

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS 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, 2022, 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 Association maintained proper accounting records for the year ended March 31, 2022 and the financial statements give a true and fair view of the Association's state of affairs as at March 31, 2022 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 Statement section of our report. We are independent of the Association in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other Information**

The Executive Committee 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.

##### **Responsibilities of Executive Committee for the Financial Statement**

In preparing the financial statement, Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

In preparing the financial statement, Executive Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Executive Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

## **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 Association.



**Edirisinghe & Co.**  
**Chartered**  
**Accountants**

**Colombo**  
10-Jun-22

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

For the year ended 31 March 2022

	Note	2022 Rs.	2021 Rs.
Income	2	942,000	976,000
Other income	3	248,928	289,372
<b>Total income</b>		<b>1,190,928</b>	<b>1,265,372</b>
Expenditure	4	(853,174)	(878,118)
<b>Total expenditure</b>		<b>(853,174)</b>	<b>(878,118)</b>
<b>Surplus before income tax expense</b>		<b>337,754</b>	<b>387,254</b>
Income tax expenses (credits) / expenses	5	(18,736)	(19,290)
<b>Surplus for the year</b>		<b>319,018</b>	<b>367,964</b>
Accumulated fund at beginning of the year		3,987,257	3,619,294
<b>Accumulated fund end of the year</b>		<b>4,306,276</b>	<b>3,987,257</b>

Figures in brackets indicate deductions.

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

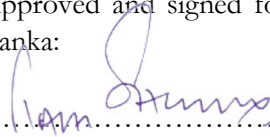
**EXPORTERS' ASSOCIATION OF SRI LANKA**  
**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2022

	Note	2022 Rs.	2021 Rs.
<b>Assets</b>			
<b>Current assets</b>			
Inventories		11,700	11,700
Subscription receivables		214,000	216,000
Other receivables and prepayments	6	79,167	64,583
Income tax refund	7	203,089	213,095
Investments	8	3,809,373	3,419,444
Current account with the Ceylon Chamber of Commerce	9	72,446	127,435
<b>Total current assets</b>		<b>4,389,776</b>	<b>4,052,257</b>
<b>Total assets</b>		<b>4,389,776</b>	<b>4,052,257</b>
<b>Funds and liabilities</b>			
<b>Funds</b>			
Accumulated fund		4,306,276	3,987,257
		<b>4,306,276</b>	<b>3,987,257</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Subscription received in advance	10	30,000	16,000
Accrued expenses	11	53,500	49,000
<b>Total current liabilities</b>		<b>83,500</b>	<b>65,000</b>
<b>Total funds and liabilities</b>		<b>4,389,776</b>	<b>4,052,257</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:

  
.....  
Mr. Talal Shums  
Chairman  
Exporters' Association of Sri Lanka

  
.....  
Mr. Raril Goonetilleke  
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 2022

	2022 Rs.	2021 Rs.
<b>Cash flows from operating activities</b>		
Surplus before income tax expense	337,754	387,254
<b>Adjustment for:</b>		
Investment income	(203,928)	(254,372)
<b>Net cash flows before working capital changes</b>	<b>133,826</b>	<b>132,882</b>
<b>Adjustment for working capital changes</b>		
Decrease in inventories	-	-
(Increase) in subscription receivables	2,000	30,000
Decrease in other receivables	(14,585)	(10,000)
Increase / (decrease) in accrued expenses	4,500	-
Decrease in subscription advance	14,000	(20,000)
<b>Cash generated from operating activities</b>	<b>139,742</b>	<b>132,882</b>
Income tax paid	(8,730)	(88,866)
<b>Net cash (used in) / generated from operating activities</b>	<b>131,012</b>	<b>44,016</b>
<b>Cash flows from investing activities</b>		
Net Investment in unit trust	(389,929)	(19,952)
Interest income received	203,928	254,372
<b>Net cash flows generated from / (used in) investing activities</b>	<b>(186,001)</b>	<b>234,420</b>
<b>Net cash flows generated from financing activities</b>		
Net increase/(decrease) in cash and cash equivalents	(54,989)	278,436
Cash and cash equivalents at the beginning of the year	127,435	(151,000)
<b>Cash and cash equivalents at the end of the year (note a)</b>	<b>72,446</b>	<b>127,435</b>
<b>Note A</b>		
<b>Analysis of cash and cash equivalents at the end of the year</b>		
Current account with The Ceylon Chamber of Commerce	72,446	127,435
	<b>72,446</b>	<b>127,435</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 2022

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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.

##### (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 2022**

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**1.4 Significant Accounting policies Cont.,**

**(b) Investments**

Investments comprise of investment in unit trust 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 2022	2022 Rs.	2021 Rs.
<b>2 Income</b>		
Entrance fees	2,000	6,000
Membership subscription	940,000	970,000
	<b>942,000</b>	<b>976,000</b>
<b>3 Other income</b>		
Investment income		
- Realized gain from the Unit trust	-	1,384
- Unrealized gain from the Unit trust	203,928	252,988
Income received in connection with:		
- Web advertisement	45,000	35,000
	<b>248,928</b>	<b>289,372</b>
<b>4 Expenditure</b>		
Printing and stationary	3,027	8,540
Communication cost	36,000	36,000
Postage and telephone	-	582
Secretarial fees	618,948	589,464
Audit fee	37,000	33,500
Tax advisory charges	16,500	15,500
Write-off of membership subscription (Note 4.1)	36,000	20,000
Web site maintenance	66,990	67,092
Export Strategy Document	-	102,600
Entertainment and refreshment	3,360	3,520
Web hosting for webinar Women's startup	35,000	-
Sundry expenses	349	1,320
	<b>853,174</b>	<b>878,118</b>
<b>4.1 Write off of membership subscriptions</b>		
Ishana Spice	-	20,000
Lanka Brush Exports	36,000	-
	<b>36,000</b>	<b>20,000</b>
<b>5 Income tax (credits) / expenses</b>		
Provision for the year	18,736	19,290
	<b>18,736</b>	<b>19,290</b>



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

As at 31 March 2022

	2022 Rs.	2021 Rs.
<b>6 Other receivables and prepayments</b>		
Expenses for maintaining and hosting website	34,167	14,583
Receivable web advertising income	45,000	50,000
	<b>79,167</b>	<b>64,583</b>
<b>7 Income tax liability</b>		
Balance at beginning of the year	(213,095)	(143,519)
Income tax paid for previous year	(4,638)	(38,796)
	<b>(217,733)</b>	<b>(182,315)</b>
Provision for the year	18,736	19,290
Income tax paid for the year	(4,092)	(50,070)
<b>Balance at End of the Year</b>	<b>(203,089)</b>	<b>(213,095)</b>
<b>8 Investments</b>		
<b>Unit trust - NDB Wealth Management</b>		
Opening balance	3,419,444	3,399,492
Investments /(withdrawals)	186,000	(234,420)
Realized gain	-	1,384
Unrealized gain	203,929	252,988
	<b>3,809,373</b>	<b>3,419,444</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	72,446	127,435
	<b>72,446</b>	<b>127,435</b>
<b>10 Subscription received in advance</b>		
Subscription received in advance	30,000	16,000
	<b>30,000</b>	<b>16,000</b>

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

As at 31 March 2022	2022	2021
	Rs.	Rs.
<b>11 Accrued expenses</b>		
Tax advisory service	16,500	15,500
Audit fees	37,000	33,500
	<b>53,500</b>	<b>49,000</b>

**12 Commitments and contingencies**

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

**13 Events after the reporting date**

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

**14 Related party disclosures**

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