



**BAKER TILLY**  
**Edirisinghe & Co.**  
Chartered Accountants

## 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, 2017, Statement of Comprehensive Income and Retained Earnings 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 Standard for Small and Medium-sized Entities. 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

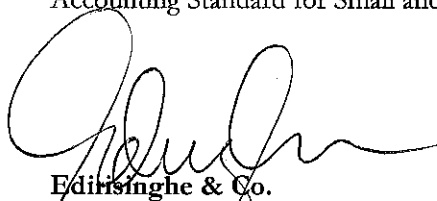
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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, 2017 and the financial statements give a true and fair view of the Association's state of affairs as at March 31, 2017 and its surplus and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities.



Edirisinghe & Co.  
Chartered Accountants

Colombo

1-Jun-17



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A. T. P. Edirisinghe, FCA, FCMA (UK) Consultant/Advisor

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

For the year ended 31 March 2017

	Note	2017 Rs.	2016 Rs.
Income	2	556,000	540,000
Other Income	3	1,274,214	603,629
<b>Total Income</b>		<b>1,830,214</b>	<b>1,143,629</b>
Expenditure	4	(1,229,945)	(953,903)
<b>Total Expenditure</b>		<b>(1,229,945)</b>	<b>(953,903)</b>
<b>Surplus Before Income Tax Expense</b>		<b>600,269</b>	<b>189,726</b>
Income Tax Expenses	5	(59,466)	(21,386)
<b>Surplus for the Year</b>		<b>540,803</b>	<b>168,340</b>
Accumulated Fund at Beginning of the Year		1,573,674	1,405,334
<b>Accumulated fund End of the Year</b>		<b>2,114,477</b>	<b>1,573,674</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 2017

	Note	2017 Rs.	2016 Rs.
<b>Assets</b>			
<b>Current Assets</b>			
Inventories		8,550	11,775
Subscription Receivables	6	121,000	54,000
Other Receivables and Prepayments	7	103,667	65,067
Investments in Fixed Deposits	8	1,939,618	1,569,825
Current Account with The Ceylon Chamber of Commerce	9	69,769	-
Cash and Cash Equivalents	10	19,498	18,675
<b>Total Current Assets</b>		<b>2,262,102</b>	<b>1,719,342</b>
<b>Total Assets</b>		<b>2,262,102</b>	<b>1,719,342</b>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Accumulated Fund		2,114,477	1,573,674
		<b>2,114,477</b>	<b>1,573,674</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other Payable	11	10,000	30,000
Current Account with The Ceylon Chamber of Commerce	9	-	21,266
Accrued Expenses	12	116,408	94,141
Income Tax Liability	13	21,217	261
<b>Total Current Liabilities</b>		<b>147,625</b>	<b>145,668</b>
<b>Total Funds and Liabilities</b>		<b>2,262,102</b>	<b>1,719,342</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:

*H. J. 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 2017	2017 Rs.	2016 Rs.
<b>Cash Flows from Operating Activities</b>		
Surplus before Income Tax Expense	600,269	189,726
<i>Adjustment for:</i>		
Investment Income	(188,714)	(87,119)
<b>Net Cash Flows before Working Capital Changes</b>	<b>411,555</b>	<b>102,607</b>
<b>Adjustment for working capital changes</b>		
Decrease/(Increase) in Inventory	3,225	(3,856)
(Increase)/Decrease in Subscription Receivables	(67,000)	46,000
Increase in Other Receivable	(38,600)	(52,900)
Increase in Accrued Expenses	22,267	41,681
(Decrease)/Increase in Subscription Advance	(20,000)	25,000
<b>Cash Generated from Operating Activities</b>	<b>311,447</b>	<b>158,532</b>
Income Tax Paid	(20,200)	(11,761)
With Holding Tax Paid	(18,310)	(11,125)
<b>Net Cash Generated from Operating Activities</b>	<b>272,937</b>	<b>135,646</b>
<b>Cash Flows from Investing Activities</b>		
Investment in Fixed Deposits	(369,793)	(306,511)
Interest Income Received	188,714	87,119
<b>Net Cash Flows used in Investing Activities</b>	<b>(181,079)</b>	<b>(219,392)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents	91,858	(83,746)
Cash and cash Equivalents at the Beginning of the Year	(2,591)	81,155
<b>Cash and Cash Equivalents at the End of the Year (Note A)</b>	<b>89,267</b>	<b>(2,591)</b>

**Note A**

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

Savings Account	19,498	18,675
Current account with The Ceylon Chamber of Commerce	69,769	(21,266)
	<b>89,267</b>	<b>(2,591)</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 2017**

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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 2017

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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

For the year ended 31 March 2017

	2017 Rs.	2016 Rs.
<b>2 Income</b>		
Entrance Fees	4,000	18,000
Membership Subscription	552,000	522,000
	<b>556,000</b>	<b>540,000</b>
<b>3 Other Income</b>		
Investment Income	188,714	87,119
Income Received in Connection with:		
- Annual General Meeting	1,023,500	400,600
- Lunch on Meeting	-	52,000
Web Advertisement	55,000	60,000
Export Strategy Documentation	7,000	3,910
	<b>1,274,214</b>	<b>603,629</b>
<b>4 Expenditure</b>		
Printing and Stationary	16,813	18,491
Communication Cost	30,000	30,000
Postage & Telephone	3,721	2,515
Secretarial Fees	497,159	469,028
Expenses incurred in connection with :		
- Annual General Meeting	416,544	260,547
- Luncheon Meeting	-	52,182
Audit Fee	29,906	29,138
Tax Advisory Charges	13,159	12,997
Use of MMP at Meetings	2,494	2,407
National Strategy Document	146,684	-
Write-off of Membership Subscription (Note 4.1)	11,000	15,000
Web site Maintenance	53,000	54,000
Sundry Expenses	9,465	7,598
	<b>1,229,945</b>	<b>953,903</b>
<b>4.1 Write off Membership Subscriptions</b>		
Lanka Diamonds Polishing Limited	-	5,000
Para Xpo Products (Pvt) Ltd	-	5,000
Unitrades(Pvt) Ltd	-	5,000
Floriculture Produce Exporter's Association	11,000	-
	<b>11,000</b>	<b>15,000</b>
<b>5 Income Tax Expenses</b>		
Provision for the Year	41,156	10,261
WHT Paid	18,310	11,125
	<b>59,466</b>	<b>21,386</b>



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

As at 31 March 2017

	2017 Rs.	2016 Rs.
<b>6 Subscription Receivables</b>		
Seafood Exporters' Association of Sri Lanka	6,000	-
Adamexpo	6,000	6,000
Aitken Spence Export Ltd	6,000	-
Aristons (Pvt) Ltd	12,000	6,000
Ceylon Biscuits Ltd	6,000	-
Chemanex PLC	-	6,000
Dipped Products PLC	6,000	-
Eswaran Brothers Exports (Pvt)Ltd	6,000	-
Floriculture Produce Exporter's Association	-	11,000
George Steuart & Co. Ltd	6,000	-
Hellmann Worldwide Logistics (Pvt) Ltd	6,000	-
Industrial Clothing Ltd	6,000	6,000
Lanka Walltile (Pvt) Ltd	-	6,000
Mackwoods Ltd	6,000	-
Miami Exports (Pvt) Ltd	7,000	1,000
NDO Lanka (Private) Limited	6,000	6,000
Premier Natural Teas (Pvt) Ltd	6,000	-
Richard Peiris Natural Foams Ltd	6,000	-
Smithkline Beecham (Pvt) Ltd	6,000	-
The Lion Brewery (Ceylon) Plc	6,000	-
The Swadeshi Industrial Works Plc	6,000	-
	<b>121,000</b>	<b>54,000</b>
<b>7 Other Receivables and Prepayments</b>		
Expenses for Maintaining & Hosting Website	34,667	29,667
Receivable Web Advertising Income	50,000	25,000
Receivable from AGM	19,000	-
Receivable from Luncheon Meeting	-	10,400
	<b>103,667</b>	<b>65,067</b>





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

As at 31 March 2017

	2017 Rs.	2016 Rs.
<b>8 Investments</b>		
Fixed Deposits - National Development Bank	-	132,073
Fixed Deposits - National Development Bank	-	251,731
Fixed Deposits - National Development Bank	-	201,385
Fixed Deposits - National Development Bank	-	151,039
Fixed Deposits - National Development Bank	-	100,951
Fixed Deposits - National Development Bank	-	151,426
Fixed Deposits - National Development Bank	-	378,566
Fixed Deposits - National Development Bank	-	202,654
Fixed Deposits - Hatton National Bank	1,111,654	-
Fixed Deposits - Hatton National Bank	522,533	-
Fixed Deposits - National Development Bank	305,431	-
	<b>1,939,618</b>	<b>1,569,825</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	69,769	(21,266)
	<b>69,769</b>	<b>(21,266)</b>
<b>10 Cash and Cash equivalents</b>		
Savings Account- National Savings Bank	19,498	18,675
	<b>19,498</b>	<b>18,675</b>
<b>11 Other Payable</b>		
Subscription Received in Advance	-	30,000
Web advertisement received in advance	10,000	-
	<b>10,000</b>	<b>30,000</b>
<b>12 Accrued expenses</b>		
Tax Advisory Service	13,159	12,821
Audit Fees	29,906	29,138
National Strategy Documentation	73,343	-
Luncheon Meeting	-	52,182
	<b>116,408</b>	<b>94,141</b>



EXPORTERS' ASSOCIATION OF SRI LANKA  
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2017

	2017	2016
	Rs.	Rs.
<b>13 Income Tax Liability</b>		
Balance at Beginning of the Year	261	1,761
Income Tax Paid for Previous Year	(2,200)	(1,761)
Provision for the Year	41,156	10,261
Income Tax Paid for the Year	(18,000)	(10,000)
<b>Balance at End of the Year</b>	<b>21,217</b>	<b>261</b>

