

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF EXPORTERS' ASSOCIATION OF SRI LANKA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Exporters' Association of Sri Lanka (the Association), which comprise the Statement of financial position as at March 31, 2019, and the Statement of comprehensive income and retained earnings and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2019 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2019 and its loss 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 ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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.

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 for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SLFRS for SMEs 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.



Partners: P.P. Edirisinghe FCA ACIM MBA Ms. M.K.K. Karunaratne FCA ACMA P.K.A.M. Alahakoon ACA MAAT
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Consultants: A.T.P. Edirisinghe FCA FCMA (UK) A.D. Jayasena FCA

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INDEPENDENT AUDITOR'S REPORT (CONTINUED.)

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 misstatements, 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.

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, except as stated in note 2.1.3 the company has a serious loss of capital, however has not called for an Extra Ordinary General Meeting of Shareholders.



Edirisinghe & Co.
Chartered Accountants
Colombo
4-Jul-19



EXPORTERS' ASSOCIATION OF SRI LANKA
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

For the year ended 31 March 2019

	Note	2019 Rs.	2018 Rs.
Income	2	944,000	578,000
Other income	3	1,195,058	1,816,766
Total income		2,139,058	2,394,766
Expenditure	4	(1,749,034)	(1,599,426)
Total expenditure		(1,749,034)	(1,599,426)
Surplus before income tax expense		390,024	795,340
Income tax expenses	5	(145,154)	(60,392)
Surplus for the year		244,870	734,948
Accumulated fund at beginning of the year		2,849,424	2,114,476
Accumulated fund end of the year		3,094,294	2,849,424

Figures in brackets indicate deductions.

The accounting policies and notes to accounts form an integral part of these financial statements.



EXPORTERS' ASSOCIATION OF SRI LANKA
STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 Rs.	2018 Rs.
Assets			
Current assets			
Inventories		15,900	53,000
Subscription receivables	6	246,000	169,000
Other receivables and prepayments	7	70,083	129,083
Investments in fixed deposits	8	2,762,951	2,588,535
Current account with The Ceylon Chamber of Commerce	9	53,987	19,118
Cash and cash equivalents	10	21,081	20,297
Total current assets		3,170,002	2,979,033
Total assets		3,170,002	2,979,033
Funds and liabilities			
Funds			
Accumulated fund		3,094,294	2,849,424
		3,094,294	2,849,424
Liabilities			
Current liabilities			
Subscription received in advance	11	-	6,000
Accrued expenses	12	50,830	42,000
Income tax liability	13	24,878	81,609
Total current liabilities		75,708	129,609
Total funds and liabilities		3,170,002	2,979,033

The Managing Committee is responsible for the preparation and presentation of these financial statements.
Signed for on behalf of the Managing Committee.

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

H. De Silva

Harin De Silva
Chairman
Exporters' Association of Sri Lanka

Chrisso De Mel

Chrisso De Mel
1st Vice Chairman
Exporters' Association of Sri Lanka

The accounting policies and notes to accounts form an integral part of these financial statements.



EXPORTERS' ASSOCIATION OF SRI LANKA
STATEMENT OF CASH FLOWS

For the year ended 31 March 2019

	2019 Rs.	2018 Rs.
Cash flows from operating activities		
Surplus before income tax expense	390,024	795,340
Adjustment for:		
With holding tax paid	-	20,412
Investment income	(287,058)	(231,583)
Net cash flows before working capital changes	102,966	584,169
Adjustment for working capital changes		
Decrease/(increase) in inventories	37,100	(44,450)
Increase in subscription receivables	(77,000)	(48,000)
Decrease / (increase) in other receivables	59,000	(25,416)
Increase / (decrease) in accrued expenses	8,830	(74,409)
Decrease in subscription advance	-	(4,000)
Decrease in other payables	(6,000)	-
Cash generated from operating activities	124,896	387,894
Income tax paid	(199,839)	-
With holding tax paid	(2,046)	(20,412)
Net cash (used in) / generated from operating activities	(76,989)	367,482
Cash flows from investing activities		
Investment in fixed deposits	(174,416)	(648,917)
Interest income received	287,058	231,583
Net cash flows generated from / (used in) investing activities	112,642	(417,334)
Net cash flows generated from financing activities		
Net increase/(decrease) in cash and cash equivalents	35,653	(49,852)
Cash and cash equivalents at the beginning of the year	39,415	89,267
Cash and cash equivalents at the end of the year (note a)	75,068	39,415

Note A

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

Fixed deposits		
Savings account	21,081	20,297
Current account with The Ceylon Chamber of Commerce	53,987	19,118
	75,068	39,415

Figures in brackets indicate deductions.

The accounting policies and notes to accounts form an integral part of these financial statements.



EXPORTERS' ASSOCIATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

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.

(a) Functional and presentation currency

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

(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
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

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. 24 of 2017 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

For the year ended 31 March 2019

	2019 Rs.	2018 Rs.
2 Income		
Entrance fees	4,000	8,000
Membership subscription	940,000	570,000
	944,000	578,000
3 Other income		
Investment income	287,058	231,583
Income received in connection with:		
- Annual General Meeting	873,000	1,169,500
- Forex seminar	-	360,683
Web advertisement	35,000	55,000
	1,195,058	1,816,766
4 Expenditure		
Printing and stationary	27,505	48,680
Communication cost	36,000	30,000
Postage and telephone	2,928	3,344
Secretarial fees	564,668	529,700
Expenses incurred in connection with :		
- Annual General Meeting	651,016	556,564
- Forex seminar	2,200	267,421
Audit fee	39,460	29,994
Tax advisory charges	18,705	10,286
Cost of research document to ITC	250,000	-
Use of MMP at meetings	-	7,481
Write-off of membership subscription (Note 4.1)	36,000	12,000
Web site maintenance	61,000	55,084
Write-off of website advertisement	45,000	-
Entertainment and refreshment	-	6,000
Sundry expenses	14,552	22,460
WHT expenses	-	20,412
	1,749,034	1,599,426
4.1 Write off of membership subscriptions		
Ariston (Pvt) Ltd	-	12,000
Adamjee Lukmanjee & Sons Ltd	12,000	-
Alliance Finance Company PLC	12,000	-
Mackwoods Ltd	12,000	-
	36,000	12,000
5 Income tax expenses		
Provision for the year	145,154	60,392
	145,154	60,392



EXPORTERS' ASSOCIATION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2019	2019 Rs.	2018 Rs.
6 Subscription receivables		
Seafood Exporters' Association of Sri Lanka	16,000	6,000
Adamjee Lukmanjee & Sons Ltd	-	12,000
Beira Brush Pvt Ltd	4,000	6,000
Bogala Graphite Lanka PLC	-	6,000
Chemanex PLC	10,000	-
CIC Holdings PLC	4,000	6,000
Cocotana Coconut Products	16,000	6,000
Delmege Forsyth & Co. Ltd	16,000	6,000
Eastern Merchants PLC	-	6,000
Expolanka Freight (Pvt) Ltd	10,000	6,000
Eswaran Brothers Exports (Pvt) Ltd	10,000	-
Hela Clothing (Pvt) Ltd	16,000	6,000
Hidramani International Exports (Pvt) Ltd	-	6,000
Hemachandras (Kandy) Ltd	10,000	-
Industrial Clothing Ltd	-	12,000
Ishana Spice Exports	10,000	-
Jiffy products SL (Pvt) Ltd	4,000	-
Imperial Teas (Pvt) Ltd	-	6,000
K.I.K. Lanka (Pvt) Ltd	-	1,000
Lanka Brush Exports (Pvt) Ltd	16,000	6,000
Lankem Ceylon PLC	16,000	6,000
Mackwoods Ltd	-	12,000
Mack International Freight (Pvt) Ltd	-	12,000
Miami Exports (Pvt) Ltd	10,000	-
Microcells (Pvt) Ltd	10,000	-
J L Morison PLC	10,000	-
Nations Trust Bank PLC	-	6,000
Premier Natural Teas (Pvt) Ltd	10,000	-
Renuka Holdings PLC	-	6,000
Richard Peiris Natural Foams Ltd	-	12,000
Smith Kline Beecham (Pvt) Ltd	22,000	12,000
Spice & Allied Products Producers' and Traders' Association	-	6,000
Sri Lanka Diamond Manufacturers Association	10,000	-
The Swadeshi Industrial Works PLC	10,000	-
Nidro Supply (Pvt) Ltd	6,000	-
	246,000	169,000



EXPORTERS' ASSOCIATION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2019	2019 Rs.	2018 Rs.
7 Other receivables and prepayments		
Expenses for maintaining and hosting website	14,583	40,583
Receivable web advertising income	40,000	75,000
Receivable from AGM	15,500	13,500
	70,083	129,083
8 Investments		
Fixed deposits - National Development Bank	-	782,830
Investment in unit trust	2,762,951	1,805,705
	2,762,951	2,588,535
9 Current account with The Ceylon Chamber of Commerce		
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.		
Current account with The Ceylon Chamber of Commerce	53,987	19,118
	53,987	19,118
10 Cash and cash equivalents		
Savings account- National Savings Bank	21,081	20,297
	21,081	20,297
11 Subscription received in advance		
Subscription received in advance	-	6,000
	-	6,000
12 Accrued expenses		
Tax advisory service	16,100	12,000
Audit fees	34,730	30,000
	50,830	42,000



EXPORTERS' ASSOCIATION OF SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2019	2019 Rs.	2018 Rs.
13 Income tax liability		
Balance at beginning of the year	81,609	21,217
Income tax paid for previous year	(81,609)	-
	-	21,217
Provision for the year	135,961	60,392
Income tax paid for the year	(118,230)	-
WHT paid during the year	(2,046)	-
Balance at end of the year	15,685	81,609

14 Commitments and contingencies

There were no commitments and contingencies existing as at the reporting date.

15 Events after the reporting date

No circumstances have arisen, since the reporting date, which would require adjustments to, or disclosure, in the financial statements.

16 Related party disclosures

The Association has not entered into transactions during the year with related companies.

