</b>			
Inventory		11,775	7,919
Subscription Receivables	2	54,000	100,000
Other Receivables and Prepayments	3	65,067	12,167
Investments	4	1,569,825	1,263,314
Cash and Cash Equivalents	5	18,675	17,359
Current Account with The Ceylon Chamber of Commerce	6	-	63,796
<b>Total Current Assets</b>		<b>1,719,342</b>	<b>1,464,555</b>
<b>Total Assets</b>		<b>1,719,342</b>	<b>1,464,555</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Accumulated Fund		1,573,674	1,405,334
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Subscription Received in Advance		30,000	5,000
Current Account with The Ceylon Chamber of Commerce		21,266	-
Accrued Expenses	7	94,141	52,460
Income Tax Liability	8	261	1,761
<b>Total Current Liabilities</b>		<b>145,668</b>	<b>59,221</b>
<b>Total Liabilities</b>		<b>145,668</b>	<b>59,221</b>
<b>Total Funds and Liabilities</b>		<b>1,719,342</b>	<b>1,464,555</b>

The Financial Statements are to be read in Conjunction with the related notes, which form an integral part of this Financial Statements.

The Managing Committee is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Managing Committee of The Exporters' Association of Sri Lanka:

  
 .....  
 Fazal Mushin  
 Chairman  
 Exporters' Association of Sri Lanka

  
 .....  
 Harin De Silva  
 1st Vice Chairman  
 Exporters' Association of Sri Lanka

The Financial Statements are to be read in Conjunction with the related notes, which form an integral part of this Financial Statements.



EXPORTERS' ASSOCIATION OF SRI LANKA  
CASH FLOW STATEMENT

For the year ended 31 March	2016 Rs.	2015 Rs.
<b>Cash flows from operating activities</b>		
Surplus before Income Tax Expense	189,726	243,995
<i>Adjustment for:</i>		
Investment Income	87,119	(93,750)
<b>Net Cash Flows before Working Capital Changes</b>	<b>102,607</b>	<b>150,245</b>
<b>Adjustment for working capital changes</b>		
Decrease/(Increase) in Inventory	(3,856)	(1,244)
(Increase)/Decrease in Subscription Receivables	46,000	(60,000)
Decrease/(Increase) in Other Receivable	(52,900)	48,204
(Decrease)/Increase in Accrued Expenses	41,680	(20,040)
Increase/(Decrease) in Subscription Advance	25,000	-
<b>Cash Generated from Operating Activities</b>	<b>158,531</b>	<b>117,165</b>
Income Tax Paid	(11,761)	(9,900)
With Holding Tax Paid	(11,125)	(7,565)
<b>Net Cash Generated from Operating Activities</b>	<b>135,645</b>	<b>99,700</b>
<b>Cash flows from investing activities</b>		
Investment in Fixed Deposits	(306,511)	(167,671)
Interest Income Received	87,119	93,750
<b>Net Cash Flows (used in)/Generated from Investing Activities</b>	<b>(219,392)</b>	<b>(73,921)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents	(83,746)	25,779
Cash and cash Equivalents at the beginning of the Year	81,155	55,376
<b>Cash and Cash Equivalents at the end of the Year (Note A)</b>	<b>(2,591)</b>	<b>81,155</b>

**Note A**

**Analysis of cash and cash equivalents at the end of the year**

Savings Account	18,675	17,359
Current account with The Ceylon Chamber of Commerce	(21,266)	63,796
	<b>(2,591)</b>	<b>81,155</b>

The Financial Statements are to be read in Conjunction with the related notes, which form an integral part of this Financial Statements.



**EXPORTERS' ASSOCIATION OF SRI LANKA**  
**ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2016**

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**1. Accounting policies**

**1.1 Corporate Information**

The Exporters' Association of Sri Lanka ("The association") is an affiliated association of the Ceylon Chamber Commerce. The registered office is located at No.50, Nawam Mawatha, Colombo 02.

**1.2 Principal activities And Nature of operations**

The object of the association is to promote and protect the common interests of the members of the association who export product and services to engage in any activity as may be necessary or conducive to the interest or benefit of such exports and to promote high standard probity.

**1.3 Basis of preparation**

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position

Short term investment are measured at amortized cost.

**(a) Functional and presentation currency**

The financial statements are presented in Sri Lankan Rupees , which is the association's functional

**(b) Use of estimates and judgments**

The preparation of financial statements in conformity with Sri Lanka Accounting Standard for small and Medium sized entities (SLFRS for SMEs) requires management to make judgments , estimates and assumption that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumption are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of marketing the judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of which the estimates are revised if the revision affects only the financial year or in the period of the revision and future period if the revision and future financial years.

**1.4 Significant Accounting policies**

The accounting policies set out below have been applied consistently to all period presented in these financial statements. Certain comparative amounts in the financial statements have been reclassified to conform to the current year's presentation.

**(a) Inventories**

Inventories are stated at the lower of cost and net realizable value. net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.



EXPORTERS' ASSOCIATION OF SRI LANKA  
ACCOUNTING POLICIES FOR THE FINANCIAL STATEMENTS

For the year ended 31 March 2016

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**1.4 Significant Accounting policies Cont.,**

**(b) Investments**

Investments comprise of fixed deposits and are recognised amortized cost.

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and deposits with maturity of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Association in the management of its short- term commitments.

**Cash flow statement**

Cash flow statement has been prepared using the indirect method.

**(d) Liabilities and provisions**

Liabilities are recognized in the balances sheet when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

A provision is recognized if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle that obligation.

**(e) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured on an accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Revenue represents entrance fee, membership subscription and event income , which are recorded on accrual basis.

Investment income on fixed deposits is recognized using effective interest rate applicable for the period.

**(f) Expenditure**

All expenditure incurred in the operations of the business and in maintaining the capital assets in a state of efficiency have been charged to income in arriving at the association's loss/ profit for the year.

**(g) Taxation**

The liability for the taxation has been computed in accordance with the Inland Revenue Act No. 10 of 2006 and its amendments thereto. Taxation for the current and previous period to the extent unpaid is recognized as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior period exceed the amount due for the excess is recognized as an asset in the financial statements.

**(h) Events occurring after the reporting date**

All material post reporting event have been considered , disclosed and adjusted where applicable.

**(i) Commitments and Contingencies**

Contingencies are possible assets or obligation that arise from a past event and would be confirmed only on the occurrence or non- occurrence of uncertain future events, which are beyond the association's control. Commitments and contingent liabilities are disclosed in notes to the financial statements.



**EXPORTERS' ASSOCIATION OF SRI LANKA**  
**NOTES TO THE FINANCIAL STATEMENTS**

As at	31.03.2016 Rs.	31.03.2015 Rs.
<b>2 Subscription income receivable</b>		
Seafood Exporters' Association of Sri Lanka	-	5,000
ADAMEXPO	6,000	5,000
Aristons (Pvt) Ltd	6,000	-
CIC Holdings PLC	-	5,000
Chemanax PLC	6,000	-
Colombo Rubber Traders' Association	-	5,000
Delmege Forsyth & Co. Ltd	-	5,000
Dipped Products PLC	-	5,000
E B Creasy & Co Ltd	6,000	-
Edinburgh Products (Pvt) Ltd	-	5,000
Floriculture Produce Exporter's Association	11,000	5,000
George Steuart & Co. Ltd	-	5,000
Hirdaramani International Exports (Private) Ltd	-	5,000
Industrial Clothings Ltd	6,000	-
Lanka Diamonds Polishing Limited	-	5,000
Lanka Walltile (pvt) Ltd	6,000	-
Miami Exports (Pvt) Ltd	1,000	5,000
NDO Lanka (Private) Limited	6,000	5,000
Para Xpo Products (Pvt) Ltd	-	5,000
Richard Peiris Natural Foams Ltd	-	5,000
SL Association of Manufactures & Exports of Rubber Products	-	5,000
Sri Lanka Diamond Manufacturers' Association	-	5,000
Sri Lanka Export Credit Insurance Corporation	-	5,000
Unitrades(Pvt) Ltd	-	5,000
Van Rees Ceylon Ltd	-	5,000
	<b>54,000</b>	<b>100,000</b>
<b>3 Other receivables and prepayments</b>		
Expenses for maintaining & hosting web site	29,667	12,167
Receivable Web Advertising Income	25,000	-
Luncheon Meeting 07/12/2015	10,400	-
	<b>65,067</b>	<b>12,167</b>
<b>4 Investments</b>		
Fixed Deposits - National Development Bank	132,074	134,027
Fixed Deposits - National Development Bank	251,731	251,370
Fixed Deposits - National Development Bank	201,385	201,002
Fixed Deposits - National Development Bank	151,039	150,799
Fixed Deposits - National Development Bank	100,951	104,326
Fixed Deposits - National Development Bank	151,426	153,522
Fixed Deposits - National Development Bank	378,566	268,268
Fixed Deposits - National Development Bank	202,654	-
	<b>1,569,825</b>	<b>1,263,314</b>



**EXPORTERS' ASSOCIATION OF SRI LANKA**  
**NOTES TO THE FINANCIAL STATEMENTS**

As at	31.03.2016	31.03.2015
	Rs.	Rs.
<b>5 Cash and cash equivalents</b>		
Savings Account- National Savings Bank	18,675	17,359
	<b>18,675</b>	<b>17,359</b>
<b>6 Current account with The Ceylon Chamber of Commerce</b>		
All the receipts and payments of the Association are done through the current accounts of The Ceylon Chamber of Commerce. Therefore the balance reflects the Association's cash and cash equivalents.		
<b>7 Accrued expenses</b>		
Tax advisory service	12,821	24,710
Audit fees	29,138	27,750
Luncheon Meeting 07/12/2015	52,182	-
	<b>94,141</b>	<b>52,460</b>
<b>8 Income tax liability</b>		
Balance at beginning of the year	1,761	(3,907)
Over/(under) provision for the previous year	-	543
Income Tax paid For Previous year	(1,761)	-
Provision for the year	10,261	15,025
Income Tax paid For the year	(10,000)	(9,900)
<b>Balance at end of the year</b>	<b>261</b>	<b>1,761</b>
<b>9 Write off membership subscriptions</b>		
Bata Shoe Company of Ceylon Ltd	-	5,000
Freelanka Trading Co. Ltd	-	5,000
Hands International (Pvt) Ltd	-	5,000
Lanka Diamond Polishing Limited	5,000	-
Para Xpo Products (Pvt) Ltd	5,000	-
Unitrades (Pvt) Ltd	5,000	-
	<b>15,000</b>	<b>15,000</b>
<b>10 Income tax expenses</b>		
Provision for the year	10,261	15,025
WHT paid	11,125	7,565
Over/(under) provision for the previous year	-	543
	<b>21,386</b>	<b>23,133</b>

