

**EXPORTERS'  
ASSOCIATION OF  
SRI LANKA**

Financial statements for the year ended  
31 March 2020

**Edirisinghe & Co.**  
**Chartered Accountants**  
45, Braybrooke Street  
Colombo 02  
Sri Lanka

T: +94 11 2433933  
F: +94 11 2445683  
E: info@bakertilly.lk  
W: www.bakertilly.lk

## 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, 2020, 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, 2020 and the financial statements give a true and fair view of the Company's state of affairs as at March 31, 2020 and its surplus 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.

##### Other Information

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  
S.A. Harischandra ACA ACMA CGMA MBA Bcom (Sp.)  
Consultants: A.T.P. Edirisinghe FCA FCMA (UK) A.D. Jayasena FCA

Edirisinghe & Co., trading as Bakertilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

**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.

  
Edirisinghe & Co.

Chartered Accountants

Colombo

16-Jul-20





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

For the year ended 31 March 2020

	Note	2020 Rs.	2019 Rs.
Income	2	954,000	944,000
Other income	3	409,063	1,195,058
<b>Total income</b>		<b>1,363,063</b>	<b>2,139,058</b>
Expenditure	4	(887,044)	(1,749,034)
<b>Total expenditure</b>		<b>(887,044)</b>	<b>(1,749,034)</b>
<b>Surplus before income tax expense</b>		<b>476,019</b>	<b>390,024</b>
Income tax expenses (credits) / expenses	5	48,981	(145,154)
<b>Surplus for the year</b>		<b>525,000</b>	<b>244,870</b>
Accumulated fund at beginning of the year		3,094,294	2,849,424
<b>Accumulated fund end of the year</b>		<b>3,619,294</b>	<b>3,094,294</b>

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 2020

	Note	2020 Rs.	2019 Rs.
<b>Assets</b>			
<b>Current assets</b>			
Inventories		11,700	15,900
Subscription receivables	6	246,000	246,000
Other receivables and prepayments	7	54,583	70,083
Investments in unit trust	8	3,399,492	2,762,951
Current account with the Ceylon Chamber of Commerce	9	-	53,987
Cash and cash equivalents	10	-	21,081
Income tax refund	13	143,519	-
<b>Total current assets</b>		<b>3,855,294</b>	<b>3,170,002</b>
<b>Total assets</b>		<b>3,855,294</b>	<b>3,170,002</b>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Accumulated fund		3,619,294	3,094,294
		<b>3,619,294</b>	<b>3,094,294</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Subscription received in advance	11	36,000	-
Current Account with The Ceylon Chamber of Commerce	9	151,000	-
Accrued expenses	12	49,000	50,830
Income tax liability	13	-	24,878
<b>Total current liabilities</b>		<b>236,000</b>	<b>75,708</b>
<b>Total funds and liabilities</b>		<b>3,855,294</b>	<b>3,170,002</b>

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:

  
.....  
Chrisso De Mel  
Chairman  
Exporters' Association of Sri Lanka

  
.....  
Talal Shums  
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 2020

	2020 Rs.	2,019 Rs.
<b>Cash flows from operating activities</b>		
Surplus before income tax expense	476,019	390,024
<b>Adjustment for:</b>		
Investment income	(336,563)	(287,058)
<b>Net cash flows before working capital changes</b>	<b>139,456</b>	<b>102,966</b>
<b>Adjustment for working capital changes</b>		
Decrease in inventories	4,200	37,100
(Increase) in subscription receivables	-	(77,000)
Decrease in other receivables	15,500	59,000
Increase / (decrease) in accrued expenses	(1,830)	8,830
Decrease in subscription advance	36,000	-
Decrease in other payables	-	(6,000)
<b>Cash generated from operating activities</b>	<b>193,326</b>	<b>124,896</b>
Income tax paid	(119,416)	(199,839)
With holding tax paid	-	(2,046)
<b>Net cash (used in) / generated from operating activities</b>	<b>73,910</b>	<b>(76,989)</b>
<b>Cash flows from investing activities</b>		
Investment in fixed deposits	(299,978)	(174,416)
Interest income received	-	287,058
<b>Net cash flows generated from / (used in) investing activities</b>	<b>(299,978)</b>	<b>112,642</b>
<b>Net cash flows generated from financing activities</b>		
Net increase/(decrease) in cash and cash equivalents	(226,068)	35,653
Cash and cash equivalents at the beginning of the year	75,068	39,415
<b>Cash and cash equivalents at the end of the year (note a)</b>	<b>(151,000)</b>	<b>75,068</b>

**Note A**

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

Fixed deposits		
Savings account	-	21,081
Current account with The Ceylon Chamber of Commerce	(151,000)	53,987
	<b>(151,000)</b>	<b>75,068</b>

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 2020

---

**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 2020**

---

**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.

Other income is recognised on an accrual basis.

**(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 2020

	2020 Rs.	2019 Rs.
<b>2 Income</b>		
Entrance fees	4,000	4,000
Membership subscription	950,000	940,000
	<b>954,000</b>	<b>944,000</b>
<b>3 Other income</b>		
Investment income	336,563	287,058
Income received in connection with:		
- Annual general meeting	17,500	873,000
- Web advertisement	55,000	35,000
	<b>409,063</b>	<b>1,195,058</b>
<b>4 Expenditure</b>		
Printing and stationary	34,097	27,505
Communication cost	36,000	36,000
Postage and telephone	1,570	2,928
Secretarial fees	577,204	564,668
Expenses incurred in connection with :		
- Annual general meeting	89,078	651,016
- Forex seminar	-	2,200
Audit fee	33,500	39,460
Tax advisory charges	15,500	18,705
Cost of research document to ITC	-	250,000
Write-off of membership subscription (Note 4.1)	-	36,000
Web site maintenance	61,000	61,000
Write-off of website advertisement	-	45,000
Entertainment and refreshment	29,090	-
Sundry expenses	10,005	14,552
	<b>887,044</b>	<b>1,749,034</b>
<b>4.1 Write off of membership subscriptions</b>		
Adamjee Lukmanjee & Sons Ltd	-	12,000
Alliance Finance Company PLC	-	12,000
Mackwoods Ltd	-	12,000
	-	<b>36,000</b>
<b>5 Income tax (credits) / expenses</b>		
Provision for the year	23,596	145,154
Over provision	(72,577)	-
	<b>(48,981)</b>	<b>145,154</b>



EXPORTERS' ASSOCIATION OF SRI LANKA  
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2020

	2020 Rs.	2019 Rs.
<b>6 Subscription receivables</b>		
Seafood Exporters' Association of Sri Lanka	-	16,000
Agstar Exports (Pvt) Ltd	10,000	-
Ansell Lanka (Pvt) Ltd	10,000	-
Beira Brush Pvt Ltd	-	4,000
Chemanex PLC	20,000	10,000
CIC Holdings PLC	14,000	4,000
Cocotana Coconut Products	10,000	16,000
Dankotuwa Porcelain PLC	10,000	-
Dipped Products PLC	10,000	-
Delmege Forsyth & Co. Ltd	-	16,000
Expolanka Freight (Pvt) Ltd	-	10,000
Exporters Association of Coconut Based Substrates	10,000	-
Eswaran Brothers Exports (Pvt) Ltd	-	10,000
Hela Clothing (Pvt) Ltd	-	16,000
Hemachandras (Kandy) Ltd	20,000	10,000
Industrial Clothing Ltd	10,000	-
Ishana Spice Exports	20,000	10,000
Jiffy products SL (Pvt) Ltd	-	4,000
Lanka Brush Exports (Pvt) Ltd	26,000	16,000
Lankem Ceylon PLC	26,000	16,000
Miami Exports (Pvt) Ltd	-	10,000
Microcells (Pvt) Ltd	20,000	10,000
Nations Trust Bank PLC	10,000	-
J L Morison PLC	-	10,000
Premier Natural Teas (Pvt) Ltd	-	10,000
Richard Peiris Natural Foams Ltd	10,000	-
Smith Kline Beecham (Pvt) Ltd	-	22,000
Sri Lanka Diamond Manufacturers Association	-	10,000
The Swadeshi Industrial Works PLC	-	10,000
Van Rees Ceylon Ltd	10,000	-
Nidro Supply (Pvt) Ltd	-	6,000
	<b>246,000</b>	<b>246,000</b>



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

As at 31 March 2020

	2020 Rs.	2019 Rs.
<b>7 Other receivables and prepayments</b>		
Expenses for maintaining and hosting website	14,583	14,583
Receivable web advertising income	40,000	40,000
Receivable from AGM	-	15,500
	<b>54,583</b>	<b>70,083</b>
<b>8 Investments</b>		
Investment in unit trust	3,399,492	2,762,951
	<b>3,399,492</b>	<b>2,762,951</b>
<b>9 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.		
Current account with the Ceylon Chamber of Commerce	(151,000)	53,987
	<b>(151,000)</b>	<b>53,987</b>
<b>10 Cash and cash equivalents</b>		
Savings account- National Savings Bank	-	21,081
	-	<b>21,081</b>
<b>11 Subscription received in advance</b>		
Subscription received in advance	36,000	-
	<b>36,000</b>	-
<b>12 Accrued expenses</b>		
Tax advisory service	15,500	16,100
Audit fees	33,500	34,730
	<b>49,000</b>	<b>50,830</b>





EXPORTERS' ASSOCIATION OF SRI LANKA  
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2020

	2020 Rs.	2019 Rs.
<b>13 Income tax liability</b>		
Balance at beginning of the year	24,878	81,609
Income tax paid for previous year	(39,410)	(81,609)
Income tax over provision	(72,577)	
	(87,109)	-
Provision for the year	23,596	145,154
Income tax paid for the year	(80,006)	(118,230)
WHT paid during the year	-	(2,046)
<b>Balance at End of the Year</b>	<b>(143,519)</b>	<b>24,878</b>

**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.

