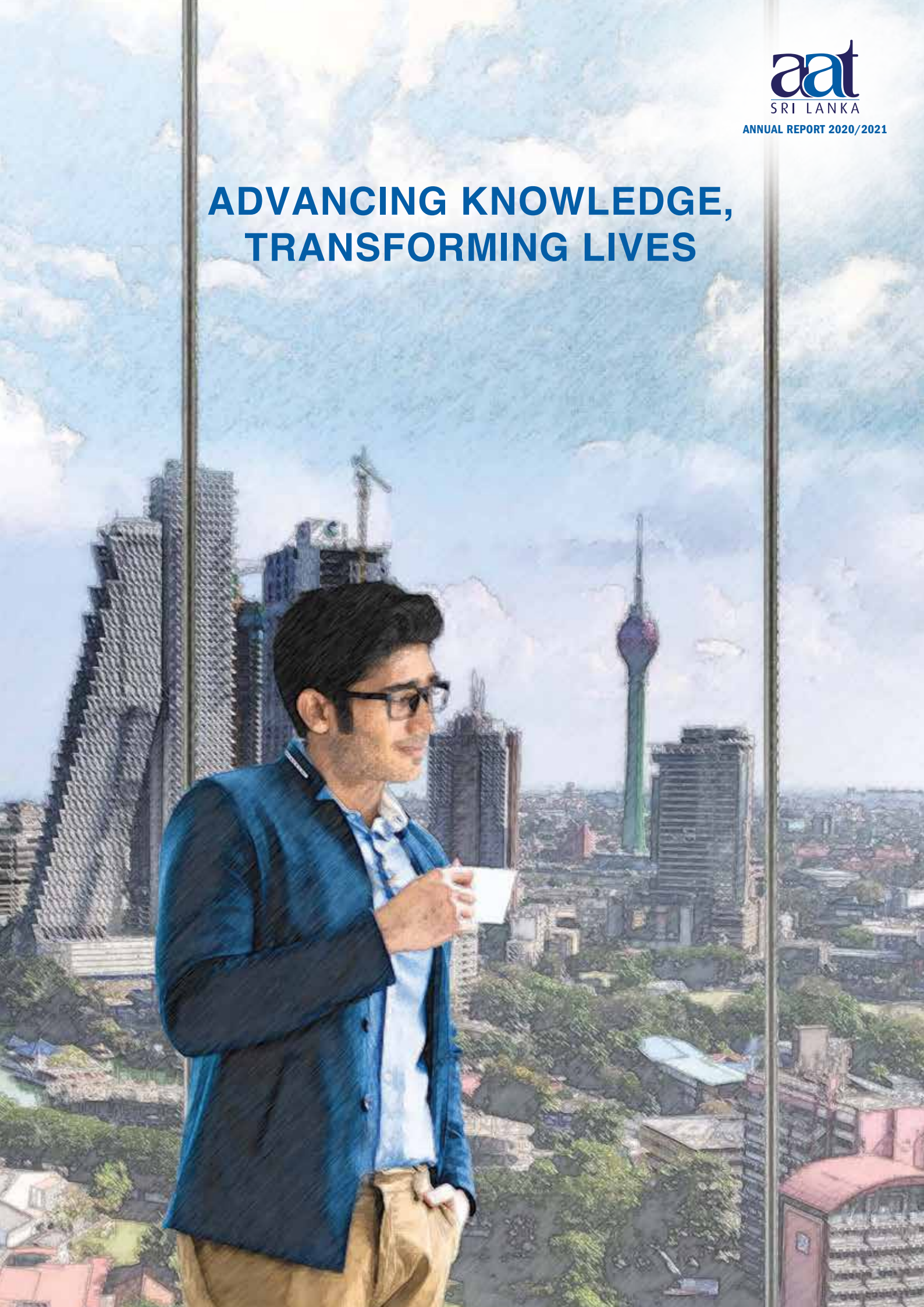


ADVANCING KNOWLEDGE, TRANSFORMING LIVES





ADVANCING KNOWLEDGE, TRANSFORMING LIVES

Across the years since our inception, we have continuously consolidated our position as one of Sri Lanka's most recognised accounting institutions – becoming synonymous with excellence in professional development and academics. Propelled by a dynamic business world that continues to ebb and flow, we have continuously aligned our capacities to lead and guide both novices and seasoned professionals by imparting every nuance of accounting - shaping both technical as well as professional aptitudes. As a result, we have continuously aligned our standards, our offerings and resources, making headway in adapting to phenomena within the strategic practices of business and accounting.

Now, within this volatile age of social and economic disruptions, we remain resolute, and confident in our capabilities, as we advance against adversities. We are committed to advancing knowledge, and enhancing standards, all towards the goals of transforming professionals to reach the pinnacle of success and in maintaining our position of academic excellence.

CONTENTS

ABOUT US	04	06	08	10	12	14	16	18
	About this Report	About AAT	The AAT Qualification	Operational Highlights	Performance Highlights	Year at a Glance	Milestones	Awards & Excellence
LEADERSHIP	20		24		27	32	34	
	President's Message	Chief Executive Officer's Review	Governing Council	Management Team	Past Presidents			
STRATEGIC REPORTS	36	38	44	47	48			
	Value Creation Model	Stakeholder Engagement	Operating Environment	Materiality Assessment	Our Strategy			
CAPITAL REPORTS	52	71	73	76	82	83		
	Social & Relationship Capital	Intellectual Capital	Financial Capital	Human Capital	Manufactured Capital	Natural Capital		
STEWARDSHIP		FINANCIAL STATEMENTS			SUPPLEMENTARY INFORMATION			
<div>86 Governance Report of the Governing Council</div> <div>87 Governance</div> <div>99 Risk Management</div> <div>102 The Audit, Risk Management and Ethics Committee Report</div> <div>104 Human Resources Development Sub-committee Report</div> <div>105 Statement of Governing Council Members' Responsibility on Internal Controls</div> <div>106 Annual Report of the Governing Council Members' on the Affairs of the Association</div>		<div>110 Independent Auditors' Report</div> <div>112 Statement of Comprehensive Income</div> <div>113 Statement of Financial Position</div> <div>114 Statement of Changes in Funds</div> <div>115 Statement of Cash Flows</div> <div>116 Notes to the Financial Statements</div>			<div>138 Value Added Statement</div> <div>139 Ten Year Summary</div> <div>Statement of Comprehensive Income</div> <div>Statement of Financial Position</div> <div>Statement of Cash Flows</div> <div>143 GRI Content Index</div> <div>147 Glossary</div> <div>148 AAT Branch Network</div> <div>149 Corporate Sponsors</div> <div>150 Notice of Annual General Meeting</div> <div>INNER BACK COVER</div> <div>Corporate Information</div>			

ABOUT US

04	About this Report
06	About AAT
08	The AAT Qualification
10	Operational Highlights
12	Performance Highlights
14	Year at a Glance
16	Milestones
18	Awards & Excellence



About this Report

WELCOME TO THE 8TH INTEGRATED ANNUAL REPORT OF THE ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA. IN THIS ANNUAL REPORT, WE PRESENT A COMPREHENSIVE AND CLEAR ACCOUNT OF HOW THE ASSOCIATION CREATED SHORT, MEDIUM AND LONG TERM VALUE FOR ALL STAKEHOLDERS WITHIN THE FINANCIAL YEAR 2020/21. THE ASSOCIATION FOLLOWS AN ANNUAL REPORTING CYCLE AND THIS REPORT COVERS THE FINANCIAL AND NON-FINANCIAL DETAILS FROM APRIL 1, 2020 TO MARCH 31, 2021. IN-LINE WITH OUR INTENTION OF PRESENTING A BALANCED AND INSIGHTFUL VIEW OF THE ASSOCIATION, THE REPORT INCLUDES A BROADER COVERAGE OF MATERIAL ASPECTS IDENTIFIED THROUGH ROBUST STAKEHOLDER ENGAGEMENT. THE MOST RECENT REPORT COVERS 12 MONTH PERIOD ENDING MARCH 31, 2020 WHICH WAS DATED ON AUGUST 27, 2020. THIS REPORT IS DATED JUNE 04, 2021 AND CAPTURES MATERIAL EVENTS AFTER THE BALANCE SHEET DATE.

Scope and Boundaries

The Annual Report 2020/21 of the Association of Accounting Technicians of Sri Lanka has been prepared in accordance with the following standards, frameworks and guidelines to ensure optimal regulatory compliance.

Regulatory Requirements

The Companies Act No. 07 of 2007

Sri Lanka Financial Reporting Standards for Small and Medium-sized Entities

Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995

Voluntary Frameworks

Code of Best Practice on Corporate Governance 2017

International <IR> Framework of the IIRC

GRI Standards "In Accordance" option

Navigating our Report

Our Integrated Annual Report is a combination of four different areas; Executive Summary, Management Discussion and Analysis, Financial Statements and Supplementary Information. The table below presents a concise glance at the Annual Report;

Executive Summary



(Pg. 04 – 34)

Management Discussion & Analysis



(Pg. 36 – 50)



(Pg. 52 – 84)



(Pg. 86 – 108)

Financial Statements



(Pg. 110 – 136)

Supplementary Information



(Pg. 138 – IBC)

About Us

This section presents an overview of the Association, performance highlights of the year as well as Association's milestones over the years. In addition, this section comprises commentaries by our leadership team.

Strategic Reports

This section presents insights into the elements that shape our strategy as well as into how we identify opportunities and navigate challenges.

Capital Reports

The section discusses performance and value creation during the year under the six capital model. This section also presents details of how we create sustainable value for all stakeholders.

Stewardship

This section details the Governance Framework, Risk Management and how we shape Association's culture to create lasting value.

This section presents Association's Audited Financial Statements and Accounting Policies.

This section includes the AGM Notice and Corporate Information.

This report has been prepared by the management of the Association of Accounting Technicians of Sri Lanka following the instructions issued by the Governing Council, which has reviewed and approved the same.



The PDF version of the Annual Report 2020/21 is available on our official website.

Restatements and changes

There are no restatements of information provided in the previous Annual Report. There were no significant changes reported in the scope and aspect boundaries from the previous Annual Report. However, presentation and classification of Financial Statements has been amended since the previous financial year, where relevant for better presentation purposes.

Disclaimer for the publication of forward-looking statements

The Report contains information about plans and strategies of AAT for the medium and long-term, which represents the management's view. Even though these statements, judicious assumptions and expectations are based on current data, they are not intended to guarantee future results, especially in the context of the COVID-19 pandemic and prevailing uncertainty about the global socio-economic environment. As such, actual performance indicators in future years may differ from the forward looking statements published in this Report.

Assurance

The Associations' Audit, Risk Management, Ethics Committee and the Governing Council are responsible for the integrity of disclosures made in the Report. They have worked with external assurance providers on the Report content.

The Associations' internal audit function has been carried out by Messrs. KPMG (Chartered Accountants) of Sri Lanka while Messrs. Ernst & Young (Chartered Accountants) of Sri Lanka has assured the Financial Statements presented in this Report.

Statement of Governing Council Members on the Integrated Annual Report

In preparation of this report, the Governing Council members have applied their combined strengths and experience to ensure the clarity, validity, transparency and above all, integrity of the information presented in the report. Moreover, to the best of our understanding this Integrated Annual Report details all material issues and impartially details the integrated performance of AAT and its impacts. All members of the Governing Council of AAT agree that this Integrated Annual Report has been compiled in accordance with the International Integrated Reporting Framework.

Signed for and on behalf of the Governing Council,



W. P. Russel P. H. Fonseka
President of AAT



Naayila Marikkar
Audit, Risk Management & Ethics Committee Chairperson

04 June 2021

Feedback and Inquiries

We welcome your comments and suggestions on this Report. We invite you to direct them to:

Name :	Monika Ranasinghe
Designation :	Chief Financial Officer
Contact details :	AAT Centre, No. 540, Ven. Muruththettuwe Ananda Nahimi Mawatha, Colombo 05.
Tel :	+94 112559669, Ext: 334

About AAT



VISION

TO BE THE MOST RECOGNISED
QUALIFICATION FOR MIDDLE
LEVEL ACCOUNTING
PROFESSIONALS.

MISSION

TO PROVIDE OUR STUDENTS
A ROUTE TO SUCCESS IN LIFE
BY HELPING THEM BECOME
COMPETENT MIDDLE LEVEL
ACCOUNTANTS WHO ADD
VALUE TO THEIR EMPLOYERS.
WE PROVIDE OUR MEMBERS
AN OPPORTUNITY FOR
CAREER PROGRESSION AND
NETWORKING, OUR STAFF AN
EMPOWERED AND ENJOYABLE
WORKING ENVIRONMENT
AND EDUCATION SERVICE
PROVIDERS AN OPPORTUNITY
TO DEVELOP THEIR DELIVERY
COMPETENCY WHILE CO-
OPERATING FOR MUTUAL
GAIN WITH ACCOUNTING &
ACADEMIC INSTITUTIONS.

VALUES

- PROFESSIONALISM
- READY TO CHANGE
- CUSTOMER ORIENTED
- PASSION FOR WINNING
- RESPECT FOR ALL
- WORK TOGETHER



STRATEGIC OBJECTIVES

- MAINTAIN HEALTHY STUDENT AND MEMBER POPULATION
- GENERATE VALUE ADDITION TO THE MEMBERSHIP
- CREATE RECOGNITION OF THE QUALIFICATION
- FOSTER MULTI-SKILLED COMPETENT STAFF
- ENHANCE RELATIONSHIPS WITH PROFESSIONALS AND ACADEMIC INSTITUTIONS

BRAND STATEMENT

At AAT, we believe education should clear paths to achieve dreams and goals at a younger age. We help students to be qualified, to be able to enter the corporate world and to be accepted globally at an early stage in life by providing the best academic guidance in accounting & finance and opening up avenues for a great career path.

Association of Accounting Technicians of Sri Lanka was formed in 1987 on the initiative of the Institute of Chartered Accountants of Sri Lanka to fill a gap identified by the Asian Development Bank and for the purpose of developing a formal professional qualification for the middle tier of the accounting fraternity. Formation of AAT ushered in a new era in the development of accounting education in Sri Lanka, which inherently contributes to the growth of the country's economy. AAT is incorporated under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007, as a company limited by guarantee.



AAT became a full member of the International Federation of Accountants (IFAC) in 2017, having been an associate member for 28 years. AAT is the second Accounting Technicians body in the world to gain full membership of this global apex body of accountants.



AAT was the first Associate Member of the Confederation of Asian & Pacific Accountants (CAPA), a leading network of accounting bodies in the region since 1989. AAT was the 2nd Sri Lankan body to obtain full membership of the organisation in 2015.

Recognition

AAT has established and maintains reciprocal arrangements with the following Professional Bodies and Universities:

- Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Institute of Certified Management Accountants of Sri Lanka (CMASL)
- Chartered Institute of Management Accountants UK (CIMA-UK)
- Association of Chartered Certified Accountants of UK (ACCA-UK)
- Institute of Public Accountants (IPA) of Australia and Institute of Financial Accountants (IFA) of United Kingdom
- Chartered Institute of Personnel Management (CIPM)
- Association of Business Executives (ABE-UK)
- Sri Lanka Institute of Advanced Technological Education (SLIATE) / Technical Colleges in Sri Lanka
- Institute of Chartered Corporate Secretaries of Sri Lanka (ICCS)
- University of Sri Jayewardenepura
- University of Colombo
- University of Kelaniya
- The Open University of Sri Lanka
- National Institute of Business Management (NIBM) in collaboration with Coventry University - UK
- Northumbria University - UK
- Wollongong University - Australia
- Canterbury Christ Church University - UK

Reach

AAT has developed an extensive, islandwide network to support members, passed finalists and students. In 2020, AAT established a branch in Amapara, reinforcing organisational arrangements in all corners of the island. Moreover, AAT extended additional support across the nation via Accredited Education Centres. AAT offers study materials and conducts examinations in all three official languages of the country. During the year under review, examinations were held at 73 examination centres across the country.

AAT Business School

AAT Business School is a Strategic Business Unit operating under the Association of Accounting Technicians of Sri Lanka, committed towards enhancing competencies and recognition of students, passed finalists, members and other professionals by conducting various courses in Business Communication, Information Technology, Management Development and Leadership Skills, with the objective of strengthening their recognition, and competencies in varied business arenas.

The AAT Qualification

AAT provides comprehensive, information driven professional qualifications to create a pathway for 'fast tracking employment' via offering qualified members a competitive edge over peers to obtain gainful employment opportunities as middle level accounting professionals, and serve the country's Small and Medium Enterprises sector. Our focus revolves around facilitating ethical and value driven Accounting Professionals to seek growth through becoming well-versed in contemporary information systems in a digital environment and skilled in Accounting & Finance, Performance Analysis & Management, Legal, Taxation, Auditing, Digital and Communication.

AAT qualifications remain relevant across a broad spectrum of subjects, providing an excellent foundation to thrive in the accounting and financial management arena. AAT qualifications are based on pragmatic real-world requirements and provide necessary skills required to succeed in the accounting field.

AAT Accounting academics align well with the Advanced Level commerce stream academic content. Accordingly, we provide an ideal opportunity for post Ordinary Level students to excel in their Advanced Level studies and earn an additional qualification to gain a head start in their prospective careers.

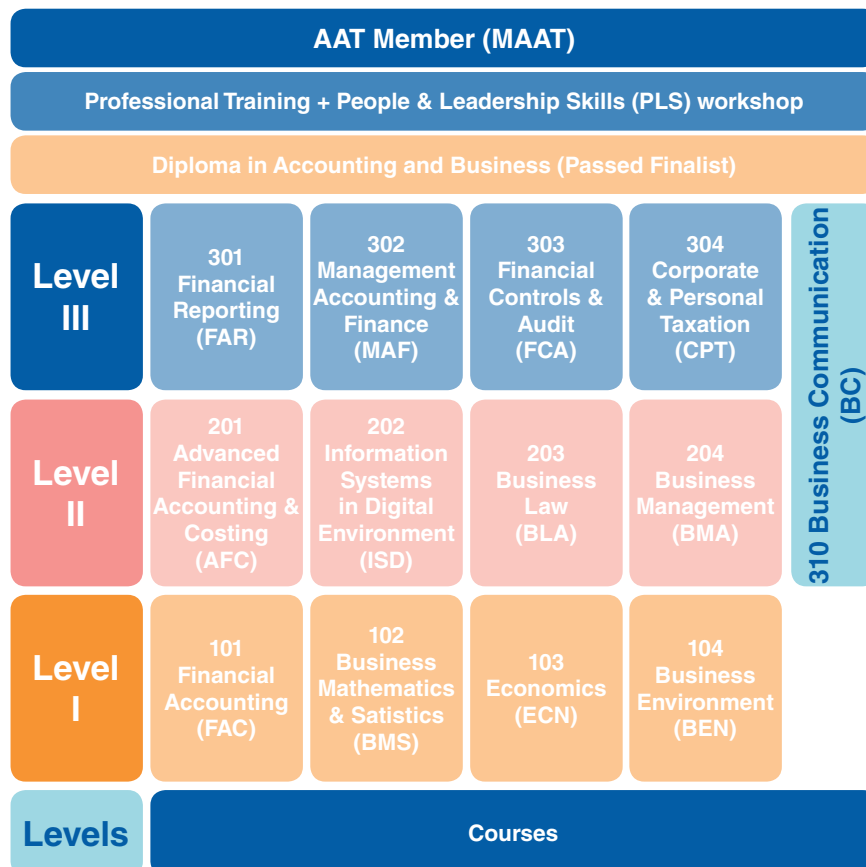
Moreover, AAT is an excellent opportunity for aspiring entrepreneurs to gain financial management skills required for management of their businesses. AAT members are recognised as Approved Accountants and AAT Fellow members are recognised as Authorised Representatives by the Inland Revenue Act No.24 of 2017.

rapidly evolving local and global arena. These periodical revisions enhance the recognition and validity of AAT qualifications.

The current challenge that we are tackling is the task of improving professionalism and skill sets of middle level accountants to become more employable and marketable. The new curriculum with the theme 'The Employment Fast Tracked' addresses these issues and strives to empower middle level accounting technicians to acquire skills and competencies that meet the industrial and technological requirements of the era of the fourth industrial revolution.

CURRICULUM STRUCTURE 2020-2025

As the leading professional education institute in Sri Lanka for middle level accounting professionals, AAT is committed to frequent updates and revisions to the curriculum to help members and students adapt to the



AAT Membership

AAT membership affords a set of valuable benefits including opportunities to broaden one's knowledge in-line with real-world changes, networking opportunities with peers & industry experts, heightening the recognition of the qualification and creating a better impression.

The three AAT membership categories are as follows.

1. **MAAT - Member of AAT**
2. **SAT - Senior Member of AAT**
3. **FMAAT - Fellow Member of AAT**

Members in Practice (MIP)

A member of AAT (other than a practicing Chartered Accountant) is deemed to practice as a Professional Accountant in Public Practice ("Members in Practice") if in consideration of remuneration received or to be received, he or she engages himself/herself in Professional Services or presents himself/herself to the public as a Professional Accountant in Public Practice on a self-employed basis (part time or full time);

- ⊙ as a sole proprietor; or
- ⊙ as a partner (whether salaried or equity) in a partnership.

Categories of AAT Practicing Certificates

There are two categories of AAT Practicing Certificates. Practicing members can apply to these categories as:

1. AAT Practicing Certificate for Fellow Members (Approved Accountants)

Entitlements

The AAT Practicing Certificate for Approved Accountants entitles the holder of the certificate to:

- 1) ***Practice as an Approved Accountant in accordance with the Inland Revenue Act;***
- 2) ***Practice as an Authorised Representative in accordance with the Inland Revenue Act; and***
- 3) ***Engage in any other Professional Accountancy Services (other than statutory audits).***

2. AAT Practicing Certificate for Professional Accountancy Services (Other membership categories)

Entitlements

AAT Practicing Certificate for other Professional Accountancy Services entitles the holder to:

- 1) ***Practice as an Authorised Representative in accordance with the Inland Revenue Act; and***
- 2) ***Engage in any other Professional Accountancy Services (other than statutory audits).***

Operational Highlights - 2020/21

INCREASED ACCESSIBILITY

7

BRANCHES

CONNECTING WITH OUR STAKEHOLDERS

62,000

FACEBOOK
FOLLOWERS

TRUSTING THE QUALIFICATION

15,268

NEW STUDENT
REGISTRATIONS

114

ACCREDITED
EDUCATION CENTRES

9,580

YOUTUBE
SUBSCRIBERS

15,996

STUDENT
RENEWALS

73

EXAM CENTRES

6,150

INSTAGRAM
FOLLOWERS

25,404

STUDENTS APPLIED FOR
THE EXAMINATIONS

“

EXAMINATION RESULTS
RELEASED IN 45 DAYS FOR
THE FIRST TIME IN AAT
HISTORY

”

23,342

STUDENTS SAT FOR THE
EXAMINATIONS

6,064

ACTIVE MEMBERS

CAREER PATH DEVELOPED

2,304

PASSED FINALISTS
DURING THE YEAR

506

NEW MEMBERS



OUT OF THE
HIGHEST RANKED
100 STUDENTS
AT THE G.C.E.
ADVANCED LEVEL
COMMERCE
STREAM, 57 WERE
AAT STUDENTS
INCLUDING 13
DISTRICT 1ST AND
5 OUT OF THE
FIRST 10

UPGRADING THE NEXT GENERATION

58

SEMINARS /
WORKSHOPS HELD

48

FREE LECTURES
(WEBINARS) FOR
STUDENTS



Canterbury
Christ Church
University

NEW CAREER PATH
TO MBA FROM
CANTERBURY CHRIST
CHURCH UNIVERSITY OF
UK

WE TREAT ALL GENDERS EQUALLY

64%

FEMALE
REPRESENTATION FROM
THE ACTIVE STUDENT
BASE

38%

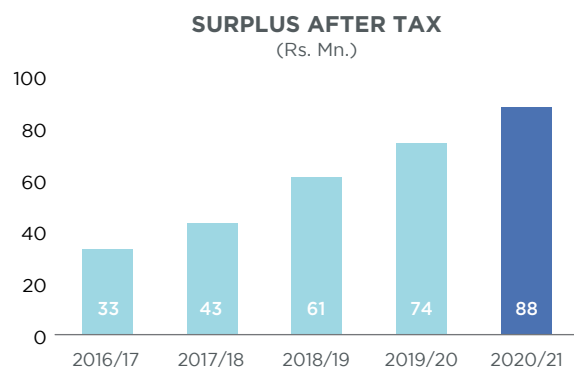
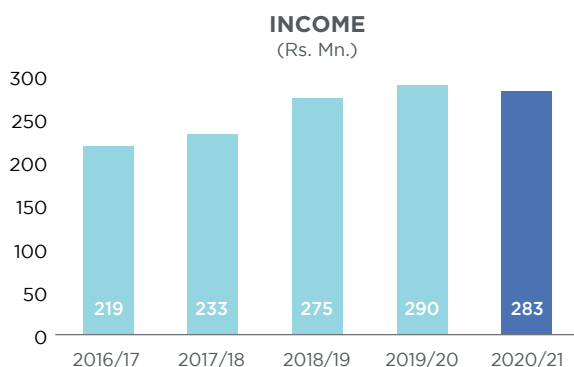
FEMALE
REPRESENTATION FROM
THE ACTIVE MEMBER
BASE

53%

FEMALE
REPRESENTATION IN
OUR TEAM

Performance Highlights

	Metric	2020/21	2019/20	YOY
Financial Capital				
Income	Rs. Mn	283	290	-2%
Gross Surplus	Rs. Mn	145	134	8%
Surplus After Tax	Rs. Mn	88	74	19%
Finance Income	Rs. Mn	52	58	-10%
Total Assets	Rs. Mn	981	897	9%
Total Funds	Rs. Mn	837	755	11%
Investments	Rs. Mn	651	565	15%
Accumulated Fund	Rs. Mn	805	722	11%
Gross Surplus Ratio	%	51	46	11%
Net Surplus Ratio	%	31	25	24%
Liquidity Ratio	Times	7	6	17%
Return on Assets	%	9	8	13%
Manufactured Capital				
Property & Equipment	Rs. Mn	135	140	-4%
Capital Expenditure	Rs. Mn	6	13	-54%
Social and Relationship Capital				
Active Students	No.	31,264	28,916	8%
Active Members	No.	6,064	5,983	1%
Student Registrations	No.	15,268	13,725	11%
Student Renewals	No.	15,996	15,191	5%
Accredited Education Centres	No.	114	106	8%
AAT Business School Students	No.	1,318	1,530	-14%
Investment in CSR	Rs. Mn	2	5.6	-64%
Human Capital				
Employees	No.	67	67	0%
Net Surplus After Tax per Employee	Rs. Mn	1.3	1.1	18%
Total Payment to Employees	Rs. Mn	88	79	11%
Training Hours	Hour	233	693	-66%
Average Training Hours / Employee	Hour	3.5	10.3	-66%
Investment in Training	Rs. Mn	0.01	0.8	-99%
Retention	%	98.5	98.5	0%
Natural Capital				
Energy Consumption	Kwh	205,197	250,480	-18%
Water Consumption	Ltr. (Mn.)	1.91	1.89	1%
Paper Recycled	Kg	4,250	4,160	2%



FINANCIAL PERFORMANCE

9%

RETURN ON ASSETS

31%

NET SURPLUS RATIO

51%

GROSS SURPLUS RATIO

FINANCIAL STRENGTH

9%

GROWTH IN TOTAL
ASSETS

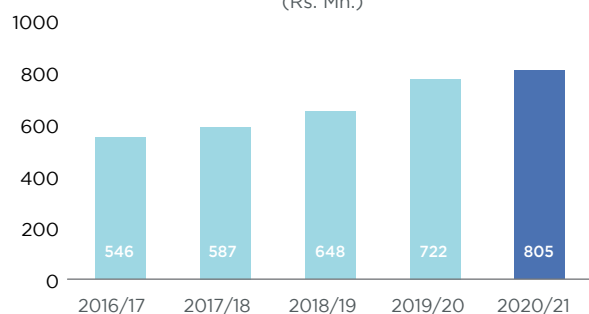
11%

GROWTH IN
ACCUMULATED FUND

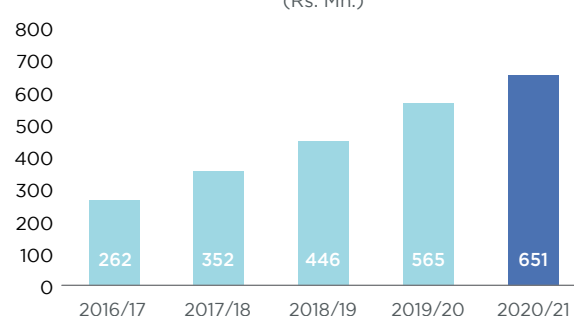
15%

GROWTH IN
INVESTMENTS

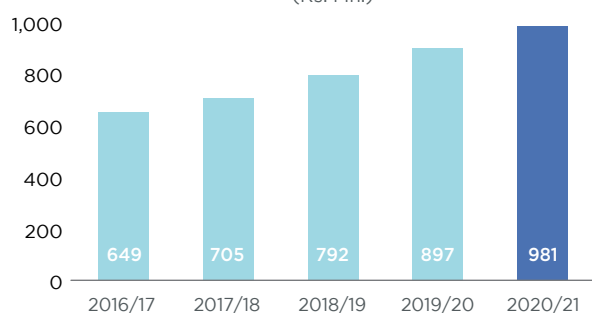
ACCUMULATED FUND
(Rs. Mn.)



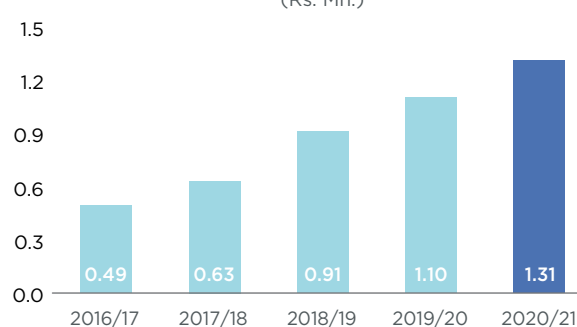
INVESTMENTS
(Rs. Mn.)



TOTAL ASSETS
(Rs. Mn.)



SURPLUS AFTER TAX PER EMPLOYEE
(Rs. Mn.)



Year at a Glance

Ampara Branch
Opening



AAT Top
Achievers
Felicitation
Ceremony

18th Annual
Conference





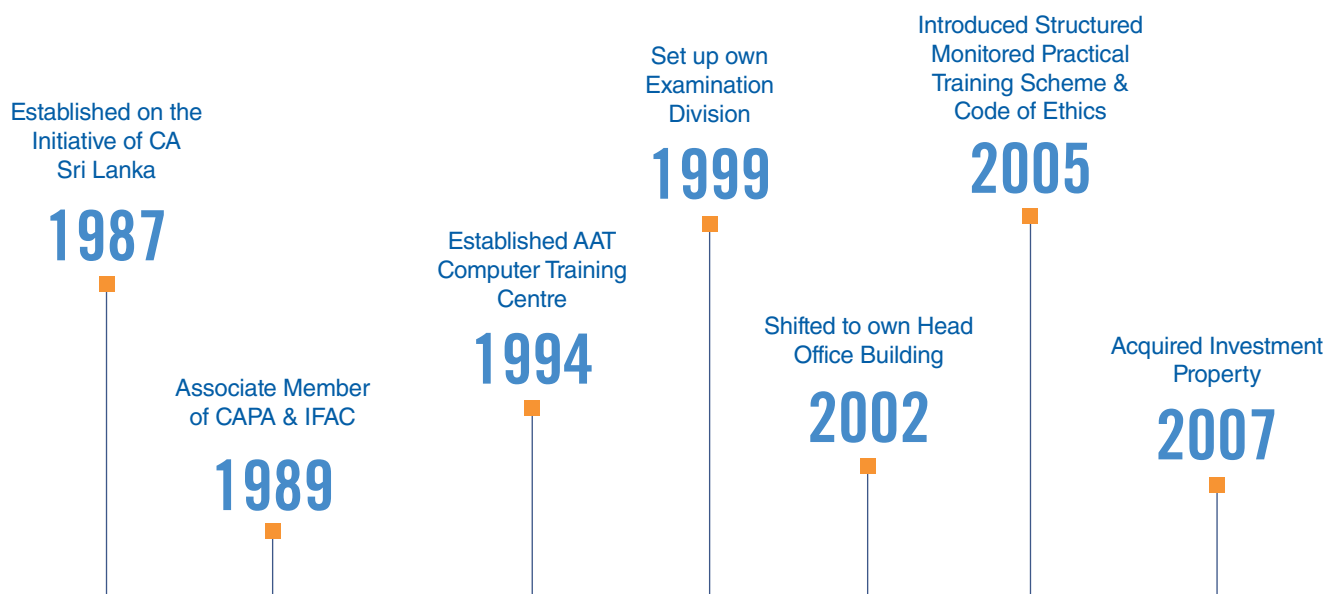
Went Live
with Online
Registration

Sector Gold
Award & Overall
Merit Award at
CMA Sri Lanka
Excellence
in Integrated
Reporting
Awards



Toastmasters
Club
Achievements

Milestones



OVER 3 DECADES OF EXCELLENCE

AWARDS

2010

Gold Award – Annual Report Awards of CA Sri Lanka (NGO/NPO Sector)

2011

Winner – Best Presented Accounts Awards of SAFA (Non Governmental Organisations)

2013

Gold Award – National Business Excellence Awards (Associations and Societies Sector)

2014

Gold Award – Annual Report Awards of CA Sri Lanka (SME Sector)

Gold Award – National Business Excellence Awards (Associations & Societies Sector)

2015

Gold Award – Annual Report Awards of CA Sri Lanka (SME Sector)

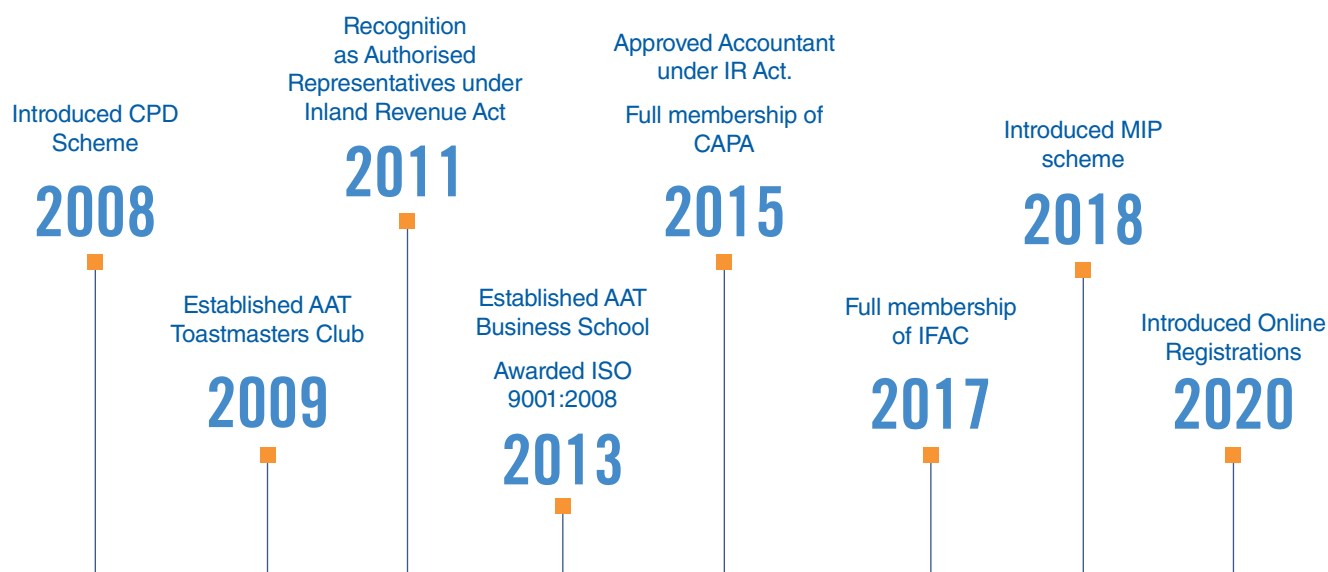
Gold Award – National Business Excellence Awards (Associations & Societies Sector)

2016

Gold Award – National Business Excellence Awards (Associations & Societies Sector)

Silver Award – National Business Excellence Awards (Medium Category)

First Runner up - SAFA Best Presented Annual Report Awards 2014 - (NGO/NPO Sector)



2017

Gold Award – National Business Excellence Awards (*Associations & Societies Sector*)

Runner Up – National Business Excellence Awards (*Excellence in Local Market Reach*)

Merit Award – National Business Excellence Awards (*Excellence in Capacity Building*)

AAT Toastmasters Club – 3rd Best Club (District 82)

2018

Gold Award – National Project Management Excellence Awards (*Best Managed Project in Academic Sector*)

Gold Award – National Business Excellence Awards (*Associations and Societies Sector*)

Bronze Award – Annual Report Awards of CA Sri Lanka (*SME Sector*)

1st Runner up – National Business Excellence Awards (*Medium Category*)

Merit Award – SLIM Brand Excellence (Best SME Brand)

Merit Award – National Business Excellence Awards (*Local Market Reach*)

2nd Best Club – AAT Toastmasters Club (District 82)

2019

Gold Award – National Business Excellence Awards (*Associations and Societies Sector*)

Gold Award – Excellence in Integrated Reporting of CMA Sri Lanka (*Educational Institutes, Chambers of Commerce, NGOs and NPOs sector*)

Silver Award – Annual Report Awards of CA Sri Lanka (*SME Sector*)

Merit Award – Excellence in Integrated Reporting of CMA Sri Lanka

Golden Gavel Award – AAT Toastmasters Club together with 5 Awards and 50+ Individual Awards

2020

Gold Winner – Best Integrated Report – Education Sector
CMA Excellence in Integrated Reporting Awards – 2020

Certificate of Merit – Best Integrated Report – All sectors
CMA Excellence in Integrated Reporting Awards – 2020

Golden Gavel Award – AAT Toastmasters Club together with 10 Awards

Awards & Excellence



GOLD WINNER

- ▶ Best Integrated Report – Education Sector
- ▶ CMA Excellence in Integrated Reporting Awards – 2020

CERTIFICATE OF MERIT

- ▶ Best Integrated Report – All Sectors
- ▶ CMA Excellence in Integrated Reporting Awards – 2020



AAT TOASTMASTERS CLUB AWARDS - YEAR 2020/21

- ▶ President Distinguished Award
- ▶ Golden Gavel Award
- ▶ Triple Star Award
- ▶ Publicity Star Award
- ▶ Eight-80 Membership Award (For Term 1 & 2)
- ▶ 100% Pathways Adoption Award (For Term 1 & 2)
- ▶ Excellence Training Award (For Term 1 & 2)
- ▶ Smedley Membership Building Award
- ▶ Talk up Membership Building Award
- ▶ Beyond Boundaries Award
- ▶ Beat the Clock Award

AATSL EMERGING TOASTMASTERS CLUB

Within a very short period of time, AATSL Emerging Toastmasters club also managed to secure the following awards.

- ▶ Rising Star Award
- ▶ Talk up membership Award
- ▶ Distinguished Club Award

LEADERSHIP

20	President's Message
24	Chief Executive Officer's Review
27	Governing Council
32	Management Team
34	Past Presidents



President's Message

In retrospect, I see that the financial year 2020/21 was one of the toughest years in the recent past. The COVID-19 pandemic negatively impacted the country's economy and travel restrictions, periodical lockdowns as well as the fear of spreading the virus challenged industries as well as educational institutes to function uninterrupted. Nevertheless, I am pleased to report that the Association of Accounting Technicians of Sri Lanka made significant strides in growth through adopting timely measures to navigate the challenges. In this context, I am pleased to present the financial and non-financial performance during the year 2020/21 as well as the future direction of the Association.

Operating Environment

The COVID-19 pandemic served as a catalyst to trigger changes in both the economy and education within the nation.

The new business environment, in which, businesses have to reckon with financial and operational fragilities call for increased focus on financial integrity, risk mitigation, topline growth and sound corporate strategy. As such, accounting technicians have a larger, more expansive role to play in ensuring financial health and success of companies. According to available statistics from the Department of Census and Statistics (Economic census 2013/14) the number of establishments in the SME sector is 1.017 Mn providing employment to approximately 2.255 Mn people in the non-agricultural sector. In essence,



DRIVEN BY CONCENTRATED EFFORTS TO CREATE AND PRESERVE VALUE, THE ASSOCIATION SUCCEEDED IN SURPASSING OVERWHELMING CHALLENGES TO RECORD A STEADY GROWTH DURING THE YEAR UNDER REVIEW ON ALL FRONTS..

SMEs are considered the backbone of the country's economy. In this context, the Association's role in facilitating professional development and knowhow of middle level accounting professionals has become increasingly valuable.

The current market realities call for more informed, technologically savvy and dynamic accounting technicians. Our role in helping middle level accounting technicians too has to evolve in tandem with these market expectations. As such, during the year under review, the Association continued to offer increasingly progressive, time appropriate accounting programmes to students, whilst also strengthening our digital capabilities.

In the education front, the traditional method of physical classes, and reliance on paper based study material proved to be unhelpful in the pandemic situation, which required more reliance on digital platforms as well as digitally available content. Accordingly, the Association strengthened its e-platform during the year under review, and encouraged its Accredited Education Centres to offer online classes to students across the nation.

While the above changes stemmed from the ground realities of the pandemic, the economic impact of low economic activities, and decline in demand threatened to fragment the country's SME sector. However, the Government offered a number of financial relief measures including a debt moratorium for affected industries in the SME sector.

Forging ahead with resilience

The periodical lockdowns, spread of the virus and unstable economy posed a collective set of challenges to the Association's plans to create and preserve value in pursuit of sustainable growth. Nevertheless, we adopted a set of appropriate tools to effectively navigate troubled waters, and continue to grow at a steady pace.

During the year under review, the Association conducted scheduled exams on a regular basis. Moreover, we provided students with additional resources via digital platforms to improve their knowledge base and skills. It was heartening to see how our partner Accredited Education Centres were able to offer study content both on virtual platforms and conventional paper based forms, and conduct classes online.

In addition, we continued to offer our members valuable content as well as opportunities for discussions through virtual programmes as well as some physical gatherings, conducted strictly within COVID-19 safety guidelines.



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA MADE SIGNIFICANT STRIDES IN GROWTH THROUGH ADOPTING TIMELY MEASURES TO NAVIGATE THE CHALLENGES.





President's Message



WE REMAIN COMMITTED TO OUR CORE ASPIRATION OF BEING A TRUSTED PROFESSIONAL BODY TO ASSIST MIDDLE LEVEL ACCOUNTANTS ACROSS THE NATION TO IMPROVE THEIR KNOWLEDGE AND SOFT SKILLS IN ORDER TO CONTRIBUTE TO NATION BUILDING OBJECTIVES..

Our Role

Driven by concentrated efforts to create and preserve value, the Association succeeded in surpassing overwhelming challenges to record a steady growth during the year under review on all fronts.

The Association's active membership increased to 6,064 from 5,983, while the number of active students grew to 31,264 from 28,916. There were 15,268 new student registrations during the year, while 15,996 students continued to renew studentship to follow programmes.

The Association's financial position strengthened during the year under review with investments growing by 15% to Rs.651 Mn. AAT's accumulated fund grew by 11% to Rs.805 Mn. The

Association's total assets stood at Rs.981 Mn as at the end of the financial year.

We remain committed to our core aspiration of being a trusted professional body to assist middle level accountants across the nation to improve their knowledge and soft skills in order to contribute to nation building objectives. At present on top of the AAT curriculum, we offer diversified programmes through our business school for the students, passed finalists, members as well as for any professional.

In addition, during the year under review, we intensified our efforts to enable our members to reinforce their skills and knowledge through offering

professional development opportunities. Moreover, AAT members are eligible to obtain membership from number of local and international accounting bodies.

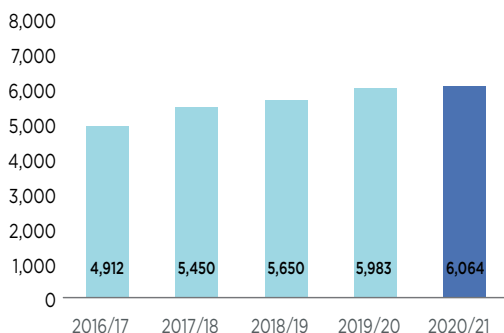
Governance

At AAT, we consider robust Governance to be the linchpin to create lasting growth and ensuring stability and integrity of the Association. The Governing Council of AAT sets the tone of the governance framework that steers the Association at all levels. AAT's Governing Council sets the strategic direction of the Association, manages risks and oversees performance of the entire Association to ensure transparency, and secure AAT's ability to create sustainable value for all stakeholders.

Looking ahead

As we continue to seek adding value to the Association and what we offer, we also take timely measures to preserve the value we have already created, changing market trends and realities of the post-COVID-19 world demand, a set of new skills, deeper insights as well as digital capabilities from professional accountants. Our role as a responsible professional body and educational institute should evolve in line with current and future requirements. During the year under review, we laid the platform to introduce required changes to our service delivery through reinforcing our digital platform and adopting other timely changes. As such, we are well-gearred to fulfill our objective of grooming competent, knowledgeable and skilled accounting professionals.

ACTIVE MEMBERS

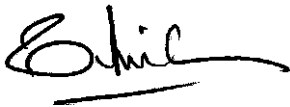


WE CONSIDER ROBUST GOVERNANCE TO BE THE LINCHPIN TO CREATE LASTING GROWTH, ENSURING STABILITY AND INTEGRITY OF THE ASSOCIATION



Appreciation

The year 2020/21 presented a set of unprecedented challenges. We would not have been able to navigate those challenges effectively, were it not for the prudent leadership of the Governing Council members. I wish to express my sincere appreciation of their wisdom and commitment. Our employees worked tirelessly under difficult circumstances to ensure the smooth functioning of all operations of the Association. I am grateful to each and every member of the staff for their valuable work-ethics and dedication. I also wish to express my admiration and gratitude to our CEO, Mr. Tishanga Kumarasinghe for his able leadership during trying times. I am also thankful to all our students and members for their continued trust in us. I wish to acknowledge the sincere, fruitful efforts of our AECs in helping us maintain high standards, and deliver value. Let us forge ahead with confidence to pursue growth.



W. P. Russel P. H. Fonseka
President AAT

04 June 2021

Chief Executive Officer's Review

As I look back on what was a challenging year which required AAT to revisit its strategies and adapt to new circumstances, I am pleased to say that we navigated choppy waters with resilience and forward looking thinking. As such, it is with pleasure that I present the financial and non-financial progress of the Association during the year 2020/21, and discuss our future plans. In spite of periodical lockdowns due to the COVID-19 pandemic, and the resulting economic downturn, AAT continued to create and preserve value through taking great strides forward during the year under review.

Operating context

The unprecedented health and economic challenges that stemmed from the COVID-19 outbreak, negatively impacted the nation's economy, putting undue pressure on the Small and Medium enterprises. While the country's economy contracted during the year under review as a result of the negative impact of the COVID-19 pandemic and resulting low economic activities, the SME sector experienced challenges in the shape of lack of working capital as well as knowledge and resources to effectively face the pandemic situation and operational challenges. While the Government introduced a relief package including debt relief, debt moratorium, and working capital loan facilities to SMEs, the requirement for sound financial and accounting knowledge in the sector increased as a result. As such, AAT as the leading accounting body for middle level accountants who mainly work in the SME sector has a larger role to play in bringing about financial stability to enterprises in this sector.

Mindful of this, during the year under review, we intensified our endeavours to offer timely, updated content and programmes to our current students, members as well as potential students and members. Moreover, AAT worked towards strengthening our e-platform and digital capabilities to prepare our stakeholders for the age of the fourth industrial revolution.

In the meantime, students faced numerous challenges in terms of

access to classes, course content and information due to pandemic fueled travel restrictions and lockdowns.

However, AAT took measures to make the course content available in digital formats, and worked with our Accredited Education Centres to ensure that the students were able to continue their education.

Performance

Despite troubled waters, AAT continued to grow within the year under review, posting Income of Rs.283 Mn as well as Surplus After Tax of Rs.88 Mn. As a result, AAT's Accumulated Fund reached Rs.805 Mn, while we maintained an investment portfolio of Rs.651 Mn. We recorded the highest Total Asset base in our history during the year under review at Rs.981 Mn in the financial year 2020/21. Our effective cost-management initiatives as well as prudent financial management contributed to the sound financial performance experienced during the year under review.

Meanwhile, the number of active members during the year exceeded the 6,000 mark for the first time in the history, while the number of active students increased to 31,264. The number of new student registrations during the year was 15,268. We attribute this positive outlook even amidst a challenging environment to our strategic efforts during the previous year as well as our timely responses to the new challenges of the year 2020/21. In 2019, we revisited our syllabus to offer an updated curriculum in-line with current and future requirements to students. Further, we offered a number of value added programmes to members with a view to helping them to update their knowledge base in tandem with evolving financial and accounting requirements. These efforts further contributed to enhancing our intellectual capital which

bodes well for future growth as well as value preservation and creation.

Human capital

During the year under review, our employees too faced various challenges due to the restrictions posed by the pandemic. In response, we facilitated work from home opportunities whenever possible. The Association continued to provide the usual financial incentives to employees, and there were no salary reductions during the year under review in spite of challenging conditions. Meanwhile, we continued to train and develop our employees during the year under review to help them achieve professional and personal progress.

Key achievements

Apart from our robust and effective responses to COVID-19 challenges, we continued to strengthen our academic offerings with the new structured syllabus, while also striving to introduce a more interactive and data driven digital platform. During the year under review, we reinforced our partnerships with various academic institutions and industry entities, particularly our partnership with the University of Canterbury Christ Church UK.

Further, we continued the momentum on strengthening our digital capabilities from last year with the introduction of online registration, which contributed to an increase in the number of registrations during the year.

AAT was awarded the Education sector Gold Winner as well as Overall Certificate of Merit in best integrated reporting at CMA Excellence in integrated reporting awards 2020 for the second consecutive year, which further strengthened our standing as a reputed professional institution.

In-line with our commitment to serving middle level accounting professionals across the country, we opened a new branch in Ampara to cater to students in the Eastern Province. In addition, we continued to evaluate performance of each branch across the nation through Key Performance Indicators (KPIs) to continue to enhance our services.

131%

**GROWTH IN SURPLUS
FROM OPERATION**



Chief Executive Officer's Review

Developing Social Capital

As an organisation with a greater vision to contribute to nation building efforts through assisting middle level accountants, we heavily invested in developing our social capital. In spite of COVID-19 restrictions during the year under review, AAT assisted the Ambala Junior School at Teldeniya, a rural school through building a regular clean water supply unit. We also continued to play a part in environmental preservation with a tree planting programme at the Beddagana wetland park.

While the COVID-19 restrictions prevented the Association from getting involved with a larger number of CSR programmes, we remain committed to nurturing our social capital and assisting communities across the nation.

Looking ahead

As the COVID-19 pandemic prevails, the social and economic outcomes of the status quo will continue to impact AAT and shape our role to respond to the 'New Normal.' As such, we will continue to review our strategic approach, understand new market dynamics and improve our service offering accordingly. While digitalisation of the economy and business interactions were long in the making, the pandemic accelerated the requirements for a digitally ready business environment. Accounting professionals too will have to upgrade their skill sets to match the new world. In this backdrop, we will look into further enhancing our content structure, digital capability and seek to partner with more industry entities. We have already laid the foundation necessary to evolve in tandem with current and future requirements. In the years to come we will continue to build on the strength of that foundation to preserve the value we have already created and create value to achieve sustainable growth on behalf of all our stakeholders.

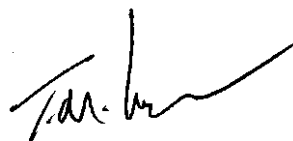
Acknowledgements

AAT could not have faced the challenges of the year 2020/21 without the constant support and guidance of all its stakeholders. As I look back on the year, I remain grateful to all their efforts and dedication. Our President Mr. Russel Fonseka and members of the Governing Council steered the Association with foresight and pragmatic perceptiveness. I am thankful to them for providing their valuable services and guidance on a voluntary basis to take the Association forward. Our members also provide lot of support with active participation in committees. The Senior Management and employees of AAT work relentlessly towards ensuring successful outcomes of all our endeavours. I would like to offer my sincere appreciation for their efforts.

In addition, I am grateful to the Accredited Education Centres and lecturers who play an integral role in the growth of the Association as well as the wellbeing and progress of our students. I would also like to thank CA, CMA, ACCA, CIMA, Universities and other professional bodies for granting generous exemptions to our students and members.

I remain humbly grateful to our corporate sponsors for their unwavering trust in our Association.

Let us all work together to build a dynamic, progressive Association capable of further enhancing the accounting industry in the country.



Tishanga Kumarasinghe
Chief Executive Officer, AAT

04 June 2021

Governing Council



Mr. W. P. Russel P. H. Fonseka
President



Mr. Sunil Wanigabadu
Vice President



Mr. K. L. Jagath Nandana Perera
Secretary



Mr. M. Jazri Magdon Ismail
Immediate Past President



Mr. H. L. P. Dayal Abhayasinghe
Council Member



Dr. Chamara Bandara
Council Member



Mr. S. M. S. Sanjaya Bandara
Council Member



Ms. Chamila Cooray
Council Member



Mr. A. Naleen Dhammika De Silva
Council Member

Governing Council



Mr. Thilak S. K. Dharmarathne
Council Member



Mr. Sarathchandra Ilayperuma
Council Member



Mr. P. D. Wasantha Kumara
Council Member



Mr. Indraka Liyanage
Council Member



Ms. F. S. Naayila Marikkar
Council Member



Ms. G. M. Iresha U. Bandara
Council Member



Mr. W. M. N. J. Pushpakumara
Council Member

Introduction to our Governing Council

MR. W. P. RUSSEL P. H. FONSEKA

*FMAAT, B.Sc. (BA) Sp. Hon., MBA, FCA, FIB(s)
President of AAT*

Qualifications & Experience

Fellow Member of AAT
B.Sc. (Business Administration) Sp. Hon. - University of Sri Jayewardenepura
Master of Business Administration - University of Southern Queensland, Australia
Postgraduate Diploma in Management - Postgraduate Institute of Management, University of Sri Jayewardenepura
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Senior Fellow Member of Institute of Bankers of Sri Lanka

Other appointments

Senior Deputy General Manager – Bank of Ceylon
Director of Merchant Bank of Sri Lanka & Finance PLC
Director and Audit Committee Chairman of Property Development PLC
Director & Audit committee Chairman of Lanka Clear (Pvt.) Ltd
Chairman – Transnational Lanka Records Solutions (Pvt.) Ltd

MR. SUNIL WANIGABADU

*FMAAT, CPA, MCPM
Vice President of AAT*

Qualifications & Experience

Fellow Member of AAT
Member of the Institute of Certified Public Accountants
Member of Chartered Professional Managers

Other appointments

Proprietor of Wanigabadu & Co.
Group Financial Controller of Sino Lanka Group of Companies
Alternate Director of Sino Lanka Properties (Pvt.) Ltd

MR. K. L. JAGATH NANDANA PERERA

*FMAAT, FCA, B.B Mgt (Acc) Sp.
Secretary of AAT*

Qualifications & Experience

Fellow Member of AAT
Bachelor of Business Management – Accountancy (Sp) – University of Kelaniya
Fellow Member of the Institute of Chartered Accountants of Sri Lanka

Other appointments

Partner – DHP Munaweera & Company, Chartered Accountants

MR. M. JAZRI MAGDON ISMAIL

*FMAAT, FCA, CMA (Aust.)
Immediate Past President of AAT*

Qualifications & Experience

Fellow Member of AAT
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Member of Certified Management Accountants (Australia)

Other appointments

Consultant - Amana Bank PLC

MR. H. L. P. DAYAL ABHAYASINGHE

*FMAAT, FCPM, MBA in Finance (UOC), HNDA, PQHRM, ACS
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
Fellow Member of Institute of Chartered Professional Managers of Sri Lanka
MBA in Finance– University of Colombo
Higher National Diploma in Accountancy - Sri Lanka Institute of Advanced Technological Education (SLIATE)
Professional Qualification in Human Resources Management (PQHRM) - Chartered Institute of Personnel Management of Sri Lanka (CIPM)

Other appointments

Senior Assistant Bursar - Faculty of Technology, University of Colombo
Member of Steering Committee - Establishment of Faculty of Engineering, University of Colombo

DR. CHAMARA BANDARA

*FMAAT, FCA, FCMA, MBA, PhD
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Fellow Member of the Certified Management Accountants of Sri Lanka
MBA – University of Southern Queensland, Australia
Ph.D (Business/Management) Management & Science University, Malaysia

Other appointments

Chief Executive Officer – Corporate Doctors (Pvt) Ltd

Introduction to our Governing Council

MR. S. M. S. SANJAYA BANDARA

*FMAAT, B.Sc. (Accounting) Sp., MBA, FCA
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
B.Sc (Accounting) Sp. - University of Sri Jayewardenepura
MBA - University of Colombo
Fellow Member of the Institute of Chartered Accountants of Sri Lanka

Other appointments

Vice President - Institute of Chartered Accountants of Sri Lanka
Partner – B. R. De Silva & Company
Director – Confederation of Asian and Pacific Accountants
Technical Advisor – South Asian Federation of Accountants
Board Member – Sri Lanka Accounting and Auditing Standards Monitoring Board

MS. CHAMILA COORAY

*FMAAT, FCA, FCMA (UK), FCMA, FCPM, CPA (Aus), B.Sc (Accountancy) 1st class Hons., MBA
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
B.Sc (Accounting) Sp. 1st Class (Hon.) - University of Sri Jayewardenepura
MBA – University of Colombo
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Fellow Member of Chartered Management Accountants (UK)
Fellow Member of Certified Management Accountants Sri Lanka
Fellow Member of Chartered Professional Managers Sri Lanka
Full Member of Certified Practising Accountants of Australia

Other appointments

General Manager Operations – WNS Global Service (Pvt) Ltd
Non Executive Director – State Mortgage and Investment Bank
Council Member - Institute of Chartered Accountants of Sri Lanka
Council Member - Sri Lanka Institute of Advanced Technical Education, Ministry of Higher Education, Technology and Innovation
Member of Country Network Committee – CIMA Sri Lanka

MR. A. NALEEN DHAMMIKA DE SILVA

*FMAAT, FCA, ACMA, MBA (USJ)
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
MBA - University of Sri Jayewardenepura
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Associate Member of the Institute of Certified Management Accountants of Sri Lanka

Other appointments

Director - Corporate Doctors (Pvt) Ltd

MR. THILAK S K DHARMARATHNE

*SAT, MBA, CBA, ACPM, EDBA
Council Member of AAT*

Qualifications & Experience

Senior Member of AAT
Master of Business Administration (AEU)
Certified Business Accountant of Institute of Chartered Accountants of Sri Lanka
Associate Member of Chartered Professional Managers
Executive Diploma in Business and Accounting

Other appointments

Chairman – Ishika Life Stores
Account Consultant – Theekshana
Admin and Finance Manager – Healthy Lanka Alliance for Development

MR. SARATHCHANDRA ILAYPERUMA

*FMAAT, FCA, FSCMA
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
Bachelor of Business Administration from the University of Colombo
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Fellow Member of the Certified Management Accountants of Sri Lanka

Other appointments

Chief Operating Officer – Wichy Plantation Company (Pvt) Ltd.

MR. P. D. WASANTHA KUMARA

*SAT, M.A (Econ), B. Com (Acc) Sp.(USJ), CBA (CASL), HNDA
Council Member of AAT*

Qualifications & Experience

Senior Member of AAT
Master of Art (Economics) – University of Kelaniya
Bachelor of Commerce (Accounting) Spl. - University of Sri Jayewardenepura
Certified Business Accountant of Institute of Chartered Accountants of Sri Lanka
HNDA – Advance Technological Institute of SL

Other appointments

Senior Tax Officer – Provincial Revenue Department (W.P).

MR. INDRAKA LIYANAGE

*FMAAT, MBA, FIB(S), MICM (UK), AICM, MCIS(UK), PGD (CASL), FCPM, GSLID
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
Commonwealth Executive Master of Business Administration
Senior Fellow Member of the Institute of Bankers
Fellow Member of Institute of Certified Professional Managers (FCPM)
Vocational Member of the Institute of Credit Management (MICM-UK)
Vocational Member of the Chartered Institute of Securities and Investments (MCISI-UK)
Associate Member of the Institute of Credit Management of Sri Lanka (AICM)
Member of Sri Lanka Institute of Training and Development (MSLITAD)
Postgraduate Diploma in Business Administration (CA Sri Lanka)
Member of Sri Lanka Institute of Directors and Certified Graduate Director (GSLID)
Member of Organisation of Professional Associations of Sri Lanka
Member of Automobile Association of Sri Lanka
Member of Association of Professional Bankers of Sri Lanka

Other appointments

Head of Risk Management - Siyapatha Finance PLC
President - CEMBA/CEMPA Alumni Association
Assistant Secretary to the Council - Sri Lanka Institute of Training & Development
Visiting Lecturer – Sabaragamuwa University of Sri Lanka
Member of the Regional Advisory group of RIMS for South Asia

MS. F. S. NAAYILA MARIKKAR

*FMAAT, FCA
Council Member of AAT*

Qualifications & Experience

Fellow Member of AAT
Fellow Member of the Institute of Chartered Accountants of Sri Lanka

Other appointments

Partner – BR De Silva & Co, Chartered Accountants
Partner - Alles Martin & Co, Chartered Accountants

MS. G. M. IRESHA U. BANDARA

*MFE, ACA, ACMA
Council Member of AAT*

Qualifications & Experience

Fellow member of AAT
Master of Financial Economics
Associate Member of the Institute of Chartered Accountants of Sri Lanka
Associate Member of the Certified Management Accountants of Sri Lanka

Other appointments

Director – Department of State Accountants, Ministry of Finance.

MR. W. M. N. J. PUSHPAKUMARA

*Master in Assessment & Evaluation, Degree in Commerce – USJ, MEd., Dip. In Edu-Col., Dip. In Edu - OUSL
Council Member of AAT*

Qualifications & Experience

Master of Assessment & Evaluation - University of Melbourne Australia
Master of Education - University of Colombo
B.Com. - University of Sri Jayawardenepura
Diploma in Education - University of Colombo
Diploma in Education - Open University of Sri Lanka

Other appointments

Additional Secretary - Education Services Establishment

Management Team



Mr. Tishanga Kumarasinghe
Chief Executive Officer
FMAAT, B.Com (Sp) Int'l Trade,
PG.Dip. (PIM-USJ), MSLIM



Ms. N. Monika K. Ranasinghe
Chief Financial Officer
FMAAT, MBA (Sp) Fin (USQ-AUS),
FCA, ACMA



Ms. Nimali Ekanayake
Chief Academic Officer
FMAAT, FCA, B.Sc(Mgt), Dip. In
Taxation



Ms. S.A. Nadee N. Perera
Head of Student Registration &
Membership
MBA (UK), B.Sc. Mgt. (Sp) (USJ),
CBA, MCPM, AIPFM



Ms. B.R. Lilani Thanuja
Head of Education & Training
FCA, MAAT



Mr. Sachith Karunaratna
Head of Business School
MBA(Col), BBA(Col)MKT, Dip.M.ACIM,
MSLIM



Mr. J.P. Manoj Niroshan
Manager - Information Technology
B.Sc. Hons (MIS), Dip. NIBM



Ms. Saluja Herath
Manager - Human Resources &
Administration
BBA (HRM) Sp (UOC), PQHRM, L.L.
Dip



Mr. Dinuka Subapanditha
Manager - Marketing
Dip. In Marketing



Ms. Rangika Rodrigo

Senior Manager - Examinations
FCA, B.Sc. Accounting (Sp), Adv.
Dip. CIMA (UK), Adv. Dip. In MA
(CIMA - UK)



Mr. Henry Thalagala

Senior Manager - Examinations



Ms. Nireshinee Ratnayake

Secretary to CEO
Dip. In Conf. Sec, Dip. In Exec. Sec,
Dip. In Admin. Sec, Dip. In HRM



Mr. Chamil Moragodaarachchi

Assistant Manager - Student
Registration & Membership
BBA (Bus. Admin) Sp. (UOC), PG.
Dip. In Business Finance



Mr. Lasantha Perera

Assistant Manager - IT
AMBCS



Ms. Shehani De Zoysa

Financial Accountant
ACA, BBA (Accounting)Sp. (UOC)



Ms. Nilakshi Liyanage

Assistant Manager - Examination
BBA (Fin)Sp. (UOC), Adv. Dip. In
CIMA (UK)



Ms. Peumika Weerathna

Assistant Manager - Marketing
MBA (Staffordshire University - UK),
BBA Sp. Fin. (UOC), Adv. Dip. In CIMA

Past Presidents



Prof. Lakshman R. Watawala
(Founder President) 1987 - 99



Mr. Reyaz Mihular
2000 - 03



Mr. Asoka Jayasinghe
2004 - 05



Mr. Lal Nanayakkara
2006 - 07



Mr. H. M. Hennayake Bandara
2008 - 09



Mr. T. Dharmarajah
2010 - 11



Mr. Ganaka Amarasinghe
2012 - 13



Mr. Lalith T. Fernando
2014 - 15



Mr. J. M. U. B. Jayasekera
2016 - 17



Mr. M. J. Magdon Ismail
2018 - 19

STRATEGIC REPORTS

36	Value Creation Model
38	Stakeholder Engagement
44	Operating Environment
47	Materiality Assessment
48	Our Strategy



Value Creation Model

Our primary purpose is to design a relevant accounting qualification and support the process of converting a student with little or no accounting knowledge to a skilled accounting technician who can contribute positively to the progress of a wide range of enterprises. We also support the career progression of our members through continuous professional development programmes. Resources are also allocated to build the reputation and influence of AAT, both globally and locally to ensure that our qualification is recognised by employers and international accounting bodies.

Our value creation model demonstrates how we utilise and transform our key capital inputs to generate outputs and outcomes through a series of activities that aim to fulfill the Association's strategic objectives and create sustainable value to our stakeholders.

VISION

MISSION

CAPITAL INPUTS

FINANCIAL CAPITAL

- Accumulated Fund **(805 Mn)**
- Investments **(651 Mn)**
- Total Assets **(981 Mn)**
- Focus on Cost and Efficiency



Pg. 73

MANUFACTURED CAPITAL

- Property and Equipment **(135 Mn)**
- Investment Property **(139 Mn)**
- IT Infrastructure **(6 Mn)**
- Website and Social Media Platforms
- Branch Network



Pg. 82

INTELLECTUAL CAPITAL

- AAT Qualification
- AAT Curriculum and Technical Insights
- Good Governance Framework • Integrity
- Best Practices • Effective Internal Control System
- Policies and Procedures • Business School
- Robust Risk Management Framework • Brand Image
- Ethical Business Conduct • Toastmasters Club
- Research and Development Activities



Pg. 71

HUMAN CAPITAL

- Experienced Team **(67)**
- Skills and Competencies
- Performance driven Culture • Commitment
- Performance-linked Reward Structure



Pg. 76

SOCIAL & RELATIONSHIP CAPITAL

- Brand Value • Active Students **(31,264)**
- Active Members **(6,064)** • Passed Finalists
- Network of AECs **(114)** • Employers
- Government and Regulators
- Healthy Stakeholder Relationships
- Effective Communication Channels
- Responsible Promotions and Marketing
- Transparent Procurement Policy
- Strategic tie-up with Other Educational Bodies



Pg. 52

NATURAL CAPITAL

- Energy
- Water
- Other resources such as paper



Pg. 83

VALUE DRIVER ACTIVITIES AND OUTPUTS

Fit for Purpose Qualification

Examination

- Paper Marking
- Paper Setting

Syllabus

- Updating
- Benchmarking

Study Support

- Course Materials
- AECs

Brand Building

Demand Creation

- Employees
- Corporates

Reciprocal Arrangements

- Professional Bodies
- Universities

Membership of Apex Bodies

- IFAC
- CAPA

Member Support

Skill Development

- AAT Business School

CPD

- Conference
- Seminars & Workshops
- Business School Study Programmes

Talent Pipeline

Convert to Passed Finalists & Members

- Training
- People & Leadership Skills Workshops

Student Recruitment & Retention

- School Programmes
- Marketing & Promotions

Stakeholder Engagement

Pg. 38

Operating Environment

Pg. 44

Materiality Assessment

Pg. 47

Our Strategy

Pg. 48

VALUES

OUTCOMES

FINANCIAL CAPITAL

- Growth in Surplus After Tax **(19%)**
- Efficient Cost Management
- Asset Growth **(9%)**
- Taxes **(20 Mn)**



MANUFACTURED CAPITAL

- Enhanced Productivity
- Efficient Use of Resources
- Growth in Capacity and Capability
- Wider Presence and Enhanced Reach



INTELLECTUAL CAPITAL

- Curriculum Upgrade
- Compliance
- Trust Build on the Processes
- Local and International Recognition of the Qualification
- Excellent Rapport with Regulators



HUMAN CAPITAL

- Operational Excellence
- Operational Efficiency
- Empowerment and Engagement
- Engaged in T & D Programmes
- Improved Productivity



SOCIAL & RELATIONSHIP CAPITAL

- Investment in Community Engagement (2Mn)
- Attractive Exemptions
- AAT Job Bank
- Growth in Member Base **(1%)**
- Growth in Active Student Base **(8%)**
- Integrated Community Engagement Programmes
- Cordial relations with AECs
- Discounts and Special Offers



NATURAL CAPITAL

- Lower Environmental Impact
- Waste Paper Recycled **(4,250Kg)**
- Reduction in Energy Utilisation **(18%)**
- Efficient Utilisation of Water
- Responsible Handling of Waste and Garbage



IMPACT ON STAKEHOLDERS

Career and high educational opportunities for members and students globally

Development of the accounting profession in the country

Ability to practice as an **“Approved Accountant”**

Opportunity to act as an **“Authorised Representative”** for Inland Revenue purposes

Employability

Job status and social recognition

Ethical professionals with skills required by the organisations

Continuous knowledge upgrades and supports in quality education

Employees' motivation

Networking opportunities

Encourage Entrepreneurship with right skills and attitude

Contribution to protect environment

Stakeholder Engagement

Stakeholders provide vital capital value to AAT, which in turn enables us to generate sustainable value and preserve existing value in the short, medium and long-term. Stakeholder feedback provides insights into understanding their requirements for the Association to develop pragmatic strategies to create lasting value. Our stakeholders are the individuals,

groups and institutions that have a significant impact on our operations. While a number of other stakeholders directly and indirectly impact AAT's operations, the key stakeholders are integral to our performance, growth and strategic direction. In its most micro sense, stakeholder engagement is key to ensuring that AAT provides a platform that facilitates growth of middle level

accountants in-line with the relevant professional and business environment. The insights gathered during our ongoing and specific stakeholder engagement processes drive our strategy formulation, and helps to identify material topics for reporting. Our stakeholder engagement mechanisms, concerns and responses are given below:

Key stakeholders of AAT

STUDENTS	ACCREDITED EDUCATION CENTRES	EMPLOYERS
MEMBERS	OTHER PROFESSIONAL ACCOUNTING BODIES AND UNIVERSITIES	EMPLOYEES
PASSED FINALISTS		GOVERNMENT AND REGULATORS

STUDENTS

Our students represent the future and we are proud of the diversity of this youthful talent pool which reflects the inclusive approach adopted by AAT from the inception. Significant resources are allocated to facilitate their progress from students to members, supporting realisation of their career goals.

MODE OF ENGAGEMENT

Through visits to schools On going	Through our branch network On going	Through AECs On going	Seminars and workshops On going	Students Newsletter Annually	Student guide On going
Focus group discussions On going	Face to face interactions at the Association On going	Website, Social Media & Telecommunication On going	Felicitation of A/L outstanding performers Annually	Promotional brochures / E-fliers On going	Market research Annually

KEY CONCERNS OF STUDENTS	OUR RESPONSE
Recognition & Employment prospects	Recognition by obtaining exemptions for AAT qualification from professional and educational bodies locally and internationally IFAC & CAPA international memberships
Cost effectiveness	The most affordable fee structure for a recognised qualification. Some of the publications can be downloaded from the web site free of charge.
Availability of study materials	Study texts, pilot papers, past papers, suggested answers, examiners' comments on low performance areas and other publications are available. Trilingual official website Conducted webinars in all 3 languages

KEY CONCERNS OF STUDENTS	OUR RESPONSE
Access for study materials, examination and information in all 3 Languages	Exams are conducted in all 3 languages Student guide, study texts, past papers and other publications are available in all 3 languages
Access to quality tuition	114 AECs
Online facilities	Online student registration and payment
Prompt responses and proper guidance	Dedicated student service unit A comprehensive student guide
Personal development	Seminars, webinars and workshops
All island services	7 Branches covering the whole island
Frequent updates on important news and notices relevant to AAT	AAT official website, Newsletter, YouTube channel, Instagram, facebook page, SMS, emails & letters
Training / job placements	Job Bank

PASSED FINALISTS

AAT has around 30,000 non-member passed finalists who have not applied for their membership or pending to fulfill their relevant training / experience to gain membership. This segment presents a significant opportunity for the Association to engage them meaningfully and encourage them to avail themselves of the benefits of membership & develop a quality passed finalist fraternity to fit into AAT member profile.

MODE OF ENGAGEMENT

Prize winners and PF award ceremonies Bi-annual	PLS Workshop On going	Workshops and Seminars On going	Website, Social media & Telecommunications On going	Achievers club Annually	Business School events On going
---	---------------------------------	---	---	-----------------------------------	---

KEY CONCERNS OF PASSED FINALISTS	OUR RESPONSE
Benefits of membership	Negotiated /discounted offers from banks, life style stores, hospitals etc.
Recognition for the qualification	Exemptions from number of Accounting bodies and Universities
Career pathways	AAT Job Bank
Fulfilling training requirements	PLS Workshops Annual Conference Monitored & Non Monitored training schemes
Personal development	Workshops & Seminars
Special schemes to get into membership	4 year service scheme for membership
Higher educational pathways	AAT Business School courses including a Higher Diploma and Degree pathways
Networking opportunities	Achievers club and events for Achievers

Stakeholder Engagement

MEMBERS

As a Member driven Association, members are key stakeholders. They elect 32% of the Governing Council which is responsible for determining the strategic direction of AAT, serving on a voluntary basis. Many members also work on a voluntary basis driving key strategic initiatives through committees. Our members are our ambassadors in workplaces, driving demand for the qualification.

MODE OF ENGAGEMENT

Member committee meetings Monthly	Conferences Annually	Workshops and seminars On going	Annual Report & Annual General Meetings Annually	InSearch magazine Annually	Website, Social media & Telecommunication On going	Toastmasters Club On going
---	--------------------------------	---	--	--------------------------------------	--	--------------------------------------

KEY CONCERNS OF MEMBERS	OUR RESPONSE
Opportunities for professional and career development through AAT qualification	Reciprocal arrangements with other professional bodies and universities for exemptions and membership Business school programmes InSearch magazine
Increased employability of members	Opportunity to serve as members in AAT Committees Job Bank, forums with employers and training partners
Maintaining Professional Standards and Ethics	AAT Code of Ethics & Disciplinary Regulations
Opportunities for networking and knowledge sharing	Annual Conferences
Continuous Professional Development (CPD)	Seminars, Webinars, Workshops & other CPD activities
Recognition for the practitioners (Members in Practice)	MIP Scheme with a separate practicing certificate Workshops to update MIPs
Adoption to current industry trends	Frequent communications via digital forums Annual perception survey
Benefits / offers from various service providers for AAT membership	Negotiated /discounted offers from banks, life style stores, hospitals etc
Relationship building with local & international organisations	Dedicated members service unit CSR Activities
Freedom of expression	Annual General Meeting, Feedback forms enclosed with Journals, events, Social media etc
Joining in policy making	Opportunities to serve in Governing Council
Leadership & communication	AAT Toastmasters Club

ACCREDITED EDUCATION CENTRES (AECs)

AECs facilitate accounting education in-line with our syllabus and play a key role in the conversion of students to passed finalists. They have the potential to support the growth of our brand and recruitment. The Association has 114 AECs island wide and has implemented a comprehensive programme to support mutual objectives through collaboration.

MODE OF ENGAGEMENT

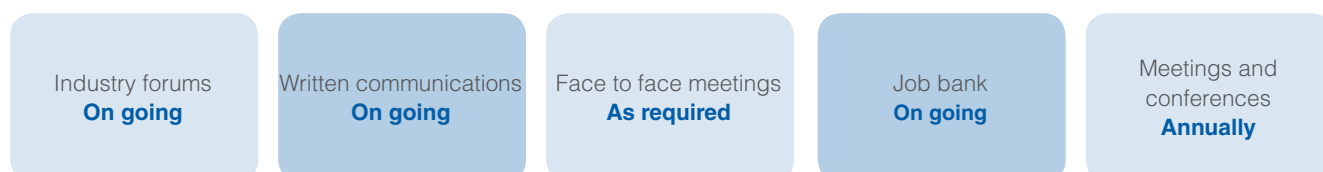


KEY CONCERNS OF AECs	OUR RESPONSE
Provision of up to date information on syllabus revisions, fee structures and deadlines etc.	Exam paper discussions Training sessions on current updates
Introducing a grading system for education providers	Concept developed for the same
Discussion forums with the Association	Regular meetings & visits Written Communications Online platforms
Dedicated contact point	AEC coordination officers at head office and branches

EMPLOYERS

Employers create demand for the AAT qualification and play a key role in conversion of passed finalists to members as they provide relevant supervised training.

MODE OF ENGAGEMENT



KEY CONCERNS OF EMPLOYERS	OUR RESPONSE
Approved employer programme	Expansion of approved employers with recognised qualifications of supervising members
Availability of talent pools	Job Bank for over 233 employers
Opportunities for further development of talent pools	Seminars and Workshops Comprehensive course catalogue developed by AAT Business School
Market oriented curriculum	Curriculum upgradation to cater to the latest developments

Stakeholder Engagement

OTHER PROFESSIONAL ACCOUNTING BODIES AND UNIVERSITIES

Memberships of IFAC and CAPA facilitate benchmarking with peer accounting bodies globally and provide access to knowledge sharing forums, enabling AAT to play a role in development of the accounting profession. 50% of the Governing Council represents members nominated by CA who are responsible for strategic direction of the Association serving on voluntary basis.

MODE OF ENGAGEMENT

Reciprocal arrangements for exemptions On going	Attending meetings As required	Seminars and conferences On going	Industry forums On going	Questionnaires and surveys As required	Regular reporting As required
Newsletters Monthly	Websites On going				

KEY CONCERNS OF OTHER PROFESSIONAL ACCOUNTING BODIES AND UNIVERSITIES	OUR RESPONSE
Fruitful partnerships	Representation on Member Development Committee & Accounting Technicians Task Force of CAPA Forming an International Affairs committee
Increased contribution to the profession	Reciprocal arrangements
Adherence to agreed obligations	Regular review of IFAC Statements of Member obligations
Knowledge sharing	Active participation in meetings

EMPLOYEES

Employees propel the growth of AAT facilitating implementation of strategy and an efficient service to key stakeholders. As a service organisation, their contribution is key to building the reputation and influence of the brand.

MODE OF ENGAGEMENT

Staff meetings Monthly / As required	Staff performance appraisal Annually	Management review meeting Monthly	Training and development sessions On going	Circulars, Memos & emails On going	Staff welfare events On going
--	--	---	--	--	---

KEY CONCERNS OF EMPLOYEES	OUR RESPONSE
Remuneration	Upgrade of packages to be in-line with the industry norms
A positive work environment	Motivational programmes Work life balance initiatives Work from home arrangements Social events
Rewards and Recognition	Performance appraisal Incentives and promotions
Career progression	Defined career paths
Educational & training opportunities	Training and development sessions Seminars & Conferences
Welfare	Activities by Staff welfare committee

GOVERNMENT AND REGULATORS

The regulators determine the context in which the Association operates. AAT being a professional accounting body is conscious in all directives and developments in the regulatory framework as good governance remains integral to the way it operates.

MODE OF ENGAGEMENT

Dialog with policy makers and regulators As required	Government publications, directives and circulars On going	Returns As required	Industry forums On going	Annual report Annually	Media broadcast On going
--	--	-------------------------------	------------------------------------	----------------------------------	------------------------------------

KEY CONCERNS OF GOVERNMENT AND REGULATORS	OUR RESPONSE
Compliance and good governance	Compliance with laws and regulations
Timely remittances of statutory payments and returns	Voluntary adoption of Code of good governance Adherence to statutory deadlines are monitored on monthly basis
Supporting SME & Economic growth	Creating a talent pool Promote Entrepreneurship Contributing towards policy discussions pertaining to the profession and its continuous growth Promote accountability and reporting by providing technical support
Prevention of corruption	Transparent processes for all transactions

Operating Environment

Economic Environment

Global Context

The COVID-19 pandemic triggered a worldwide economic downturn with economic activities declining in the face of widespread lockdowns, travel restrictions as well as spillover effects from near collapse of industries such as tourism, hospitality and aviation. While people who rely on daily wages outside of the safety net of the formal sector bore the brunt of the economic shock as they faced sudden income loss, and the entire global economy manifested a decline. The latest publication of the International Monetary Fund (IMF) projects a contraction of 4.4% in global growth during the year 2020. According to IMF, this is better than the anticipated contraction, stemming from second quarter GDP outturns mostly in advanced economies. However, the report reveals that the pandemic is set to reverse the socioeconomic progress made since the 1990s in decreasing global poverty, which will lead to more inequality.

Pandemic recession is further evidenced in labour market indicators as well as inflation. According to the International Labour Organisation, worldwide decline in work hours in the second quarter of 2020 equalled loss of 400 Mn full-time jobs, in comparison to the fourth quarter of 2019. Those employed in the informal sector, in particular women have been disproportionately affected by the pandemic lockdowns, and subsequent economic downturn.

Meanwhile, as companies worldwide shifted to work-from-home mode, which called for increased and heavy reliance on digital platforms, ransomware cyber attacks posed an additional, serious threat to businesses globally. Driven by the weaker controls on home IT and higher likelihood of users clicking on COVID-19 themed ransomware, remote working increased the risk of cyber-attacks. This situation calls for tighter and far-reaching cyber security strategies as well as the need for increasing awareness on the subject at all levels of organisations.

While progress with vaccination rollouts, treatment and changes in the workplace may reduce transmission of the virus

and allow economic activities to revive, the evolving nature of the virus somewhat dampens positive expectations.

Local Context

Amidst unprecedented challenges on socio-economic activities in view of the COVID-19 pandemic, Sri Lanka's economy contracted by 3.6% during the year 2020. The pandemic itself, along with necessary restrictions that were imposed to curb the spread of the virus contributed to sluggish economic growth on a global scale, and Sri Lanka was no exception.

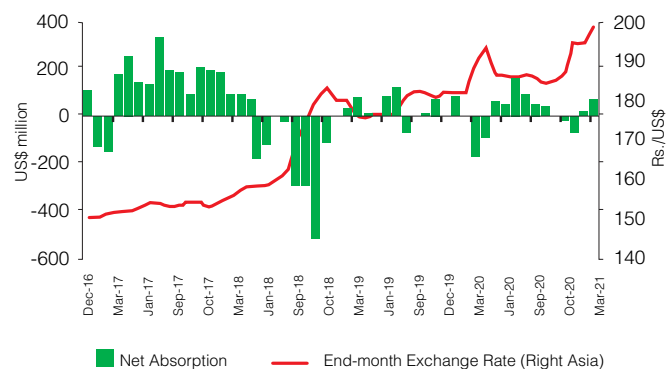
The country recorded a contraction in GDP at constant market prices of 3.6% during 2020, in comparison to the growth of 2.3% in 2019, reflecting the adverse impact of the pandemic and its spillover effects. Meanwhile, Sri Lanka's Gross National Income contracted by 0.1% at current prices in 2020.

Sri Lanka's unemployment rate increased above the 5% mark for the first time since 2009 (5.5%), amidst a decline in labour force participation due to the pandemic restrictions. In view of mobility restriction that prevailed to curb the spread of the virus, Labour Force participation Rate declined to 50.6% during 2020.

While Government interventions allowed the exchange rate to remain at relatively stable levels in 2020, there were intermittent volatilities at the start of the year as well as towards the end of the year. Meanwhile, the Sri Lankan rupee continued to depreciate against the US dollar during 2020, with the rupee surpassing 190 against the US dollar on 18 December. From mid-May to mid-December the rupee hovered around the ranges of 186-189 against the US dollar. The Sri Lankan Rupee recorded the lowest value during 2020, at 200.4 against the US dollar on 8 and 9 April.

Meanwhile, the Central Bank introduced key monetary policies which brought on a downward adjustment of interest rates. Key policy interest rates, the Standing Deposit Facility Rate and the Standing Lending Facility Rate, were dropped by a total of 250 basis points on five different occasions, bringing interest rates down to 4.50% and 5.50%, respectively. In addition, the Central Bank reduced Statutory Reserve Requirement applicable on rupee deposit liabilities of licensed commercial banks by a total of 3% to 2.00% on two occasions in 2020. Such measures increased liquidity in the domestic money market in face of uncertainty stemming from cash flow disruptions.

Exchange Rate and Central Bank Intervention in the Domestic Foreign Exchange Market

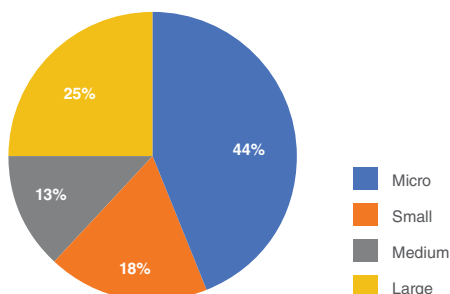


Source : Central Bank of Sri Lanka

SME sector

Census released by the Department of Census and Statistics in 2013/14 reveal that the number of establishments in the SME sector is 1.017 Mn employing approximately 2.255 Mn persons in the non-agricultural sector.

Distribution of Employment



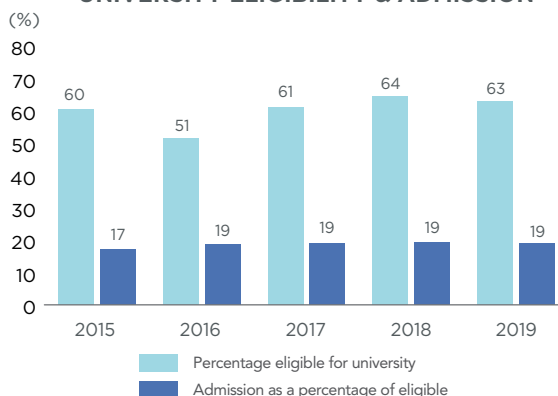
The informal nature of SMEs across the country made such enterprises more vulnerable during the pandemic that still prevails. A recent report released by the United Nation's Sustainable Development Goals reveals that the SME sector was hard hit by the pandemic and resulting travel restrictions, intermittent lockdowns and decline in economic activities. Businesses in the SME sector faced multi-faceted challenges during the year under review from disruptions to the supply chain, lack of working capital as well as lack of access and financial obstacles in sourcing Personal Protective Equipment. As such, the Sri Lankan Government implemented a number of relief measures to ease the burden on SMEs. The Government facilitated a debt moratorium for enterprises extending from 3 to 6 months. In addition, SMEs were eligible for extensions on Overdraft and Temporary overdraft facilities. In addition, SMEs were able to obtain working capital loans at 4% interest rates for two year periods. The Central Bank is set to subsidise the special interest cost. The COVID-19 pandemic, along with prevailing macro challenges call for policy intervention from the Government to inject confidence into the economy, and ensure financial system stability.

Education Sector in Sri Lanka

While the country's education system facilitates free education from primary up to tertiary (University) levels, limited resources available within the University system obstruct higher education opportunities to a majority. In the year 2018, the gross tertiary enrolment rate in Sri Lanka was merely 19.6%. This stands in sharp contrast to both upper middle and lower middle income countries elsewhere, which is 53% and 24.8% respectively.

On average, Sri Lanka's Government funded universities are only able to accommodate 15% to 20% of the student base that sit for the G.C.E Advanced Level qualifications. Given the limited capacity available at Government funded universities, where as higher education institutes such as AAT are uniquely positioned to offer recognised academic qualifications calculated to support career growth of youth and professionals.

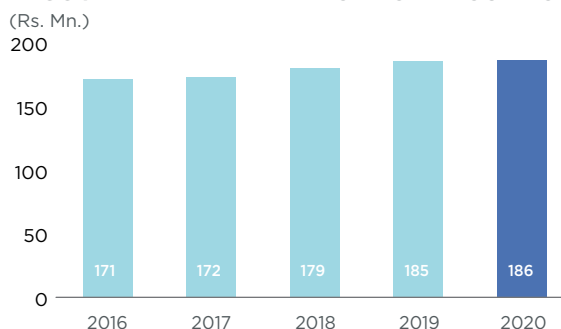
UNIVERSITY ELIGIBILITY & ADMISSION



Source: Ministry of Higher Education

AAT offers a cost-effective fee structure, alongside frequently updated academic curriculum in Sinhala, Tamil and English languages, while also facilitating a wide-spread geographical reach. AAT consistently and frequently update offered curriculums in tune with current and future market requirements to enhance student employability and career advancement.

GOVERNMENT EXPENDITURE ON EDUCATION



Impact of COVID-19 on Education

AAT caters to the middle level income generating families in Sri Lanka, allowing youth from such families to pursue high quality education in accounting. With the implementation of lockdown measures, middle income families across the nation faced financial difficulties as income levels dropped parallel to the economic downturn. In response to this situation, AAT offered students a number of concessions and relief measures through extending payment deadlines, waiving off penalties for late payments introducing discounts. Moreover, the Association provided scholarships to students on a case by case basis in-line with efforts to allow students to continue their higher education undaunted by pandemic related financial difficulties. Meanwhile, over the years, expenditure on education has been increasing at a steady rate across Sri Lanka. This bodes well not only for higher education institutes, but also for the sustainable growth of the nation's economy with the addition of qualified, knowledgeable professionals to the labour force.

Operating Environment

COVID-19 and the Rise of Online Learning

The Sri Lankan government imposed closure of all education institutes from March 12, 2020 including higher education institutes to curtail the spread of the COVID-19 virus. Temporary closure of educational institutions across the nation gave rise to shift in the use of digital platforms, applications as well as digital learning management systems.

To mitigate the impact of disrupted learning, higher education institutes shifted to online learning systems, which required adjustments and rapid absorption of new systems from both students and instructors.

In spite of existing challenges in terms of limited internet access that some students face, the shift in learning systems augurs well for tertiary education in Sri Lanka, given the potential to improve students' digital capabilities, and usher them into the age of the fourth industrial revolution.

As the boundaries between physical, digital and biological worlds continue to blur, the country's higher education should evolve accordingly to facilitate students to gain skills, insights

and knowledge that will serve them well to adapt to changing economic and social dynamics to pursue career and personal growth.

Even during pre-pandemic times a number of local and international accounting bodies offered online examinations. The pandemic served to fast-track the requirement for change within all higher education institutes to implement digital learning systems, and help students improve their own digital capabilities.

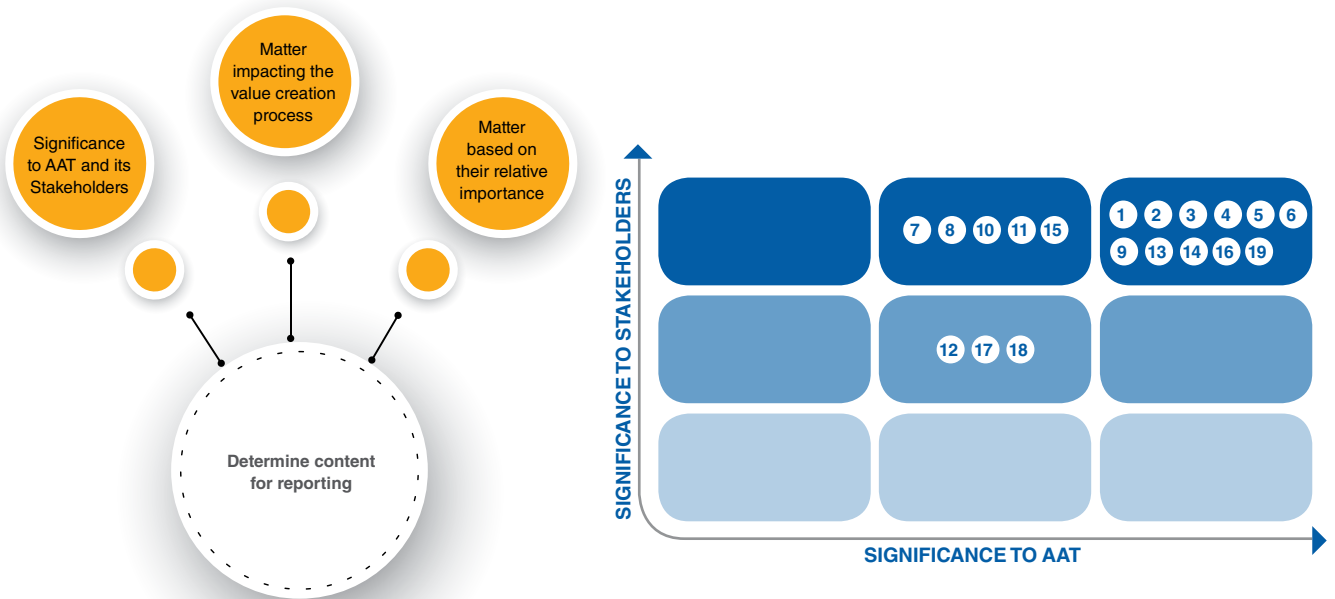
As such, AAT's ability to create lasting value for stakeholders hinges on our alacrity in adopting the required technology, and crafting a new way of delivering academic and professional acumen to students and members.

Opportunities and Challenges

The current operating environment poses a set of unique challenges and opportunities. The following table details the opportunities and challenges as well as AAT's response to each;

Opportunities	Our response	Relevant strategic pillars
Demand for middle level accountants in the BPO and IT sector	Facilitating fresh education opportunities and provision of training in specialised areas. Eg; Specialised training opportunities in BPO, SME, multinational and the public sector.	Member
Increasing interest amongst Sri Lankans to obtain tertiary qualifications.	Expanding geographical reach and expanding accessibility to qualifications.	Brand
Rise of small-scale businesses	Catering to the need for middle level accountants through consistent upgrading of the curriculum.	Student
Government's interest in liberalising tertiary education	Shaping the AAT platform to offer inclusive education opportunities and integrating industry bodies to attract more students to pursue the profession.	Student/Brand
Opportunities to digital reach	Introducing online learning as well as assessments to improve scalability and operational efficiency.	Student/Brand
Provision of new skills and experiences	Consistent upgrading of course content and training offered. Providing in-house and external training.	Student/Brand
Challenges	Our response	Relevant strategic pillars
COVID-19 pandemic	Adherence to health and safety guidelines issued by government health authorities and WHO. Vaccination programme. Expanding e-platforms and offering digital learning opportunities.	Student/Member/Brand
Industry competition	Differentiation, robust brand building activities, Frequent engagement with national schools and students, Offering a cost-effective fee structure	Brand
Changing / increasingly demanding employer requirements	Syllabus revision in-line with changing global environment to increase employability of students and professional acumen of students and members. Addition of training aimed at soft skills development and digital capabilities of students and members.	Brand/Student/Member
Migrating to a digital platform	Assisting students and members to improve their digital skills, knowledge and insights to ensure a smooth transition to a tech-powered system.	Brand/Student/Member

Materiality Assessment



Our materiality assessment is closely linked to the stakeholder engagement. Once we determine material matters through discussions with stakeholders, the Governing Council establishes due responses as strategies. Since our responses and stakeholder input change material matters identified from time to time, we prioritise those based on stakeholder feedback and emerging trends in the industries periodically. In addition, we prioritise existing material issues in line with strategic goals.

The changes in the scope and boundary of our material topics during the year are listed in the materiality table below.

Material aspect		Materiality Relevance compared to last year	Corresponding principles to strategy
1	Employability of students and members	-	Transform
2	Opportunities for continuous development	▲	Transform
3	Inclusive approach	-	Students GRI 201 - Economic Performance
4	Increased breadth of skills	-	Transform
5	IT platform	▲	Transform
6	Brand recognition	▲	Brand
7	International recognition	-	Members
8	Geographical reach and presence	▲	Students, Brand
9	Financial performance	▲	Students, Members
10	Compliance	-	Team GRI 410 – Socio economic compliance GRI 307 - Environmental compliance
11	Staff training and education	▼	Team GRI 404 - Training & Education
12	Employee productivity	▲	Team
13	Employment and Labour practices	-	Team GRI 401 - Employment
14	Opportunities for networking	-	Members
15	Knowledge sharing with Accredited Education Centres	-	Students
16	Quality of Accredited Education Centres	-	Students
17	Community Engagement	▼	Brand GRI 413 - Local Communities
18	Environmental Impacts	-	Brand GRI 302 - Energy
19	Wide Spread of COVID-19	▲	Team
- Remain same ▲ Increased over the last year ▼ Decreased over the last year			

Our Strategy

Our strategic impetus first and foremost is designed to create value for stakeholders and preserve existing value. In devising our strategy, we take an integrated approach well-calculated to cater to the changing needs of stakeholders. We begin with an analysis of the operating environment, new developments and follow up with insights gathered during frequent dialogue during stakeholder engagement.

We set our strategy every three years to align with our evolving purposes as mentioned above. The Governing Council is responsible for determining AAT's strategic direction and is assisted in this by the Strategic Planning Sub-committee which works together with the senior management team of the Association. We then proceed to implement our strategic plan through tracing a set of clear performance indicators and goals as graphically illustrated below.



Delivering Strategy

The prevalent COVID-19 pandemic posed numerous challenges during the year under review. With the spread of the virus, slowing down of economic activities and periodical lockdowns and closures severely interrupted the world economy and changed the ways of maintaining economic activities. Some economies switched to survival and affordability mode. In this backdrop, the accounting profession too, especially requirements of SMEs have changed and will continue to change. Mindful of this state of affairs, we used a number of approaches to make our qualifications relevant to the changes, and expand our digital drive. Meanwhile, we understood the fact that as the economy changes, students will have expanding set of choices with the decrease of established professions. However, we succeeded in growing our membership and maintaining an active student base

during the year, demonstrating strong confidence in the qualification and its benefits to members.

AAT introduced a Crisis Management committee a Sub-committee of the strategic committee in response to the pandemic realities to reimagine our operations to fit into the new normal and to charter a path to face the challenging health crisis. Moreover, during the year under review, we relied on a well defined internal strategy to achieve business resilience and forge ahead.

Implementation and Monitoring of Strategic plan

Our prudent approach to financial management and sustainable growth of our funds allowed AAT to navigate the stormy season of the pandemic well, while also enhancing stakeholder value and preserving existing value. While the leadership of the Governing Council,

and their guidance along with robust management enabled AAT to achieve goals, the entire team has been working tirelessly to continue operations during lockdowns and thereafter. The key to success was the development of new strategies to address the challenges, coupled with the use of existing resources in an efficient manner.

AAT relies on a regular review process to evaluate the effectiveness of the action plan in-line with strategic goals and their impact on the business environment. This enables us to detect early signs whenever a change is required. The Finance and Administration committee held monthly review meetings during the year to achieve this objective. In addition, quarterly reviews were presented to the Governing Council as well as the Finance and Administration committee to monitor progress.

Strategic Goal		Measuring Success	2020/21 Delivery	2021/2022 Targets
STUDENTS	Increase number of students	No. of New Students	15,268	16,000
		No. of Renewals	15,996	16,000
		No. of Active Students	31,264	32,000
		No. of Students through Business School Programmes	1,318	1,500
MEMBERS	Increase member population	No. of members	6,064	6,168
TRANSFORM	Transform Value Proposition	No. of Training Opportunities	239	263
		E-Registrations for studentship and courses	382	1,000
		E-Registrations for examinations	Work in Progress	
BRAND	Brand Recognition	No. of organisations that recognise AAT for recruitment	233	256
TEAM	High Performing Team	Retention Rate	98.5%	98.5%

Our Strategy

Goal 1: Increase the Number of Students

Student number growth is vital to build a strong talent pipeline for membership of the Association and AAT carries out number of activities in this regard. The Governing Council is assisted in this regard by the Students Promotion & Brand Marketing committee which has oversight responsibility of this key strategic pillar. Activities undertaken include promotions targeting ordinary level, advanced level and technical college students, branding, engaging with influencers and students.

Goal 2: Increase Member Population

Our membership base grew by 1% to 6,064 members during the year as we welcomed 506 new members to the Association as members. The Membership committee of AAT has oversight responsibility for assisting the Governing Council in delivering this vital goal with dedicated resources of the Association allocated to enhance the membership and the value delivered to members and to create opportunities, foster leadership and entrepreneurship.

Goal 3: Transform Value Proposition

Transforming value proposition is a key imperative to ensure AAT is positioned to compete effectively in a digital era alongside educational qualifications of global institutions. Many of the initiatives under this pillar are designed to drive significant operational efficiencies, enhance the quality of information for objective decision making and enhance student and member interactions and convenience. The current pandemic has accelerated and exacerbated the technology grabbing. Online student registration process was successfully launched as well as developing the e-study text process which is at its closing stage. Many more projects are in pipeline and are expected to be completed in the near future. The Governing Council is assisted in the transformation of the value proposition through IT Development committee.

Goal 4: Brand Recognition

Brand visibility remains relatively high within schools although there is a need to increase awareness of the relevance of the qualification to other customer segments such as employers, entrepreneurs and members of other professions and vocations to widen the target market. Additionally, aspects such as examinations, syllabus, training and ethics impact recognition by international bodies such as IFAC and CAPA which are vital for AAT to remain at the cutting edge of the accounting profession. These are also important for reciprocal arrangements with other accounting bodies which facilitate career pathways for our members, building on the solid foundation of the AAT qualification. Consequently, the work of many committees are linked to this pillar.

Goal 5: High Performing Team

AAT has enjoyed high retention rates as it has 67 employees who work as a team to execute strategy. The Governing Council is assisted in management of Human Capital by the Human Resource Development Sub-committee who seek to attract, inspire, develop and retain sufficient talent pipelines facilitating sustainable growth.

CAPITAL REPORTS

52	Social & Relationship Capital
71	Intellectual Capital
73	Financial Capital
76	Human Capital
82	Manufactured Capital
83	Natural Capital

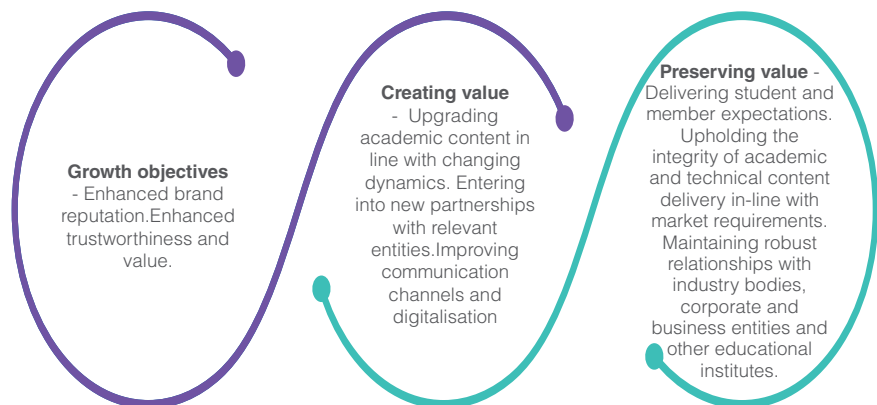


Social & Relationship Capital



REINFORCING SOCIAL AND RELATIONSHIP CAPITAL PIVOTS THE ULTIMATE DELIVERY OF VALUE CREATION AND PRESERVATION OF AAT, UPON WHICH DEPENDS THE ASSOCIATION'S ABILITY TO GROW INTO AN IMPACTFUL EDUCATION ENTITY CAPABLE OF BEING AN INTEGRAL PART OF ECONOMIC GROWTH OF THE COUNTRY.

HENCE, AAT'S SOCIAL AND RELATIONSHIP CAPITAL EXTENDS BEYOND THE ASSOCIATION LEVEL, AND REQUIRES CAREFUL AND FAR-REACHING NURTURING. AS SUCH, WE REMAIN COMMITTED TO UNDERSTAND THE REQUIREMENTS OF ALL STAKEHOLDERS AND BUILD THEIR TRUST THROUGH IMPROVING THE QUALITY OF ACADEMIC AND PROFESSIONAL DEVELOPMENT OPPORTUNITIES WITHIN THE ASSOCIATION; BUILDING PARTNERSHIPS, ENHANCING SOCIAL NETWORKING STRENGTH AND INHERENTLY BECOMING A HIGHER EDUCATION INSTITUTE CHARACTERISED BY HIGH STANDARDS, VALUABLE PARTNERSHIPS AND ACADEMIC INTEGRITY.



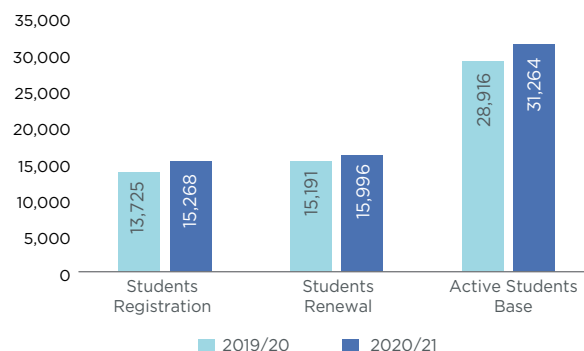
Stakeholder value creation and preservation is the essence of AAT's social and relationship capital. The illustration below depicts different stakeholders of AAT's varied yet interconnected stakeholder groups.



Students

Students embody the largest group of stakeholders of AAT and remain an integral part of our ability to grow. Our ability to increase the student base directly impacts the value of our member base. As such, we consistently reach out to potential students through various platforms to attract and retain students.

Increase in student renewal numbers as well as increased demand for AAT qualifications from new students reflect the reputation of AAT as a trusted higher education institute.



"OUT OF THE HIGHEST RANKED 10 STUDENTS AT THE G.C.E. ADVANCED LEVEL COMMERCE STREAM, 5 WERE AAT STUDENTS"

"OUT OF THE DISTRICT FIRST STUDENTS AT THE G.C.E. ADVANCED LEVEL COMMERCE STREAM, 13 WERE AAT STUDENTS"

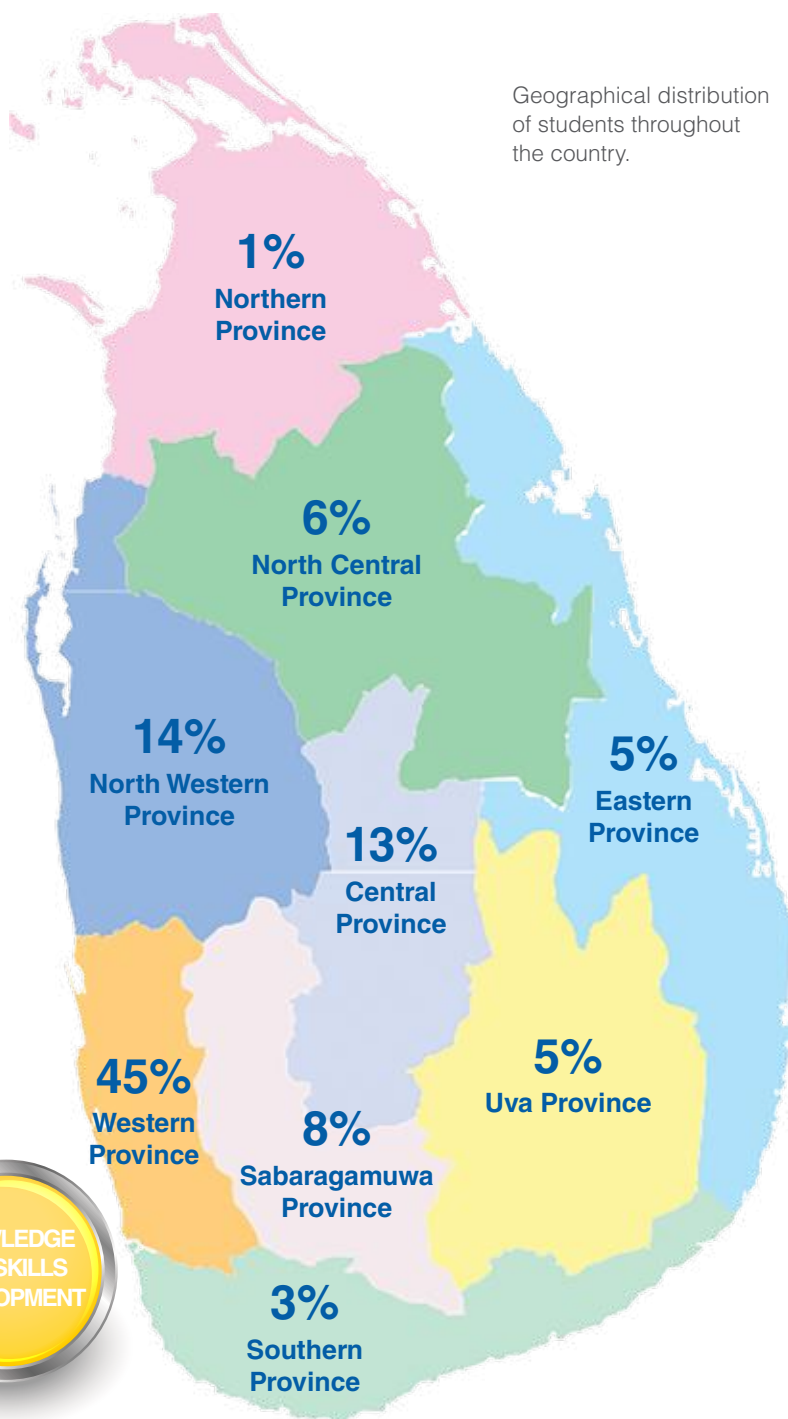
Our inclusive approach in making affordable yet pertinent and advanced qualifications available in all three languages of the country makes AAT the most relevant tertiary qualification for middle level accounting professionals in the country as evidenced by the geographical distribution of students throughout the island.

Student Value Proposition – Creating and Preserving Value

We regularly review and improve our student value proposition through feedback received through engagement as well as with a comprehensive understanding of changing market dynamics. A significant number of students use AAT qualifications as a cost effective, highly reliable bridge to reach their professional ambitions through connecting with professional bodies and degrees in accounting through our career pathways with other institutes.

Similarly, employers rely on the rigorous examination process and practical training provided by AAT to employ highly qualified and professional accounting professionals.

Geographical distribution of students throughout the country.



Social & Relationship Capital

1. Knowledge and Skills Development

Curriculum 2020 - 2025

As part of its growth policy, AAT revises the curriculum offered to students every five years to align well with changing dynamics and requirements. As a pioneer professional education institute in Sri Lanka, the Association was able to bring about the necessary transformations to amplify the recognition and validity of the AAT qualification. As AAT enters into a new era which focuses on improving the professionalism of middle level accountants, the employability and marketability of AAT students too continues to grow.

Introduced in 2020, the 'Employment Fast Tracked' curriculum revolves around enhancing the industry knowledge and digital suaveness of middle level accounting technicians in Sri Lanka. The new curriculum includes discussions on new trends in technology including E-commerce, Block chain and AI.

The curriculum 2020-25 will facilitate AAT students to acquire the expected KSAM as shown below to meet the challenges of the dynamic working environment.

Meanwhile, AAT Business School provides opportunities for further growth and acquisition of skills to students through a wide range of courses in the areas of accounting, finance, information technology, communication and leadership.

2. Examination Support

We conduct examinations twice a year in 14 cities across the country at 73 examination centres, in all three languages. Students following different levels of our programmes sit for the exams yearly. AAT is committed to ensuring the credibility of the examination process through rigorous control of setting examination papers, paper marking and examination administration.

We strive to improve student pass rates through publishing examiners' reports and articles relating to low performance areas in the students' newsletter as well as in our official website where students can download the content free of charge. In addition, they can purchase student study texts at affordable prices.

The COVID-19 pandemic affected the education sector with disruptions stemming from periodical lockdowns, interruptions on mobility and the risk of infection. As such, AAT much like other

sectors and institutes had to adapt to the changing status quo and implement new strategies to continue operations in response to the 'new normal.'

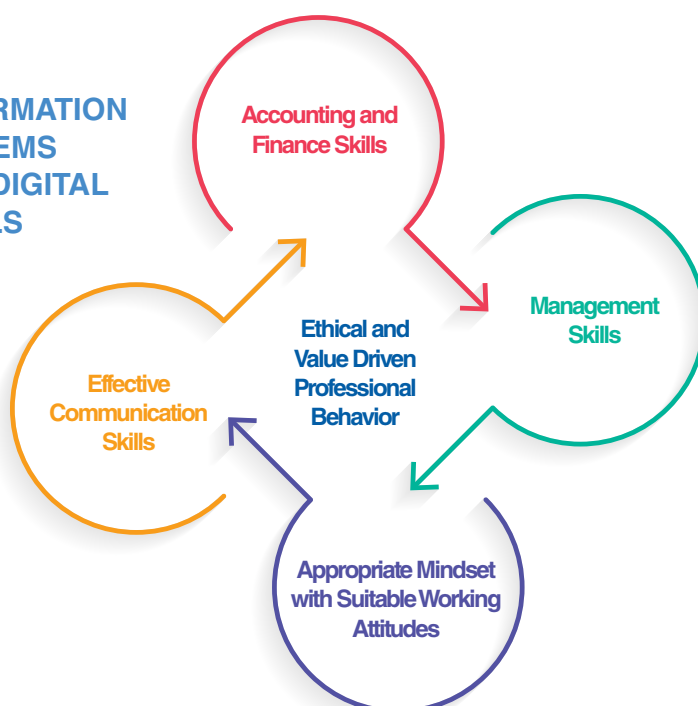
In this context, AAT postponed examinations scheduled for July 2020 until September 2020, and exams scheduled for January 2021 until March 2021.

Meanwhile, we adopted a number of strategies to allow students to have access to education even during the pandemic period. We issued pilot papers, suggested answers and e-study books on our website with free access.

The July 2020 examination was the first examination conducted in the 2020-2025 curriculum. In spite of COVID-19 restrictions 23,342 faced the examination and we witnessed the best performance since 2015.

Meanwhile, in a bid to inspire more students to pursue their academic and professional aspirations, we circulated the AAT Newsletter amongst our active student base in December 2020. The newsletter contains features about successful students along with valuable technical information, FAQs and key renewal, exemption and examination details and dates.

INFORMATION SYSTEMS AND DIGITAL SKILLS



Expected K-SAM



3. Accessibility

Accredited Education Centres

Accredited Education Centres island wide provide academic guidance to students, acting as the prime link between the Association and our students. While the AECs are run privately, AAT consistently monitors the progress and standards of each centre and provides lecturers and AECs with updates to the curriculum and course content. We rely on frequent visits to each AEC and feedback from students to review the quality of course content and guidance provided to the students.

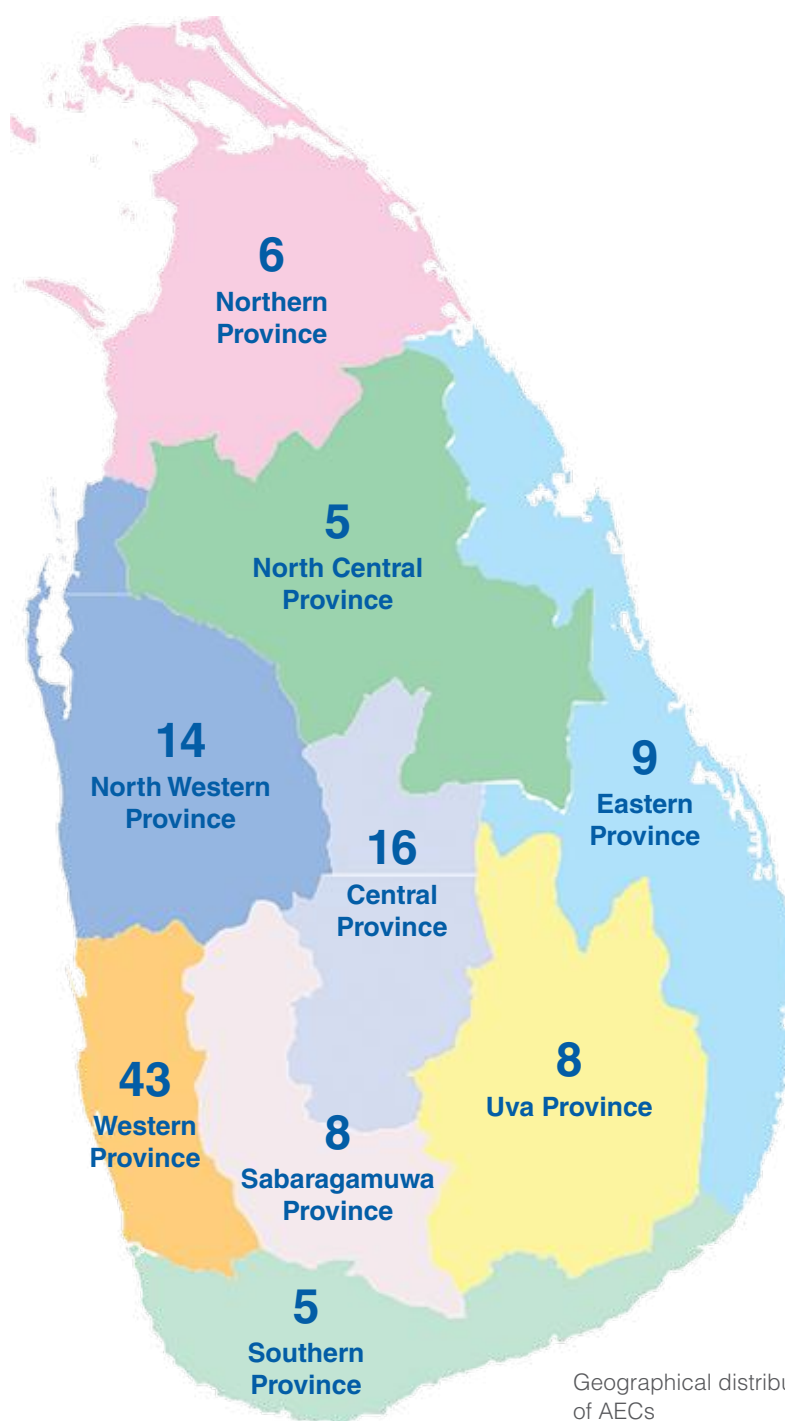
AAT's Education and Training Division holds the responsibility of strengthening the AECs spread throughout the 24 districts across the island. During the year under review, 11 new AECs were established while 3 were suspended. The financial year concluded with 114 AECs.

The period between April 2020 to mid-May caused a pandemic driven disruption to the delivery of course content at AECs. In response to the difficulties, AAT initiated a series of free webinars in Sinhala, English and Tamil to continue the delivery of course content online. Prominent lecturers from AECs conducted the webinars, which we then proceeded to upload to our YouTube channel for repeated usage.

During the year under review, AECs shifted to delivering course content virtually replacing conventional physical classes in view of the pandemic. Approximately 42 AECs actively participated in this process while some AECs were specifically registered as virtual AECs. AAT officials frequently take part in these programmes to ensure the quality of course content delivery and appropriate coverage of the curriculum. In addition, during the year under review, we conducted model classes to students via a digital platform. The shift into online delivery of course content proved to be a success with an increase in pass rates during the September 2020 exams. In effect, the year under review witnessed a considerable improvement of the constituent operations of the Association as a whole.

The success of our shift to digital course content delivery further intensified our digitalisation drive with more avenues to expose our stakeholders to the same platform. In the near future, we plan on making e-study content available to students and members.

Our reach – Preserving value



Social & Relationship Capital

Our reach extends across the nation with a widespread branch network spanning across Kurunegala, Kandy, Matara, Ratnapura, Anuradhapura, Ampara and Jaffna providing accessibility to potential students as well as AECs. During the year under review, we made a few strategic changes to our branch network.

Ampara Branch Opening

We established our latest branch at No. 19, D.S. Senanayake Street, Ampara to cater to students from the Eastern Province. The new branch offers students a full range of products and services by the Association such as student guides, study texts, exam applications and registration applications, etc.



A number of distinguished guests took part in the official opening ceremony of the Ampara Branch, while Mr. Wimalasena Maddumarachchi, Ampara Zonal Director of Education was the Chief Guest at the occasion. The Guests of Honour were namely; Ms. A. Vainawee, Director – Planning of Zonal Education Department, Ms. S. A. Hasanthi, Former Zonal Director of Education, Mr. Wasantha Jayasena, CEO of Chamber of Commerce, Mr. Thilak Senevirathna, Director of Chamber of Commerce, and Mr. Najeem, Director of Education, Samanthurai.

Relocating the Jaffna Branch

In an effort to provide better access to students of the Jaffna peninsula, we relocated our Jaffna branch at No. 340, Stanley Road, Jaffna. While Jaffna branch is one of the oldest branches of AAT network, the new location provides easier accessibility and convenience to students and members.



4. Training and Placements – Creating Value

Our curriculum emphasises the importance of obtaining hands-on working experience parallel to academic skills and requires students to work parallel to their academic pursuits. As such, we facilitate placement for training and job opportunities through the AAT job bank. We partnered with 233 organisations to provide training opportunities to students, and during the year under review, 39 students obtained training and exposure.



Employers

Employers play a key role in determining the acceptance and recognition of our qualification as they are the ultimate users of the skills of Accounting Technicians. They also provide students the opportunity to gain workplace experience towards achieving membership.

Engagement with our students – Preserving value

AAT consistently engages with students using various communication channels and conducts award ceremonies and recognise academic excellence to maintain a close rapport with its' student base and promotes networking with the Association amongst students.

AAT students who were among top 100 rankers in 2020 G.C.E. A/L Examination

In 2020, 57 AAT students were amongst the highest ranked 100 students of the G.C.E. advanced level commerce stream. In addition, 13 of our students earned district 1st ranks in the new syllabus and 5 students were ranked amidst the first top ten.



Madhuwanthi Upamali, who earned the second highest score in Sri Lanka in the commerce stream in 2020 is a proud AAT student. She also claimed the number 1 rank in Colombo district in the commerce stream. She followed the AAT programme one year prior to her A/L examination.

AAT Top achievers awarded as Prize Winners

Students who performed exceptionally well during the AAT examination in January 2020 were awarded special certificates, cash prizes and gift vouchers in September 2020. The Chief Guest for this occasion was Mr. H. U. Premathilake, Additional Secretary, Education Quality Development, Ministry of Education.



During the year under review, AAT conducted 16 webinars for students, 04 webinars for teachers and 02 webinars for parents. In addition, we conducted 06 webinars in Sinhala with Y FM and 03 webinars in Tamil with Shakthi FM, covering all subjects of G.C.E. O/L and a special webinar for parents of G.C.E. O/L students with Sirasa FM.

Special Webinars



Special
Parents
Webinar with
Sirasa FM

Y FM - AAT
O/L Webinar
History
Subject



Social & Relationship Capital

AAT MASH VIRTUAL DAY



AAT Mash was a first of its kind virtual day for after G.C.E. O/L students, which lasted 3 days with the participation of stars in the Sri Lankan music industry. The event was an energetic platform, which allowed AAT to connect with potential students. During the event, we held zoom and Whatsapp meetings to provide potential students with information about AAT qualifications. The event took on a colourful vibe with popular singers Adithya Weliwatte, Madhuvi Vaithyalingam and Nadeemal Perera hosting day sessions, respectively.

අවුරුදු කුමරා සහ කුමරිය



aat
SRI LANKA

**ONLINE
AVURUDU
KUMARA &
KUMARIYA
2020**

In view of the pandemic restrictions, AAT conducted an online Avurudu Kumara and Kumariya competition with the participation of 500 students and 200 members. The event drew a lot of traffic onto our Facebook platform. Contestants who received the highest number of likes won the Avurudu Kumara and Kumari titles. Mr. Chandima Prabath became the AAT Online Avurudu Kumara 2020, while Ms. Achini Chathurangika became Avurudu Kumariya. Mr. Sudarshana Prashad won the AAT Member Avurudu Kumara title while Ms. Thilini Wijewarna won the AAT Member Avurudu Kumariya title.



Vesak Lantern Competition

Vesak lantern competition, held to celebrate the Vesak festival was yet another student engagement activity conducted during the lockdown period. Around 300 students took part in the competition, many creating lanterns using recycled material.

MEMBERS

ACTIVE MEMBER BASE

2020/21

6,064

2019/20

5,983

Members play an integral role in our sustainable growth as they affirm AAT's brand value and relevance as they continue to derive value for themselves at their respective work places. They are the de facto ambassadors of AAT. During the year under review, we welcomed 506 members increasing the total membership to 6,064 (5,983 - 2019/20). Our current member base comprises of 5,401 MAAT members, 364 SAT members and 299 FMAAT members.

PASSED FINALISTS

Our student engagement process extends to passed finalists to enable them to reach the next step of their journey to obtain AAT membership.

Achievers club – Creating value

AAT Achiever's club facilitates networking amongst passed finalists and conducts knowledge upgrading workshops which is the pathway for finalists to become members.

Member Value Proposition – creating and preserving value

AAT consistently engages in reinforcing and refining the value proposition of our members through working actively towards growth of the member base whilst also strengthening the AAT brand. We provide our members

CONTINUOUS PROFESSIONAL DEVELOPMENT

- Conference & Seminars
- AAT Business School
- InSearch Magazine
- Social Media Platforms

CAREER PATHWAYS & RECOGNITION

- Professional Bodies (Local / Foreign)
- Universities (Local / Foreign)

EMPLOYMENT

- Job Bank
- Job Placement

NETWORKING

- New Year Celebration
- Members' Get-together
- Cricket Tournament
- Members' Night

Social & Relationship Capital

with opportunities to be involved in numerous activities designed to promote networking opportunities and professional growth. In return, AAT receives monetary benefits in the shape of annual subscription fee as well as payment for activities in which they engage. A large number of AAT courses, seminars and conferences are offered at concessionary rates to members. Moreover, our members enjoy preferential offers from a number of banks, hotels and retail businesses.

CONTINUOUS PROFESSIONAL DEVELOPMENTS – Creating value

18th Annual Conference



Themed “Steer the Change” in response to the current socio-economic challenges in the country, the 18th Annual Conference organised by AAT was held on 16th and 17th February at the AAT centre. The conference sessions were designed to trigger conversations around the role of professionals in committing to be a part of the nation rebuilding process through attracting investments in the post pandemic era.

Hon. Mahinda Yapa Abeywardena, Speaker of the Parliament inaugurated the conference as the Chief Guest, while Hon. Ajith Nivard Cabraal, State Minister of Money & Capital Markets delivered the keynote address. In view of the pandemic, we limited the number of invitees to the inaugural session, and a large number of members joined in via the zoom platform.

The conference facilitated exchange of profound expertise of 16 resource personnel in chosen fields and attracted over 400 participants. The eminent panel of resource personnel conducted stimulating technical sessions in line with the key theme of the conference.

Technical Session 1



“Lead from the front-steering above & beyond” – Panel: Mr. Conrad Dias - Director / CEO LOLC Finance PLC, Ms. Roshanie J Moraes - Executive Vice President, John Keells Holdings PLC, Mr. Rajitha Dissanayake - Chief Information Officer, Amana Bank, Mr. Arjuna Herath - Senior Partner, Ernst & Young and Mr. Naresh Abeyesekera - Founder/CEO of SECQUORO.

Technical Session 2



“No turning back-steer the skill and the will” – Panel : Dr. Ravi Edirisinghe – Director / Chief Executive Officer - GAC Group of Companies, Prof. Ajantha Dharmasiri - Director and Chairman of the Board of Management of Postgraduate Institute of Management, Dr. Prasad Samarasinghe - Managing Director, Lanka Bell Ltd, Ms. Kasturi Chellaraja Wilson - Group Chief Executive Officer, Hemas Holdings PLC and Mr. Mahendra Jayasekara - Managing Director, Lanka Tiles PLC.

Technical Session 3



“Take the wheel-steer through tax reforms” – Panel: Mr. K. Sivanesan - Senior Partner, Amarasekera & Co., Mr. D. R. S. Hapuarachchi -

Deputy Commissioner General – Tax Policy, Legislation and International Affairs Secretariat, Inland Revenue Department, Mr. N. R. Gajendran - Senior Partner, Gajma & Co., Mr. Ganaka Amarasinghe - Senior Director, Raigam Group of Companies, Mr. Damith Gangodawilage - Founding Managing Director and Chief Compliance Officer, Taxperts Lanka (Pvt.) Ltd., Ms. Rifka Ziyad - Director – Tax & Regulatory, KPMG Sri Lanka.

The conference provided a single platform for professionals from various sectors to meet, network and share ideas, which in turn helped to refine their respective skills.

Webinars

Fulfilling the need for members to earn Continuous Professional Development, AAT organised a number of webinars hosted by veteran resource personnel. In addition, AAT partnered with other professional bodies such as CA, CMA, CIMA and ACCA to organise webinars to further facilitate the membership in their pursuit of knowledge in the pandemic era. During the year under review, the webinars served as opportunities of growth for members who were based in far corners of the country and globe. The high number of participants and viewers that each webinar witnessed attest to the growth opportunities, these facilitated, thereby allowing members to earn CPDs through acquiring knowledge.

- We organised the webinar “The economic revival after the COVID-19 Pandemic” in collaboration with ICC to initiate discussions about economic growth opportunities and challenges following the pandemic, and how to successfully navigate the status quo. The webinar recorded 13,791 video reaches and recorded 6,800 views. Participants across the globe such as Dubai, Doha, South Korea and Auckland and New Zealand viewed the event.
- A number of distinguished guests including Hon. Dr. Bandula Gunawardena - Minister of Information and Mass Media, Mr. Sujeewa Rajapaksha – Chairman Peoples’ Bank, Ms. Shirley

Jayawardena – President FCCISL,
Mr. Thusitha Wijayasena – Chairman
/ Managing Director Kandy City
Centre and Property Finance &
Investment Kandy, Dr. Ravi Liyanage
– Chairman Kingdom of Raigam and
Mr. Kanishka Weerasinghe – Director
General The Employer's Federation
of Ceylon took part in the webinar.

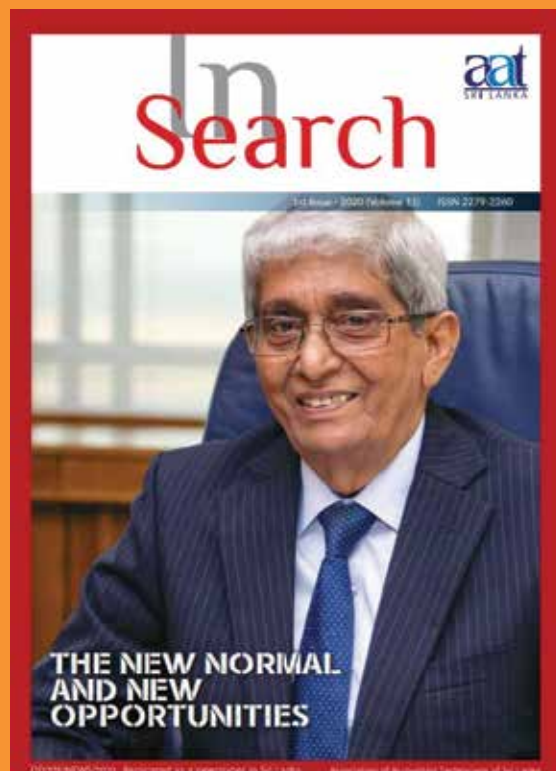
Meanwhile, AAT organised the following webinars to enable members to earn CPDs, which remains a mandatory requirement to continue the professional membership of the Association.

- Surviving the Recession in Business under COVID-19
- Managing Risk during Pandemic
- Sailing Through the COVID-19
- Beyond COVID-19 Leading People for Results
- Financial Risk Management Check List for SMEs
- Latest Tax Amendments
- Clot of Clay is the Birthplace of Creativity
- The Correct Way to File Tax Returns
- Pathway to Invest in Stock Market
- Annual Budget Webinar
- Digital Marketing for the Future Speaker
- Company Registration & Updates Through the E-RoC System
- Winding up of Companies

InSearch 2020

InSearch is the signature magazine of the Association issued as a periodical publication to its Members. InSearch 2020 was released with the tag line "The New Normal and New Opportunities" in anticipation of the changing global dynamics during the pandemic.

The magazine featured a number of intellectual discussions on the 'new normal' from the likes of Deshamanya Prof. W. D. Lakshman, the Governor of the Central Bank of Sri Lanka and Dr. Jayaruwan Bandara, Ex. Media Spokesman-Ministry of Health and Ex. Director, Medical Research Institute, while Senior Prof. H. H. D. N. P. Opatha, Senior Professor - Department of Human Resource Management Faculty of Management Studies and Commerce - University of Sri Jayawardenepura and Mr. Damith Gangodawilage, Founder/Chief Compliance Officer - Taxperts Lanka (Pvt) Ltd also contributed their insights to the magazine content.



CAREER PATHWAYS & RECOGNITIONS – Preserving value

Career pathways and recognitions are part and parcel of our endeavours



to preserve value. During the year under review, the Institute of Chartered Corporate Secretaries of Sri Lanka (ICCS) offered students, passed finalists as well as members of AAT exemptions from a number of subjects. Candidates who wish to follow programmes offered by the ICCS including, Foundation stage A, Foundation stage B as well as Professional part II can avail themselves of the exemptions.

Meanwhile, the Canterbury Christ Church University of UK signed up to offer a Masters of Business Administration Programme to AAT members.

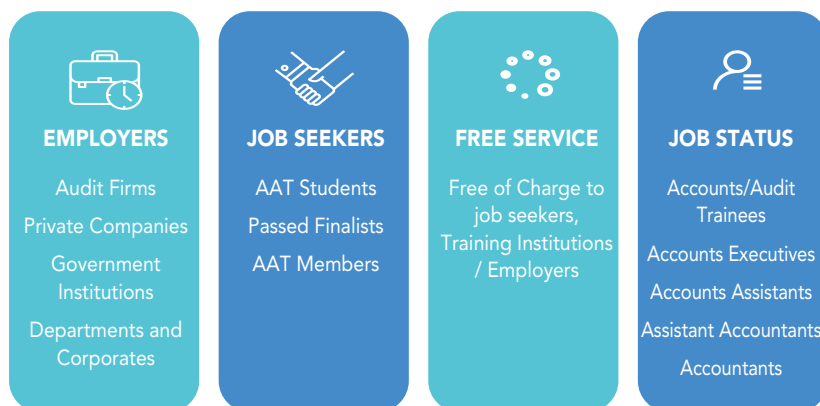
Social & Relationship Capital

We provide the solution through



EMPLOYMENT

AAT maintains mutually beneficial partnerships with a number of business organisations to allow passed finalists to obtain employment opportunities once they conclude their academic pursuits. During the year under review, we were able to assist 239 students to obtain gainful employment.



AAT BUSINESS SCHOOL – Creating value

AAT Business School operates with a vision to improve techno-managerial competencies of the SME sector. AAT Business School acts as a strategic center for excellence in executive development under the Association of Accounting Technicians of Sri Lanka and remains committed to broadening the career pathways of AAT students, passed finalists, members and other professionals.

The year 2020/21 proved to be a challenging one amidst pandemic woes and continuous disruptions. In this context, AAT navigated the troubled waters through adopting innovative ways of continuing operations. As such, the year will go down in history as one that triggered a number of challenges that eventually changed the direction of not only AAT but also the entire education sector in the country.

Addressing the practical problems of course content delivery during the pandemic, AAT Business School shifted from the conventional physical based education to digital education delivery through Zoom and Microsoft Teams platforms. We conducted workshops including practical subjects such as Advanced Microsoft Excel,

Computerised Accounting for SMEs and Microsoft Office Application programmes through our digital platform. AAT Business School succeeded in establishing a rapid transformation from physical education delivery to a digital platform through implementing a proactive set of steps that were well-accepted by students as well as resource personnel.

We have long been mindful of the fact that Information Communication Technology has become and will continue to unravel as a vital aspect of the future of the local and global business arena. The pandemic acted as a catalyst, revealing this fact. As such, in addition to our smooth and rapid transition into digital delivery of education, AAT intensified its focus on facilitating the transition of prerequisite accounting knowledge from manual to computer base during the year under review. Accordingly, AAT carried out hands-on training of the most popular Accounting Applications in Small and Medium scale Enterprises to ensure that participants gained ample proficiency to carry out their work in automated environments. Moreover, we offer a course in Microsoft Office Applications to improve the participants' computer literacy and optimise their job performance.

AAT Business School programmes

During the year under review, AAT Business School conducted eight different structured programmes.

1. Higher Diploma in Accounting and Finance (HDAF)
2. Diploma in Accounting and Finance (DAF)
3. Diploma in Applied Taxation (D. Tax)
4. Certificate Course in Taxation (C. Tax)
5. Computerised Accounting for Small and Medium Sized Enterprises (SME)
6. Microsoft Office Applications (MOA)
7. Advanced Microsoft Excel for Data Analysis (ADX)
8. People and Leadership skills workshop in the field of Accounting and Taxation, Information Technology and People Management

AAT Business School offers two main options for those who complete Higher Diploma in Accounting & Finance programme, which are NVQ level 6 equivalent qualification. The students can select either BSc. Applied Accounting Degree programme offered by CA Sri Lanka and obtain subject

exemptions or follow the BA Hons. International Business & Finance Degree offered by the University of West Scotland and obtain two years exemptions. HDAF completed students are in a position to enjoy these benefits.

AAT Business School workshops

People and Leadership workshops are key workshops of the business school calendar. This year however, we conducted a number of PLS workshops via a digital platform, following necessary revisions to adapt to the digital delivery of content. The first ever virtual PLS workshop was held in December 2020 with the participation of 137 students, while the second such workshop was conducted in February 2021 with the participation of 75 students. In addition, we conducted 4 PLS workshops with the physical participation of attendees. Accordingly, 512 students completed the PLS workshops during the year under review.



People and Leadership skill workshops

The following table details the workshops held during the year:

Topic	Description	Resource personnel
Employee Taxation	Free webinar on recent changes in taxation	Mr. Damith Gangodawilage – Chief Compliance Officer at Taxperts Lanka (Pvt.) Ltd.
Work from Home	Workshop conducted in collaboration with the Federation of Information Technology Industry Sri Lanka (FITIS)	AAT
The New You, Attitudinal Change in a Crisis Situation	Leadership and personality development	Mr. Mohan Paliyaguru
Basics of Company Law	Legal framework of managing registered companies in Sri Lanka	Mr. R.M. Gunasekara
Role of the Business Frontliners in Cash Flow Management during a crisis	The importance of short and accurate monitoring of cash flow in every business. (Mr. Sunil Wanigabadu – Vice President of AAT moderated the session)	Dr. Chamara Bandara – Founder / Consulting Entrepreneur at the SCB Corporate Chartered Accountants, Business Consultant - Corporate Doctors (Pvt.) Ltd
Recent Tax changes in Sri Lanka	Tax concessions and reliefs granted by the government before and after COVID-19, which consists of Income Tax, Pay as You Earn Tax, Advance Personal Income Tax, Withholding Tax, Value Added Tax, National Building Tax, Economic Building Tax and Debt Repayment Levy.	Mr. Saman Dissanayake, Senior Deputy Commissioner of Inland Revenue Department of Sri Lanka
How to file my Income Tax	How to do manual as well as electronic filing of income tax return of individuals / partnerships and companies with practical examples to provide hands on experience to the participants.	Mr. Saman Dissanayake, Senior Deputy Commissioner of Inland Revenue Department of Sri Lanka and Mr. Damith Gangodawilage, Founder / Chief Compliance Officer of Taxperts Lanka (Pvt.) Ltd
Advanced Excel workshop	6 workshops were conducted	

During the year under review, AAT Business School prepared and finalised the workshop plan for the following year. The Business School Committee and the Governing Council were instrumental in preparation and final approval of the schedule.

While a majority of the workshops will be held during the next financial year, AAT Business School held a workshop on "Digital Toolkit for a Professional" on 6, March 2021. The resource person for the programme was eminent speaker, business leader and a reputed

banker Mr. Asitha Pinnaduwa who is the Assistant Vice President, Private Banking at the Nations Trust Bank. conducted virtually for 350 participants, the workshop discussed the timely topic of social media vs professionalism.



Social & Relationship Capital

The following table details programmes launched and carried out during the year under review by AAT Business School:

Programme	Batches and number of students
Course in Taxation	3 batches comprising 104 students
Diploma in Applied Taxation	3 batches
Higher Diploma in Accounting & Finance	2 batches
Microsoft Office Application Programmes	1 batch
Computerised Accounting for SME	1 batch

AAT Business School Examinations

While AAT Business School had to postpone a number of examinations during the year under review due to the pandemic conducted the examinations in January, February & March 2021 in accordance with strict COVID-19 prevention guidelines issued by the health authorities. The culminating examinations of the Higher Diploma in Accounting & Finance, Diploma in Accounting & Finance, Course in Taxation Programme and Microsoft Office Application programmes were held during the final quarter of the year under review.



Mindful of the lack of proficiency in business communication amongst students, AAT Business School designed a special revision programme for students. Created as a virtual programme to connect students

islandwide, the programme content included past paper discussion, pilot paper discussion and introduction to effective communication. The selected resource person for the programme was Mr. Saman Wanasinghe, the author of Business Communication study Text. The programme will be implemented during the next financial year, targeting the September 2021 examination.

PARTNERSHIPS – creating value

“The world is moving towards technology. Then why not Accounting?” The latest development in accounting is connected with Cloud Accounting

Software. Thus, AAT Business School duly signed a memorandum of understanding with PW Holdings to commence the Sage Business Cloud Accounting Software education programme catered to AAT Members, Passed Finalists and other Professionals to enhance their practical knowledge on cloud accounting as well as to enhance competencies on par with future requirements of the industry. The course commenced in April 2021. The programme provides an in-depth knowledge in implementing and using Sage Business Cloud Accounting Software along with free license for 3 months and a user manual.



MoU signing with PW Holding

ACCOUNTING BODIES – Preserving value

Partnerships we forge with accounting bodies solidify our brand value through affording well deserved recognition of AAT. Moreover, such partnerships allow our students, passed finalists and members to seek professional growth.

As such, we continued to strengthen our relationships with accounting bodies and other professional institutes during the year under review.

CONNECTING WITH COMMUNITIES – Creating value

In line with our strategy to reach out

to a younger demographic, AAT appointed popular young actor Rahul Warawitage as our brand ambassador. A talented and much-admired performer, Rahul has starred in a number of popular music videos and commercials.





AAT TV COMMERCIAL LAUNCH

Breaking the traditional approach to promotional activities, AAT launched a new TV commercial on all famous local channels, targeting G.C.E. O/L students during the year under review. The commercial used a heart-warming, inspirational story between a mother and son, discussing the path to success in life. The commercial was a success with over 2 Mn views on social media within the first month of the launch.



CONNECTING THROUGH SOCIAL MEDIA PLATFORMS – Preserving Value

As we continue the path of digitalisation, we understand the value and strength of social media platforms, especially in view of preferences and age of our target demographic setup. AAT uses social media platforms such as Facebook, Instagram, YouTube, LinkedIn, TikTok and Twitter to reach out to our existing and target audience. During the year under review, we were able to increase our Facebook page followers from 41,000 to 62,000 within just 12 months. At present, we have an average post reach of over 1,000,000 per week.

Social & Relationship Capital

AAT maintained a dedicated Facebook group for its Members as well which is administered by AAT. The group initiates professional discussions, activities, and knowledge sharing.



Meanwhile, we increased our Instagram follower base by 3000 to reach 6,150. We enjoy a subscribership of 9,580 on our YouTube channel, and we succeeded in gaining over 500,000 total views during the period under review.



Our social media strategy allows AAT to reach out to a wider audience and initiate discussions that lead to enhanced brand reputation and engagement.

NETWORKING – Preserving value

In view of the pandemic, AAT cancelled a number of planned events during the financial year 2020/21.

Virtual Orientation Seminar - 2020

The orientation seminar for newly enrolled members of AAT took place on 1, December 2020 on a virtual platform (Zoom). The event line-up of the orientation included presentations on AAT, CPD, Code of Ethics, AAT Business School, AAT Toastmasters club and HNB affinity credit card. President of AAT and Chairman of the Membership Committee addressed the participants.



AAT Toastmasters Club

AAT Toastmasters Club is an award winning public speaking Club, which was formed with the objective of developing soft skills of AAT members. The Club's greatest strength is its dedicated active member base. The year 2020 proved to be a milestone year to the Toastmasters Club as one of the AAT Toastmasters Club claimed the Outstanding Toastmaster and Best Area Director in District 82 (Sri Lanka & Tamil Nadu) rank surpassing 7000+ Toastmasters in Sri Lanka & Tamil Nadu. In addition, AAT Toastmasters Club produced two, Triple Crown winners namely, P. Hettiarachchi and Jeewana Pradeep during the year under review.

During the pandemic period, AAT Toastmasters continued regular meetings virtually. Members were able to conduct 10 joint meetings with foreign and local clubs. In the spirit of consistently learning new ways of communicating, AAT Toastmasters club adapted the new trend of hybrid meetings using technology accurately to allow easy access to members during the pandemic. During the year under review, AAT Toastmasters held a number of 'Speechcraft' and leadership programmes to share the toastmaster experience with interested parties. The club organised a 'Paduru party' to entertain their members and guests.

AAT Emerging Toastmasters Club

AAT Toastmasters, in order to celebrate its 10th Anniversary, together with AAT Council and Management formed a new club called AAT Emerging Toastmasters Club. The Emerging Toastmasters club provides an opportunity for AAT members who live in far corners of the country as well as overseas to nurture their public speaking and presentation skills.

AAT Members' Welfare Fund

In an attempt to assist members during difficult times, the Association formed the welfare fund during the latter quarter of the year under review. The welfare fund is created for all active members of AAT. The fund charges a nominal fee for registration, subject to annual renewal.

AAT Members' Service Directory

The AAT Members' service directory provides a wide range of benefits to AAT members and their family members in the form of discounts, concessions and special rates negotiated with leading reputed organisations in sectors such as leisure, dining, health, automobile etc.

<https://www.aatsl.lk/images/pdf/membership-information/aat-members-service-directory-2020.pdf>

CSR – CONNECTING WITH COMMUNITIES – Preserving value

Our reach extends beyond our students and members to include the communities in which we operate. Hence, our Corporate Social Responsibility efforts aim at building lasting connections with communities.

Scholarships

The Association's scholarship programme intends to improve access to education of economically

underprivileged students. We grant both financial and non-financial scholarships to deserving students. Non-financial scholarships enable students to complete AAT qualifications free of charge, thus helping them to pursue career opportunities in the accounting field.

Tree planting project at the Beddagana Wetland Park

AAT conducted a clean-up and a tree planting event at the Beddagana Wetland Park, planting 50 rare saplings as part of a new forest cover project. In addition, AAT placed 20 name boards at the park premises to facilitate visitors to distinguish between general and scientific names of trees at the park. An interactive session conducted in collaboration with the park authorities was part of the event line-up.

Opened in 2016, the Beddagana Wetland Park is a wetland area rich in biodiversity spanning across 18 hectares of wetland surrounding the Diyawanna Lake.



Social & Relationship Capital



WATER SUPPLY PROJECT FOR AMBALA JUNIOR SCHOOL

AAT completed a water supply project to supply clean water to students of the Ambala Junior School in Teldeniya, Medamahanuwara.

The school had been facing difficulties due to no water supply since its inception. The 230 students of the school who attend classes from grade 1 to 11 faced severe hardships due to not having water. Often, students would have to leave the school premises to go back home if they needed to use the lavatory or needed to wash. This disrupted their daily study routines and threatened their wellbeing and safety. They were also forced to bring water for their own consumption from home. The school used to purchase water in order to fulfill their basic needs, which was not a feasible option.

Once we witnessed the challenges that the school children and staff faced on a daily basis, we were ready to step up and find a permanent solution.

As such, we collaborated with the Ambala Muslim mosque to find a solution to the water problem at the school. The project involved sourcing water from a nearby spring, directing the water via the mosque to the school. With the ready help of villagers and the mosque, we were able to complete the clean water project within a short time period. AAT officially handed over the clean water supply system to the school during a ceremony with the participation of Mr. Sunil Wanigabadu, Vice President of AAT and Mr. Tishanga Kumarasinghe, the Chief Executive Officer, of AAT.

Social & Relationship Capital

Donation to COVID-19 fund

With the approval of the Governing Council, AAT donated Rs.1 Mn to the COVID-19 fund out of the funds allocated for member related activities for the year 2020.



ජනාධිපති කාර්යාලය
சனாதிபதி அலுவலகம்
PRESIDENTIAL SECRETARIAT



My No: PS/FM/FIN/8/HSF
September 14, 2020

The President
Association of Accounting Technicians of Sri Lanka
No. 540, Thimbirigasyaya Road
Colombo 05

Dear Sir

Covid - 19 – Healthcare and Social Security Fund

I am pleased to acknowledge with thankful gratitude receipt of the financial donation made by you/your institution to the Covid-19- Healthcare and Social Security Fund established on the direction of His Excellency the President for granting relief towards restoring the normal life of the community disrupted by the adoption of social distancing measures aimed at containing the spread of Covid-19 virus which is already a pandemic disease in the country.

Your generous endowment to the above Fund would not only contribute in no small measure to achieving its objectives but also be an encouragement to the Government of Sri Lanka headed by His Excellency the President.

I would like to take this opportunity to praise the appreciation on behalf of the Sri Lankan Government under the leadership of His Excellency the President and the Healthcare and Social Security Fund for the contribution made by you/your institution to the said Fund thereby being a partner in the endeavour made by all members of the Sri Lankan community along with the Government to overcome this formidable situation.

Thank you.

Yours faithfully

Ravindra J Wimalaweera
Secretary of the Committee of the Covid - 19 Healthcare and
Social Security Fund and Chief Financial Officer of the Fund

ශ්‍රී ලංකාව, පිටත පිටු 11
අංක 540, පිටු 11
Galle Face, Colombo 05

දුරකථන
International
Telephones

++ 94 (0) 11 2354410
++ 94 (0) 11 2473873

ෆැක්ස්
International
Fax

++ 94 11 2448557
++ 94 11 2448557

විද්‍යුත් තැපෑල
e-mail

prsec@presidentoffice.lk

Cleaning of Abayarama Temple

Marking Ven. Muruththettuwe Ananda Nahimi's birthday, AAT conducted a cleaning up operation at the Abhayarama Vihara premises. A special pooja ceremony and pirith chanting followed the meritorious activity.



City beautification

AAT placed flower pots along the Ven. Muruththettuwe Ananda Nahimi Road as part of our CSR endeavours to support the neighbouring community through city beautification.

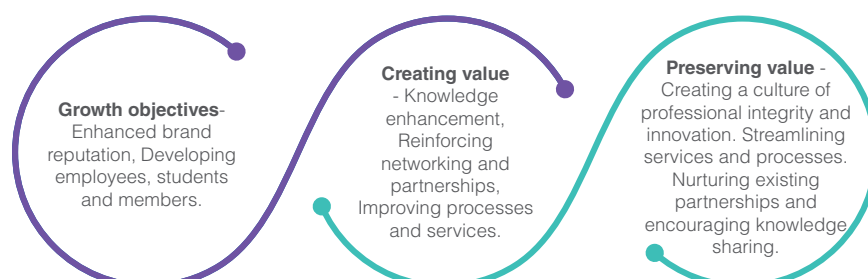


Intellectual Capital



AS A HIGHLY KNOWLEDGE INTENSIVE ASSOCIATION, INTELLECTUAL CAPITAL IS A CORE ASSET AND DEFINING VALUE OF AAT. OUR INTELLECTUAL CAPITAL IS THE COLLECTIVE VALUE OF THE KNOWLEDGE, EXPERTISE AND SKILLS OF OUR EMPLOYEES AND MEMBERS. AS SUCH, OUR INTELLECTUAL CAPITAL DEFINES OUR ABILITY TO CREATE AND PRESERVE VALUE, WHILE ENRICHING THE ASSOCIATION'S REPUTATION. WHILE INTELLECTUAL CAPITAL CHIEFLY CONSISTS OF INTANGIBLE ASSETS SUCH AS KNOWLEDGE, SKILLS, VALUES, CULTURE, SYSTEMS AND PROCEDURES, BRAND AND REPUTATION, THE BENEFITS OF NURTURING INTELLECTUAL CAPITAL TRANSLATES INTO TANGIBLE BENEFITS SUCH AS FINANCIAL CAPITAL AND HUMAN DEVELOPMENT. THIS ULTIMATELY CONTRIBUTES TO THE VALUE CREATION AND PRESERVATION PROCESS, AND THE SUSTAINABILITY OF THE ASSOCIATION, ALLOWING US TO MEET STAKEHOLDER EXPECTATIONS.

Intellectual Capital Development Model



Knowledge and skills – Preserving and creating value

Knowledge is a corner stone of AAT's repute and operations. The linchpin to our ability to enhance knowledge and skills is our people, namely employees and members. AAT's Governing Council is made up of accounting professionals with ample experience in their respective areas of expertise as well as knowledge garnered through involvement with the Association.

In addition, we put consistent effort into developing our employees. AAT has been able to maintain a good record of employee retention, resulting in a high percentage of employees with long years of service and extensive organisational knowledge and experience.

The level of experience (within the Association as well as outside) of our Management team is shown below.

Designation	Total Years of Mercantile Experience
Chief Executive Officer	31
Chief Financial Officer	23
Chief Academic Officer	19
Head of Student Registration & Membership	15
Head of Education & Training	21
Head of Business School	13
Manager - Information Technology	23
Manager - Human Resources & Administration	10
Manager - Marketing	13
Senior Manager - Examination	17
Senior Manager - Examination	34
Secretary to CEO	27
Assistant Manager - Student Registration & Membership	10
Assistant Manager - IT	19
Financial Accountant	7
Assistant Manager - Examination	7
Assistant Manager - Marketing	9

ENHANCING DIGITAL CAPABILITIES – Value Creation

AAT invested Rs.1.4 Mn on developing the ERP system and upgrading the Association's website to enhance efficiency and effectiveness of the service offered to users. Moreover, during the year under review, we focused on developing an online platform for e-study text to cater to the increasing demand for study texts.

Intellectual Capital

CULTURE – Preserving value

Organisational culture reflects our core values, ethics and policies that steer AAT forward in pursuit of goals and sustainable growth. Our Governing Council sets the tone of organisational culture with a transparent approach embedded with values such as integrity, constant pursuit of knowledge and excellence as well as strong work ethics. In addition, we have created a work environment that facilitates employee growth. This conducive environment enables the Association to cater to the requirements of all stakeholders, innovate and stay a step ahead of competition in evolving with the times.

SERVICE AND PROCESS INNOVATION – Creating value

In our role as a primarily knowledge driven organisation, AAT consistently and frequently develops, upgrades and refines our services and processes. Our research and development focuses on timely innovation of services and appropriate improvements with regard to existing services. Our initiatives during the year are as listed below:

Process	Improvements during the year	Outcome
Development of the Examination process	<ul style="list-style-type: none"> Engaged with a qualified panel of resource personnel to draft examination papers and evaluate. 	<ul style="list-style-type: none"> Improved the standard of the examinations. Released results within a short period of 45 days from the examination date.
Membership development	<ul style="list-style-type: none"> Streamlined the process of obtaining membership of AAT. Improved members' access to knowledge and networking opportunities. Moved to virtual interview process. 	<ul style="list-style-type: none"> AAT members with over two years of managerial experience were offered the opportunity to follow a Master's Degree in Business Administration with the Canterbury Christ Church University U.K locally through Saegis Campus (Pvt.) Ltd. Members and passed finalists received exemptions from 8 subjects from the Institute of Chartered Corporate Secretaries of Sri Lanka. AAT is considered to be the strongest foundation which provides entry level qualifications for Universities as well as professional qualifications.
Student Development	<ul style="list-style-type: none"> Introduced free webinars to students from all three levels in all three languages (Sinhala, Tamil and English) during the lockdown period. Continuously upgraded the AAT Business School course content. 	<ul style="list-style-type: none"> Facilitated easier access to knowledge and course content. Strengthened the digital platform. Reinforced the culture of innovation.
Developing digital platforms	<ul style="list-style-type: none"> Introduced acceptance of training records via digital platforms. Introduced online registration for new students. Introduced online payment process. Upgraded IT facilities to enable remote working. Digitalised the exemption granting process. Implemented a new email system. 	<ul style="list-style-type: none"> Eased the way for students and members to adapt to the era of digital proficiency and online connectivity. Reinforced the Association's digital platforms and interactivity to improve in line with the new age requirements. Streamlined access to content, and enabling constant upgrading of content.

AAT Brand

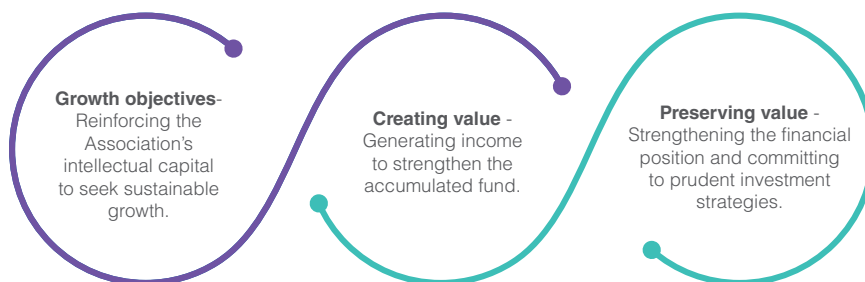
During the year under review, we carried out numerous promotional campaigns on social media channels to reach out to a wider audience and establish the AAT brand. Over the years, we have established AAT's reputation as a trusted brand in the education field in Sri Lanka, which facilitates professional and academic development of middle level accountants.

Financial Capital



OUR FINANCIAL CAPITAL PLAYS A VITAL ROLE IN PROPELLING THE ASSOCIATION FORWARD IN AN UPWARD TRAJECTORY OF GROWTH, WHILE ADDING STABILITY TO THE ASSOCIATION TO SEEK LONG-TERM SUCCESS.

As a unique Association with profit not being its primary objective in the absence of shareholders, AAT's financial capital contributes to strengthening the Association's ability to create and preserve value for all stakeholders, pursue viable growth and help nation building efforts through reinforcing the Association's ability to invest in developing its intellectual and social and relationship capitals.



AAT's financial capital pivots on its accumulated fund, which included surpluses and deficits generated over the years, which then is utilised to fund the operations of the Association and invest in future growth projects. As such, pragmatic and effective management of the Association's financial capital is vital in realising strategic objectives, delivering value to stakeholders and ensuring sustainability of operations.

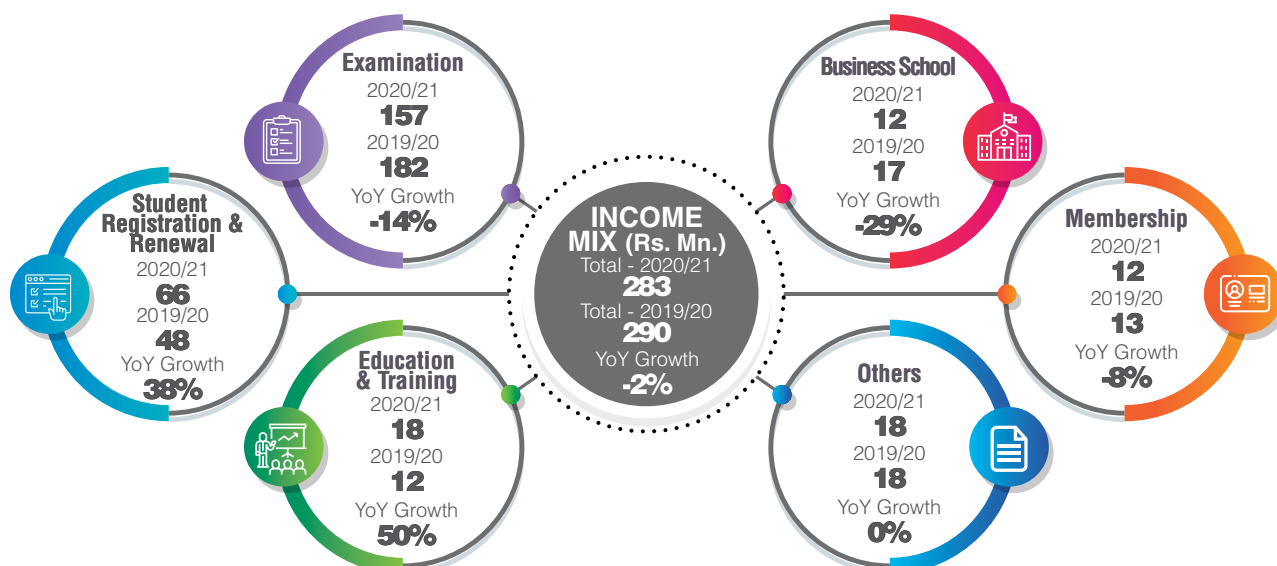
OVERVIEW – Creating and preserving value

AAT recorded a surplus of Rs.88 Mn (Rs.74 Mn - 2019/20) for the financial year ending 31 March 2021 which is an increase of 19% over the previous year, reflecting strong growth and operational efficiencies. The Statement of Financial Position provides a strong foundation for expansion as total assets grew by 9% to Rs.981 Mn (Rs.897 Mn - 2019/20) and there are no interest-bearing borrowings reflecting prudent management of this finite resource. In spite of COVID-19 pandemic which disrupted economic activities during the financial year, AAT maintained a strong financial position, and steered ahead undaunted given the robust students and members base, prudent financial management as well as commitment of the entire team.

Financial performance

REVENUE – Creating value

In spite of the challenging macro environment, the Association was able to maintain its total income at Rs.283 Mn compared to the figures during the previous year at Rs.290 Mn, indicating only a marginal drop of 2%.



Financial Capital

The increase in new registrations that occurred during the year under review is a testament to the strength and effectiveness of our promotional activities targeting students as well as the brand reputation that we have garnered over the years, which in turn built student trust in the value of AAT qualifications.

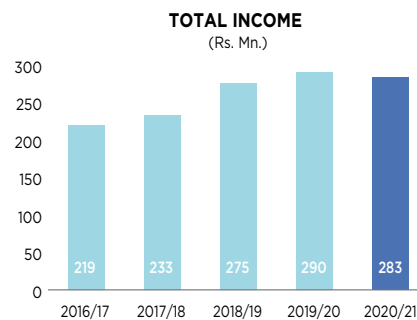
While this indicated an encouraging trend, the pandemic had a negative impact on the number of students who sat for examinations, leading to a 14% drop in revenue. Nevertheless, examination income continued to remain a key contributor to revenue with a contribution of 55% during the year.

As a result of the delay in releasing G. C. E. O/L Examination (SL) results in 2020, AAT's student intake experienced a delay. In this backdrop, the main income from the FY 2019/20 moved to FY 2020/21, while the income from the main intake of FY 2020/21 would move to FY 2021/22, effectively offsetting the impact during FY 2020/21.

Income generated from Education and Training consists of income from the sale of study texts and other publications. The pandemic restrictions and periodical lockdowns affected the ability of Accredited Education Centres (AECs) to conduct physical classes. As such, students were inclined to buy study material as well as self-study publications to continue their academic pursuits. This led to a 50% increase in year-on-year income growth.

Meanwhile, the pandemic had a negative impact on revenue generation from the Business School. However, during the latter part of the year, Business School shifted to online class delivery to cater to students, while the AAT team also initiated inventive methods to conduct People Leadership Skills programmes and physical presence of participants. However, overall performance dropped by 29% during the year under review in comparison to the previous financial year.

Income from Membership fees and subscriptions also declined by 8%, given the fact that renewal fees were waived off from those who enrolled as new members during the last two months of the calendar year.



Cost of Services

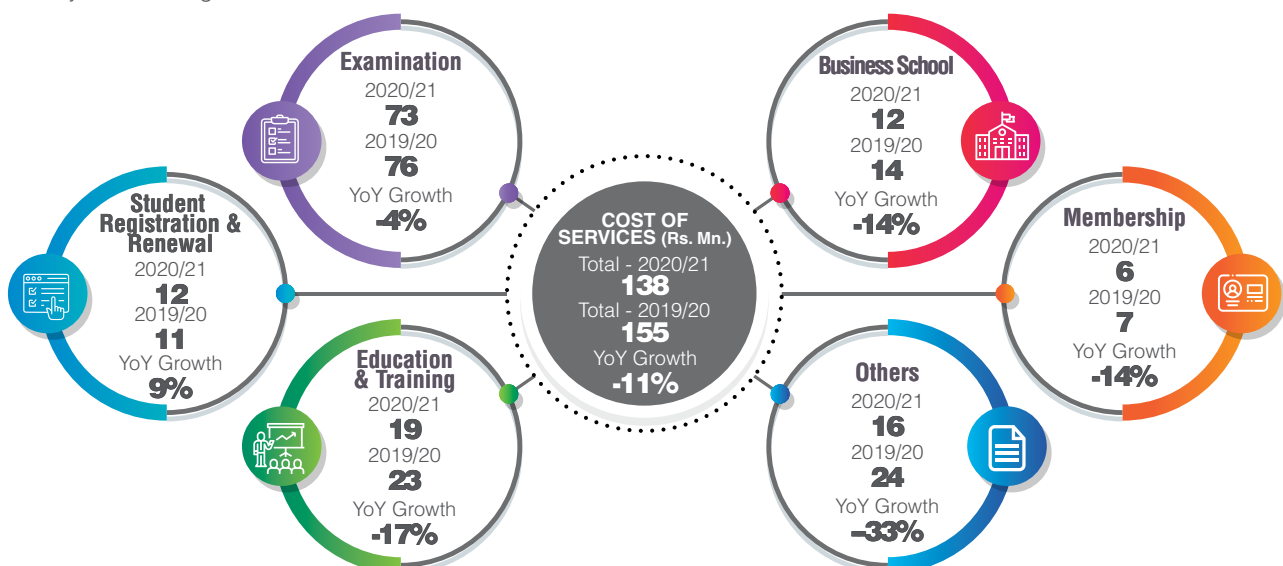
The Association's total cost of services decreased by 11% to Rs.138 Mn during the year (Rs.155 Mn - 2019/20).

The additional cost involved in adhering to COVID-19 safety guidelines including disinfecting examination centres, providing protective equipment such as masks, face shields, hand sanitizer and disposable gloves prevented the cost of examination from declining. In addition, we provided a special COVID-19 allowance to exam centre and paper marking team members.

Education and training cost did not increase in-line with income increase mainly due to the decrease in cost of study text printing, removal of NBT & VAT from the printing cost, reduction in number of pages per study text of the new curriculum and price benefit as a result of bulk printing. Moreover, the cost of education and training during the previous financial year includes write off cost of the remaining study texts of the old curriculum amounting to Rs.2.8 Mn.

Given the decline in income generated from the Business School, the margin of difference between year-on-year remained minimal as the fixed cost remained the same.

Cancellation of the Passed Finalist's workshops due to restrictions on social gatherings as well as converting the Annual Conference from physical event to a hybrid event contributed to a considerable drop in overall logistic cost.



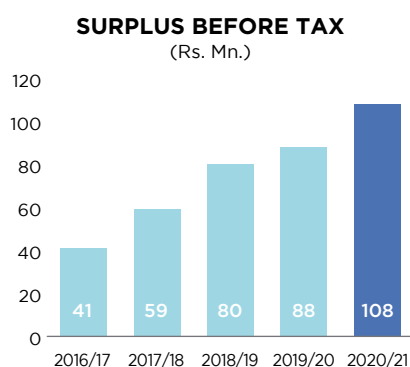
Surplus

Overall, the Association's Gross Surplus increased by 8% from Rs.134 Mn to Rs.145 Mn, while surplus from operations increased by 131% to Rs.37 Mn (Rs.16 Mn - 2019/20), mainly due to the decrease in cost of services, prudent management of administrative and establishment expenses and student promotion cost.

The Association's interest income on fixed deposits decreased by 10%, driven by the continuous decrease in interest rates in the financial market.

AAT's income tax expenses increased by 81% since the Inland Revenue Department revised the income tax rate on interest income from 14% to 24%.

In this context, the Association recorded Rs.108 Mn a 23% improvement in Surplus Before Tax (Rs.88 Mn - 2019/20) and Rs.88 Mn a 19% year-on-year growth in Surplus After Tax (Rs.74 Mn - 2019/20).



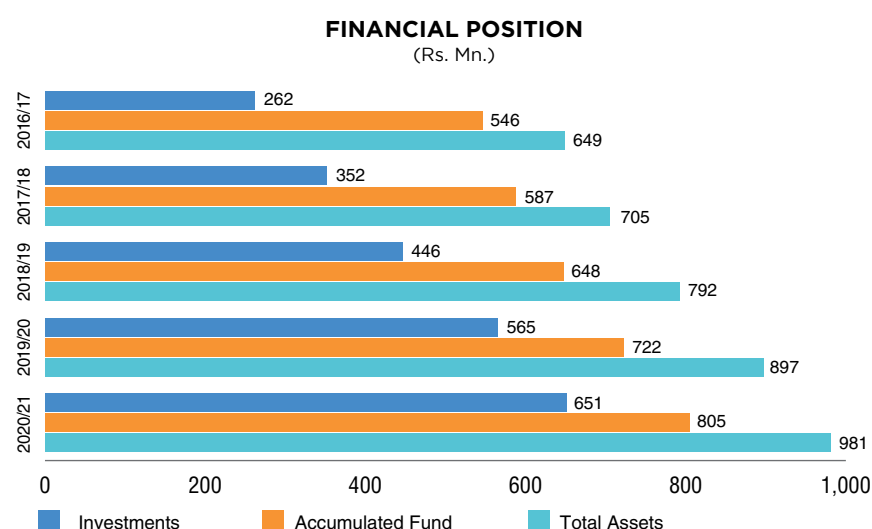
Analysis of Financial Position

The Association's total assets grew by 9% to Rs.981 Mn (Rs.897 Mn - 2019/2020), primarily driven by a steady growth in investments by 15% at Rs.651 Mn (Rs.565 Mn - 2019/20).

Deposits, prepayments and advances increased as a result of the new curriculum development cost incurred from the curriculum launched which will be fully amortised over four years. Our financial position remains strong as

AAT continues to be debt free and our Accumulated Fund remains the largest source of funding of the Association. During the year under review, AAT's Total Fund increased by 11% to Rs.837 Mn (Rs.755 Mn - 2019/2020).

Meanwhile, AAT's retirement benefits obligation increased significantly to Rs.28 Mn (Rs.19 Mn - 2019/2020) during the year as a result of the decrease in discount rate used in the actuarial valuation.



Assets Composition	2020/21	2019/20
Property and Equipment	135,241,056	140,169,357
Investment Property	138,873,364	141,602,258
Intangible Assets	6,393,832	7,915,570
Short Term Investments	651,297,682	564,514,595
Cash and Cash Equivalents	21,384,748	23,281,879
Other Assets	27,462,694	19,238,674
	980,653,376	896,722,333

Human Capital



HUMAN CAPITAL PLAYS A PIVOTAL ROLE IN SHORT, MEDIUM AND LONG-TERM VALUE CREATION AND PRESERVATION AT AAT. OUR HUMAN CAPITAL DEVELOPMENT MODEL HINGES ON THIS PATTERN OF CREATING AND PRESERVING VALUE THROUGH INVESTMENT IN TRAINING AND DEVELOPING OF THE TEAM.

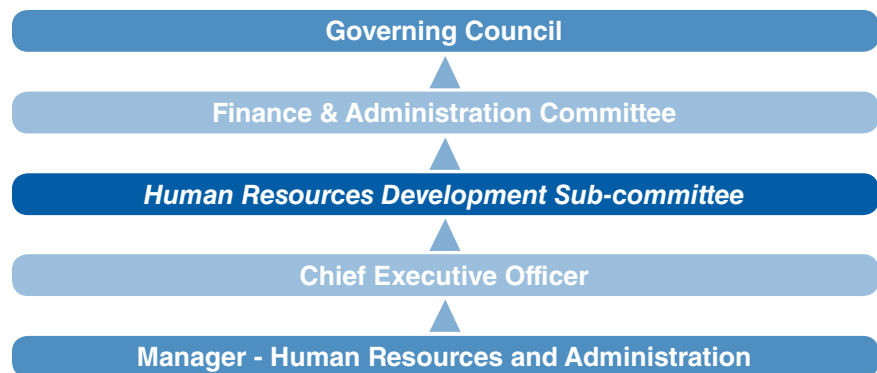
We understand that in order to grow as an Association that contributes to nation building efforts through reinforcing the accounting profession within the SME sector and beyond, we need to nurture our own team. Having skilled competent team is the biggest asset to the Association.

Human Capital Development model



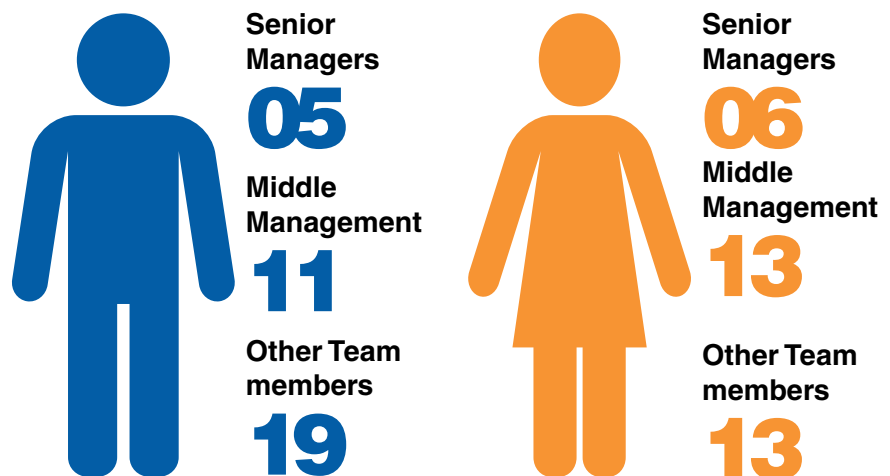
The Role of the Governing Council

The Governing Council steers Human Capital Development from the top through guiding the Human Resource Development Sub-committee to maintain a robust HR governance process.



Team profile

AAT gives equal opportunities to employees with focused concentration on providing equal growth opportunities to both men and women. Our diverse and multi-skilled team spreads across a large geographical area across the country. At AAT, we maintain a well-defined organisational structure, processes and remuneration practices to create a safe work place free of discrimination, where employees are rewarded based on their performance.



Region	No. of Employees
Western Province	51
Southern Province	4
Central Province	4
Sabaragamuwa Province	2
Nothern Province	2
North Western Province	2
North Central Province	1
Eastern Province	1

CREATING A SAFE WORK PLACE – Talent Preservation

A comfortable work environment that innately promotes employee growth is an integral part of an organisation's ability to preserve existing resources and nurture those in search of growth. As such, AAT maintains a work place safe from any type of discrimination, and work actively towards assisting our team members to seek career and personal growth.

We have established a structured grievance handling mechanism to allow employees to voice their concerns without fear of repercussions. The HR Development Sub-committee plays a significant role in ensuring the effectiveness of the grievance handling process. The committee actively monitors employee grievances, resolves those and reports the incidents to the Governing Council.



During the year under review, AAT adopted a set of new practices and processes in order to face the new realities and challenges posed by the COVID-19 pandemic.

COVID-19 Safety

The pandemic created a never before experienced situation, which challenged us to reinforce our safety measures and adopt a number of preventive measures and practices. AAT conducted timely awareness sessions and adopted necessary measures in a timely manner to prevent the spread of the virus.

Challenges	Safety Measures
Risk of exposure and spreading of the virus	Provision of sanitizer, masks, gloves and face shields
Preventing the spread of the virus within the Association's premises	Frequent sanitization of the floors, lift, railings and door handles. Maintaining social distance at all times.
Uninterrupted continuation of work	Implementing work from home concept on roster basis.
Unexpected costs arising due to the pandemic	Effective cost management.
Effective walk-in stakeholder related services	Adopting COVID-19 safety guidelines strictly during interactions with walk-in stakeholders.
Interruptions to the continuation of the recruitment process	Adopting online interviews
Limitations on the number of participants at any event	Working within limitations under strict COVID-19 safety rules.
Inability to hold annual events	Proceeding with essential events under COVID-19 safety rules, and provide alternative arrangements to other events

EMPLOYEE ENGAGEMENT – Value Preservation

Employees are part and partial of the Association's process and goals. The Governing Council maintains a line of communication with employees through the HR Development Sub-committee.

They are encouraged to give feedback, voice opinions and play an active role in organisational growth. AAT maintains an open door policy towards interactions with employees. As a relatively small team, employee engagement comes easily to the Association. In addition, the Association annually conducts a number of employee engagement events to create camaraderie amongst employees and allow them to celebrate important occasions with colleagues. However, during the year under review, we were unable to hold the usual number of events in view of the threat of COVID-19 and relevant restrictions.

However, AAT celebrated 01st of January annual event and Sinhala Hindu New Year celebration as usual by adhering to the strict COVID-19 safety guidelines.

TALENT ATTRACTION – Value Creation

As a highly knowledge oriented education institute, AAT's organisational success revolves around our ability to attract talented people. Attracting suitable talent is important to remain competitive, inventive and highly successful in the industry. The Association's robust brand reputation enables us to attract highly skilled people. The learning opportunities that we offer coupled with the professional working environment amplifies our ability to draw talented people.

Our recruitment process comprises a number of well-defined steps.

Interviews

Aptitude tests

Reference checks

Human Capital

Once we select suitable candidates, we provide them with a comprehensive induction and orientation programme to enable each employee to understand and acclimatise to the organisational values and structure. During the year under review, we hired 9 new members to the team AAT.

EMPLOYEE RETENTION – Value Preservation

The retention rate of AAT was a commendable 98.5% during the year under review. Our sound ability to create a growth conducive and safe work place as well as our attractive and fair rewards and recognition mechanism play integral roles in allowing us to retain employees.

REWARDS AND RECOGNITION – Value Preservation

AAT's rewards and recognition programme has been designed specifically to attract and retain high performing employees who contribute to organisational growth. We foster a performance driven culture and proved a platform to measure feedback and identify areas for further improvement.

All employees of AAT go through an annual appraisal, conducted by head of each department via face-to-face interviews as well as curated questions designed to assess performance.

The HR Development Sub-committee plays the biggest role in this process assisting the Governing Council in determining and finalising the remuneration and rewards for the employees in accordance with the Association's formal remuneration policy.

Annual appraisals play a dual role in facilitating suitable remuneration and rewards as well as determining the training needs of each employee of the Association.

During the year under review, AAT provided pay rises to all employees and refrained from salary deductions even during the peak waves of the pandemic restrictions.

TRAINING AND DEVELOPMENT – Value Creation

Consistent and continuous development of our people remains a core strategy of our growth drive, calculated to create value for all stakeholders. However, the year under review posed an unexpected challenge in the guise of COVID-19 pandemic, which effectively postponed a large number of our scheduled training programmes. However, when the country went on lock down, most of the institutes came up with lots of free online seminars and webinars, opening up lots of opportunities in training and development for the employees. Employees are able to pursue skill development through the AAT Business school which provides numerous opportunities in various aspects. Nevertheless, in spite of the pandemic situation, we succeeded in providing training to a select number of employees from the managerial level as well as other levels on a need basis. Moreover, we conducted frequent COVID-19 safety programmes for all the staff during the year under review.

The Team



Human Capital

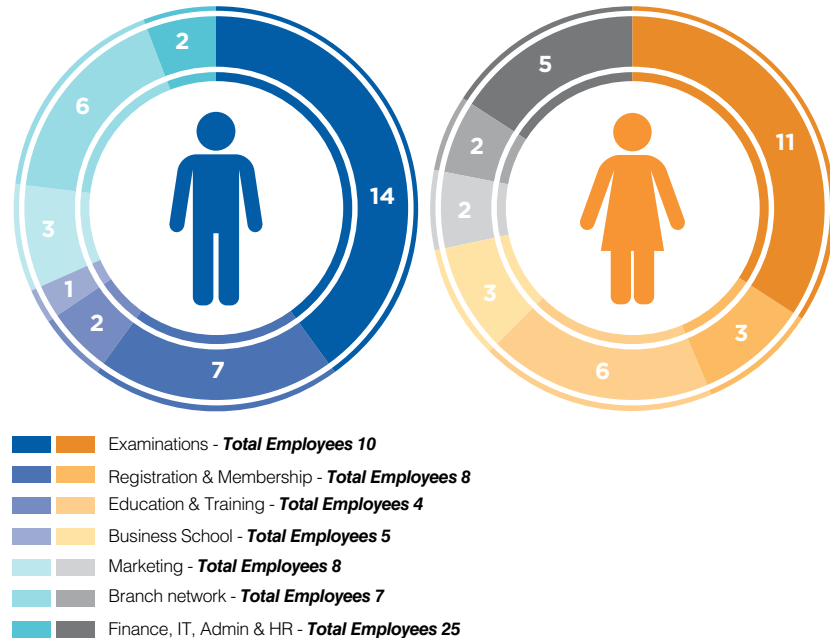
Gender Parity Reporting

As an equal opportunity provider for employees and a responsible education Association with vested interest in leading by example, AAT remains committed to ensuring that women receive ample prospects for career growth and talent development. The AAT Governing Council is made up of 16 members out of which 3 are women. There are 11 senior managers at AAT while 6 women occupy senior management positions.

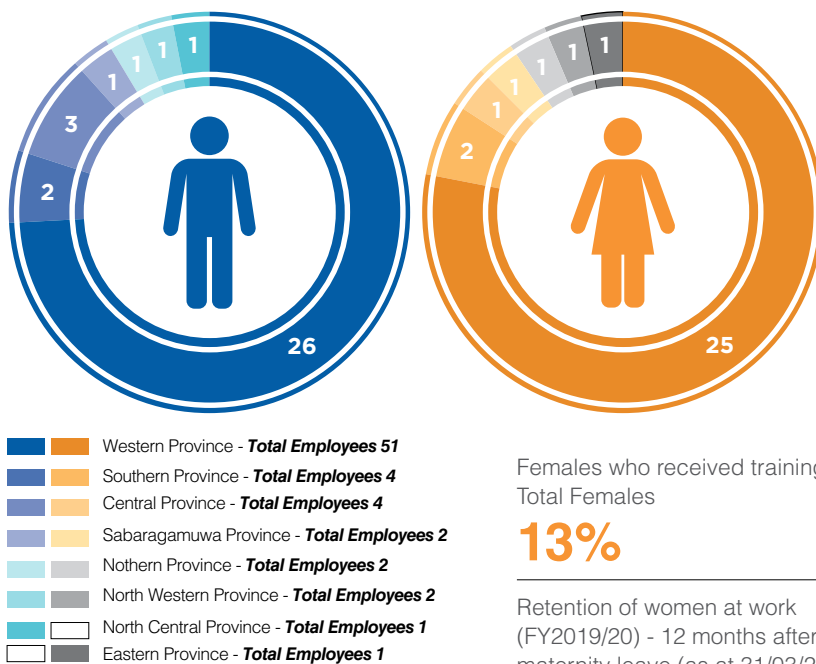
At present, there are 67 members in our employee team out of which 32 are women. There are 24 employees who serve as middle managers at AAT out of which 13 are women. During the year under review, 9 women and 2 men resigned from their positions, and in return we recruited 11 new employees out of which 9 are women.

We consistently strive for gender diversity and provide opportunities to women to serve in all our departments without discrimination.

Employee by Key Departments



Employee by Major Geographical Locations



Females who received a Performance bonus / Total Females

75%

Females who received training / Total Females

13%

Retention of women at work (FY2019/20) - 12 months after maternity leave (as at 31/03/2021)

50%

Women in IT and Service related activities / Total Staff

31%

Our islandwide gender distribution remains commendable with women leading the way.

During the year under review, 13% of the total cadre of women received training inspite of disruptions and limitations stemming from the pandemic situation. Meanwhile, 75% of women received performance based bonuses during the year. Women in AAT's IT and service related departments make up 31% of the total staff. In essence, AAT has been able to offer women a chance to fulfill their potential through career growth opportunities. We will continue in the same vein to inspire the nation to give women equal opportunities, allowing them to fulfill their potential and become integral to the nation's economy.

Supporting and appreciating working women is a year-round responsibility for managing both family and work with super power. AAT celebrated the International Women's Day with its women associates giving much more importance, even in a pandemic situation as they have contributed their fullest support fearlessly to accomplish goals not only at their work place, but also in their families.



Manufactured Capital



AAT'S MANUFACTURED CAPITAL FACILITATES THE ASSOCIATION'S VALUE CREATION AND PRESERVATION PROCESS. ROBUST GROWTH OF AAT'S MANUFACTURED CAPITAL FALLS IN TANDEM WITH THE ASSOCIATION'S ABILITY TO PURSUE GROWTH AND CREATE VALUE TO STAKEHOLDERS UNHINDERED.

Growth objectives

- The availability of sufficient and robust infrastructure to drive the smooth functioning of the organisational operations. Facilitate value creation for stakeholders in the short, medium and long-term.

Creating value -

- Adding physical and digital infrastructure in line with organisational goals. Uphold the value of investment properties and acquire such in a timely manner.

Preserving value

- Maintaining existing assets such as buildings, infrastructure and ensuring the efficacy and safety of digital infrastructure.

AAT's Manufactured Capital comprise physical infrastructure including the head office building, equipment, investment property at Maligawatte, branch network, network of AECs as well as the digital infrastructure. We operate our own network of branches, which serve as contact points for engagement with potential and current students, members and AECs.

INFRASTRUCTURE DEVELOPMENT – Value creation and preservation

In spite of the threat and interruptions arising from the COVID-19 pandemic, we at AAT continued to build and preserve our Manufactured Capital during the year under review. Accordingly, AAT invested Rs.5 Mn during the year on developing and protecting Manufactured Capital, reflecting additions to office equipment, furniture and fittings and computers as well as communication equipment.

	Value Addition Rs. Mn	NBV as at 31 March 2021 Rs. Mn
Building - Head Office	-	44.3
Building – Maligawatte	-	16.4
Office Equipment and Name Boards	1.2	4.4
Furniture & Fittings	0.2	4.8
Computers and Communication Equipment	3.7	5.1
Motor Vehicle	-	1.3

BRANCH NETWORK



STRENGTHENING THE GEOGRAPHICAL REACH – Value Creation

During the year under review, we continued our geographic extension drive with the addition of a new branch in Ampara. AAT's branch network now extends to 7.

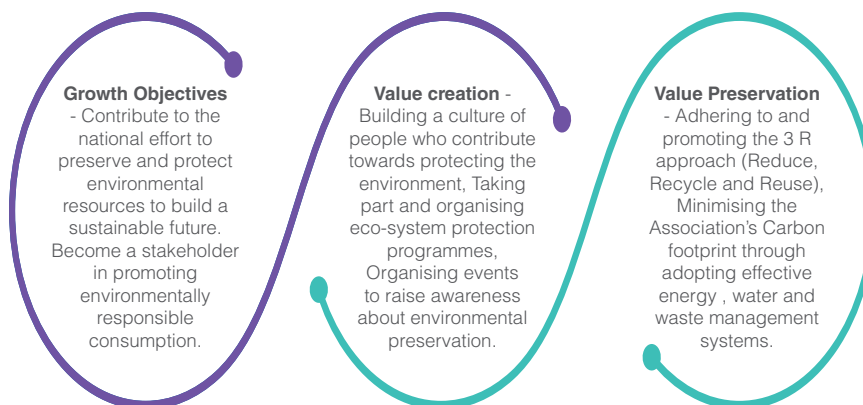
The islandwide network of AECs plays a key role in extending our services to students across the nation. As such, AECs have become part of AAT's Manufactured Capital. As at 31 March, 2021 there were 114 AECs registered with the Association.

Natural Capital



EVEN THOUGH AAT DOES NOT CREATE A SIGNIFICANT CARBON FOOTPRINT, WE REMAIN CONSCIOUS OF OUR ABILITY TO CONTRIBUTE TO ENVIRONMENTAL PRESERVATION AS AN EDUCATIONAL INSTITUTE AND RESPONSIBLE ENTITY IN OUR JOURNEY TO CREATE LASTING VALUE NOT ONLY FOR OUR IMMEDIATE STAKEHOLDERS, BUT ALSO FOR THE ENTIRE NATION.

Our Natural Capital management approach is two-pronged. While we consistently adhere to sustainable practices in managing our resources, we also initiate and take part in bio-diversity protection programmes.



MANAGING NATURAL CAPITAL – Preserving value

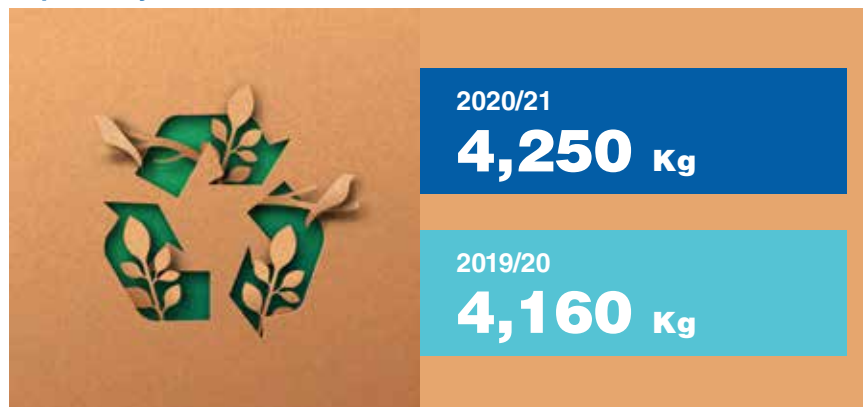
Waste Management

AAT practices waste segregation in order to dispose of waste in a responsible manner, while the entire Association is on the process of shifting to digital documentation using Google forms whenever possible to establish a paperless workplace. During the year under review, we uploaded pilot papers, examiners reports, past papers as well as suggested answers on to a digital platform, and encouraged students to change into a digital system in place of physical paper usage. In addition, the Association commenced distributing an e-version of the Annual Report via e-mails and through the website in place of posting CDs as done last year.

The following have been set in place to reduce paper waste;

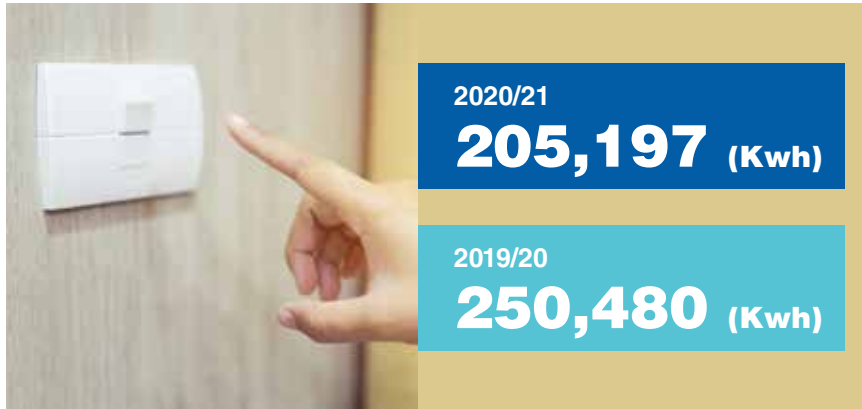
- Recycling examination answer scripts and other waste papers.
- Circulating Board papers, reports and other documents to Council Members via a secured digital platform.
- Establishing an automated system to reduce the requirement for printing content on paper.
- Circulating an e-version of the Member's journal via e-mail in place of posting a paper version.
- Started sharing the class materials softcopies instead of distributing hard copies.

Paper Recycle



Natural Capital

Energy Management



AAT sources its energy requirements from the national grid, and for the year 2020/21 our energy consumption was at 205,197 Kwh recording a reduction of 18% year-on-year.

The following have been set in place to reduce energy consumption:

- Integrating natural lighting in office premises wherever possible
- Use of LED lights to reduce consumption
- Usage of inverter type of air conditioning within the office premises
- Programming all computers to revert to standby mode after five minutes of idling period.

In addition, we installed separate electricity meters during the year under review to effectively monitor the operating unit wise consumption. We encourage our employees to use electricity sparingly by switching off unnecessary lighting and air conditioning systems whenever possible.

Water Management



AAT sources its entire water requirement from the National Water Supply and Drainage Board. We stringently monitor water consumption and monitor trends to improve water usage efficiency whenever possible. However, during the year under review the Association's water consumption was high in view of the requirement to frequently wash hands to curtail the spread of the COVID-19.

The following have been set in place to conserve water;

- Monitoring the monthly usage of water and conducting regular checkups to identify wastages and water leaks.
- Conducting awareness programmes to develop a culture of responsible usage of water within the Association.

ENVIRONMENTAL PROGRAMMES – Creating Value

As a responsible educational institute, we set out to initiate and take part in environmental programmes to inculcate a culture of environmental sensitivity. As such, during the year under review, we conducted a number of such programmes.

During the year under review, AAT planted a collection of rare plants at the Beddagana wetland park, and placed flower pots along the Ven. Muruththettuwa Ananda Nahimi Mawatha. In addition, we conducted a tree planting competition on Facebook to mark the auspicious dawn of the Sinhala and Tamil New Year in April. On 18, September 2020, we organised an interactive discussion with Mr Ajith Perera a celebrated pottery maker in the country to illustrate the importance of protecting our natural resources, and how the ecosystem works as a protective organism.

STEWARDSHIP

86	Governance Report of the Governing Council
87	Governance
99	Risk Management
102	The Audit, Risk Management and Ethics Committee Report
104	Human Resources Development Sub-committee Report
105	Statement of Governing Council Members' Responsibility on Internal Controls
106	Annual Report of the Governing Council Members' on the Affairs of the Association



Governance Report of the Governing Council

Dear Stakeholders,

On behalf of my fellow council members, it gives me great pleasure in presenting the Governance report for 2020/21. The report sets out the best Governance principles applied and practiced by the Governing Council in administering and managing day to day affairs of the Association.

The reporting although not mandatory is voluntary compliance with the Code of Best Practice on Corporate Governance 2017 issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities & Exchange Commission of Sri Lanka.

Good Governance remains integral to the way AAT operates. We at AAT are conscious that transparency and accountability is sine qua non for our Association to be successful in the short, medium and long term.

With the collective industry acumen, depth of skills and diversity of experience brought in by the Governing Council meeting discussions will be a key driver of the Association's strategic transformation over the years.

It is our belief that the Governing Council must lead and live by example to ensure that these values are not restricted to the members or to the Governing Council alone but shared, understood and practiced by all at AAT.

In conclusion, the members of the Governing Council and I hereby confirm that to the best of our knowledge and belief we have not violated good practices of Governance and Ethics.



W. P. Russel P. H. Fonseka
President,

Association of Accounting Technicians
of Sri Lanka

04 June 2021

Governance

Good Corporate Governance is a vital element that contributes to the long-term growth of the Association of Accounting Technicians of Sri Lanka. As such, we consistently work towards maintaining a robust Corporate Governance Framework in-line with industry best practices and guidelines outlined by the Code of Best Practice on Corporate Governance 2017, issued jointly by the Securities & Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

AAT is a unique organisation, a Company Limited by Guarantee with profit not being a primary objective in the absence of shareholders. We manage and fund our operations through subscriptions from students and members, examination fees and other fees derived from activities. AAT transfers the surplus to an accumulated fund, as there is no distribution of profits. The Governing Council sets the strategic direction, manages risks and oversees performance in

accordance with the objectives of the Association. In addition, the Governing Council is responsible for establishing and maintaining a sound governance framework, which facilitate fulfilling of the Association's objectives, whilst also balancing legitimate interests of all stakeholders in an equitable manner.

Accordingly, the Governance structure comprises an appropriate governance structure, best practices, rules, processes and procedures calculated to enable consistent improvements in performance monitoring, accountability, transparency and alignment of incentives.

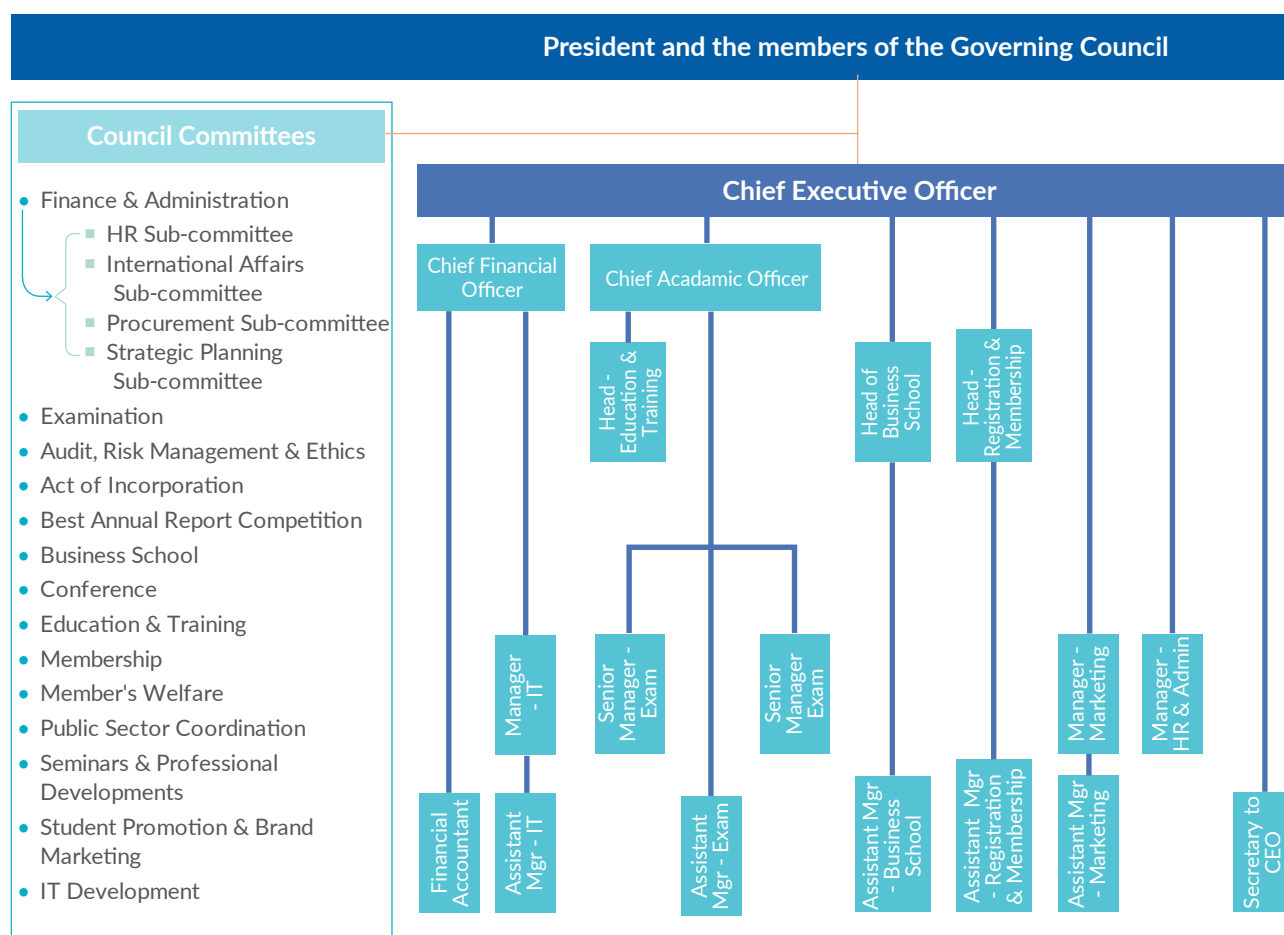
Governance Framework & Structure

The Governance structure of AAT comprise of several committees with well-defined roles and responsibilities. While the Governing Council sets the tone for the governance approach of AAT, the respective committees, and

the team led by the CEO oversees day to day operations of the Association, and execute pre-approved corporate strategies within the approved budgets.

The Governing Council and committees are responsible for setting strategy, risk appetite as well as oversight.

The figure below depicts an overview of the Association's Governance structure;



Governance

Governing Council

As the highest decision making authority of the Association, the Governing Council is responsible for setting the strategic direction to enable the creation of short, medium and long-term value. As such, the Governing Council is set up in such a way to include experienced members who possess complementary skills as well as expertise in order to reinforce the Council's decision making capacity. The Governing Council is made up of 16 non-executive members, who hold office for the duration of two years.

The majority of the Governing Council members are appointed jointly by the Institute of Chartered Accountants of Sri Lanka, the Ministry of Finance & Planning and the Ministry of Education. AAT elects five other members from the general membership of the Association. The Immediate Past President of the Association also obtains a seat in the Governing Council as an Ex-Officio member.

The table below presents the ratio of appointment by each responsible entity;

Method of Appointment	Number of members appointed	%
Nomination by CA	8	50%
Election by Members	5	32%
Nomination by Ministry of Finance	1	6%
Nomination by Ministry of Education	1	6%
Ex-Officio (Immediate Past President)	1	6%
Total Governing Council Members	16	100%

The President of the Governing Council is elected through a majority vote of the Council members. The Governing Council conducts elections every other year to elect members to the Council. Following the election, the outgoing Council holds a comprehensive orientation for the new appointees to ensure smooth transition and continuity.

Composition of the Governing Council

Composition of the Governing Council is a critical element of the success of the Association as well as our ability to look after stakeholder interest. Hence, the Governing Council comprises of professionals with the requisite experience and proven leadership capabilities to set the strategic direction for AAT in a far-seeing, prudent and accountable manner.

The figure below presents the composition of the Governing Council:

QUALIFICATION

PHD/Masters

50%

Chartered Accountants

31%

Degree Holders/Other

19%

DESIGNATION

Chairman/MD/Director

50%

Audit Partner

25%

Senior Management

25%

SECTOR

Private

31%

Audit/Consultancy

31%

Government

25%

Banking

13%

AGE

<40

6%

41-50

63%

51-60

19%

>60

12%

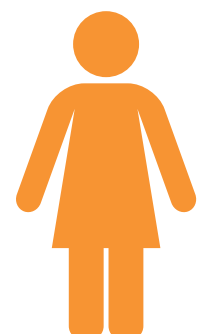
GENDER



Male
81%

Female

19%



Roles and Responsibilities

The primary role of the Governing Council is to provide leadership as well as guidance to the Senior Management team led by the CEO to enable the Association to pursue viable growth. The Governing Council and Senior Management work in collaboration to steer the Association towards creating value for stakeholders through remaining accountable for their statutory and fiduciary responsibilities, as individuals as well as collectively.

The responsibilities of the Governing Council are detailed below:

- Ascertain that employees across the Association adopt due diligence and act with integrity to protect the interests of the Association's stakeholders.
- Set the process in place for succession planning, and ensure the success of the process by delegating authority to the CEO
- Ensure compliance with relevant regulatory requirements, processes and frameworks to review and establish adequate internal controls, risk management and financial reporting.
- Analyse and approve strategic plans, annual budget, financial statements and oversee the progress of the said plans
- Set the strategic direction for the Association, and map out goals for the management

In-line with the Governing Council's commitment to accountability and transparency, all members are required to comply with the Council's Code of Ethics, which has been designed to instill core values such as absence of self-interest with regard to business of the Association, integrity, maintaining an objective frame of mind when dealing with affairs of the Association and maintain confidentiality at all times.

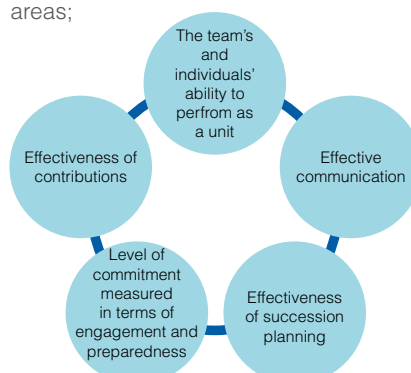
Please refer to pages 29 for profiles of the Governing Council members.

Attendance of the members of the Governing Council at the meetings – FY 2020/21

Council Member	No of meetings attended / Meetings scheduled
Mr. W. P. Russel P. H. Fonseka	11/12
Mr. Sunil Wanigabadu	12/12
Mr. K. L. Jagath N. Perera	12/12
Mr. M. J. Magdon Ismail	10/12
Mr. Sarathchandra Ilayperuma	02/12
Mr. Naleen D. De Silva	12/12
Ms. F. S. Naayila Marikkar	10/12
Mr. Indraka P. Liyanage	12/12
Mr. H. L. P. Dayal Abhayasinghe	12/12
Mr. W. M. N. J. Pushpakumara	0/12
Mr. R. Thilak S. K. Dharmarathne	12/12
Mr. P. D. Wasantha Kumara	12/12
Mr. Sanjaya Bandara	8/12
Dr. D. B. S. Chamara Bandara	9/12
Ms. W. Chamila Cooray	12/12
Ms. G. M. Iresha U. Bandara	5/12

Governing Council Appraisal

The Governing Council appraises its own performance on a monthly and an annual basis to ensure that the members are discharging duties in accordance with the code of ethics as well as strategic goals. The Terms of Reference (TOR) issued to each committee is based on the Strategic Plan. The Governing Council measures its own performance in the following areas;



Committees of the Association – 2020/2021

The Governing Council is supported by 14 committees in which each Governing Council member is required to serve as either a Chairperson or Alternate Chairperson in a committee.

Chairpersons of committees are required to ensure the following:

- Comprehensive handling of oversight assigned to the committee
- Supporting progress in line with strategic plans
- Periodical reporting of the progress of set plans to the Governing Council

Apart from Governing Council members, Dr. Prasad Samarasinghe, a veteran in the IT field was appointed as the Chairman of the IT Development committee with the approval of the Governing Council, following due consideration of his enormous contribution extended to the committee since 2018.

Number of committee meetings held during 2020/21

Committee	No of meetings held
Audit, Risk Management and Ethics	2
Finance & Administration	12
Examination	10
Act of Incorporation	1
Business School	5
Conference	20
Membership	11
Members Welfare	12
Best Annual Report Competition	11
Education and Training	5
Students Promotion & Brand Marketing	7
IT Development	10
Seminars & Professional Development	10
Public Sector Coordination	9

Governance

Roles of the Committees

Committee	Role
Audit, Risk Management and Ethics	<ul style="list-style-type: none"> ■ To assist the Governing Council in its responsibility for overseeing the quality and integrity of the Accounting, Auditing and Reporting practices of the Association, and its compliance with legal and regulatory requirements. ■ Independent appraisal of all financial and non-financial interests of the Association
Finance & Administration	<ul style="list-style-type: none"> ■ Overall planning of operations, control of financial and administration activities of the Association ■ Overseeing the Associations Financial Reporting Process ■ Supervising the following Sub-committees. <ul style="list-style-type: none"> ● Strategic Planning ● Procurement ● Human Resources ● International Affairs
Examination	<ul style="list-style-type: none"> ■ Planning and controlling all activities with regard to conducting examinations island-wide in all the provinces bi-annually and attending to all matters relating to the conduct of examinations and releasing of results.
Act of Incorporation	<ul style="list-style-type: none"> ■ Incorporation of AAT by an Act of Parliament and compliance with the provisions of the Act.
Business School	<ul style="list-style-type: none"> ■ Shape the business school strategy, direction and control, oversee the programmes conducted by the business school. ■ Promote and conduct Diploma programmes for the membership and the general public in order to enhance knowledge to facilitate employability and career advancement.
Conference	<ul style="list-style-type: none"> ■ Organise the Annual Accounting Technicians' Conference to update the membership with changes in technology, legal and regulatory matters, current trends and developments in the local and global economy that impacts the accounting profession. Manage communication plans to promote AAT amongst the corporate community as well as the general public.
Membership	<ul style="list-style-type: none"> ■ Regulate enrollment, upgrading and renewal of membership while maintaining a satisfactory level of active membership and management of the membership policy of AAT. ■ Enhance competencies of members through communications and promoting them to actively participate in programmes conducted by AAT and its Business School such as seminars, conferences, workshops and higher study programmes. ■ Foster leadership, entrepreneurship and intreprenureship among members and contribute to national development efforts by building human resource capabilities.
Members Welfare	<ul style="list-style-type: none"> ■ Sustain a motivated and active membership.
Best Annual Report Competition	<ul style="list-style-type: none"> ■ Build brand strength of AAT within the school community by showcasing the Association's value and accountability. Provide technical support to enhance quality of financial reporting.
Education and Training	<ul style="list-style-type: none"> ■ Ensure that proper education and training facilities are available for registered students
Students Promotion & Brand Marketing	<ul style="list-style-type: none"> ■ Establish AAT qualification as the most sought after career path among prospective students, teachers, parents and the general public in order to grow the student base in a sustainable manner.
IT Development	<ul style="list-style-type: none"> ■ Ensure that smooth operation of IT functions at AAT and facilitate the Association's digitalisation drive.
Seminars & Professional Development	<ul style="list-style-type: none"> ■ Organise seminars for both members and the public to facilitate enhancement of knowledge and build brand visibility.
Public Sector Coordination	<ul style="list-style-type: none"> ■ Reinforce the Association's core objective of supporting, facilitating and developing middle level accountants that serve the SME sector and public sector.

Strategic Direction

The Governing Council maps the strategic direction of the Association in tandem with emerging economic and industry trends as well as stakeholder requirements. The Sub-committees are responsible for the timely execution of set strategies, and progress monitoring to ensure the effective implementation of the strategies.

Periodic Reporting Requirements

Periodic reporting strengthens the Association's good governance practices. Governing Council meets once a month and all the other committee progress reports are tabled for council review. Financials are tabled to the Finance & Administration committee on a monthly basis. Quarterly as well as annual Financial Statements are tabled at the Governing Council through Finance & Administration committee.

AAT Compliance with Code of Best Practices on Governance

We at AAT have adopted best practices stated in the Code of Best practices on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka.

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A	The Governing Council Members			
A.1	The Governing Council	The Association should be headed by an effective Governing Council, which should direct, lead and control the Association.	The Governing council comprises sixteen eminent professionals. Eight out of them are nominated by CA Sri Lanka, five out of them are elected from the members of the Association, Immediate past president also obtains a seat and the other two are nominated by the Ministry of Education and Ministry of Finance & Planning.	A Governing Council holds office for a period of two years.
A.1.1	Governing Council Meetings	The Governing Council should meet regularly. At least once a quarter.	a) Having a policy for the frequency and the need for meetings (Minimum 12 meetings). b) Agenda and council papers to be circulated well in advance to ensure adequate time to study. c) Independent Company Secretaries to be appointed. d) Proper record of the minutes to be maintained. e) Evaluate the Association's Strategy (Quarterly against plan), performance, risk profile and compliance with Governance. f) Recording of dissent at meeting in minutes	a) The Governing Council meets on monthly basis. During the financial year the Council met 12 times. b) Agenda and the Council papers are uploaded to Google drive well in advance. c) Integrated Management Systems (Pvt.) Ltd acts as the secretaries to the Association. d) Proper record of the minutes are maintained by the Integrated Management Systems (Pvt.) Ltd e) Financial and operational results compared to previous periods and budgets are tabled on quarterly basis. f) Minutes are maintained and circulated for review and discussion.

Governance

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.2	Governing Council role and responsibilities	Governing Council role is to provide entrepreneurial leadership of the Association within a framework of prudent and effective controls.	Adoption of the Strategic Plan, monitoring of operational performances and management, ensure the design and operations of effective risk management policies and processes are in Place.	Committees are appointed with Terms of Reference (TOR). Budget and major capital expenses are approved.
A.1.3	Compliance with the Laws and access to independent professional advice	The Governing Council collectively and Governing Council members individually, must act in accordance with the laws of Sri Lanka.	Provisions are made for the Governing Council members to seek independent professional advice, in furtherance of their duties, if required where necessary. a) The Association has a Code of Ethics for its members and all members of the Governing Council are members of the Association. b) The Association has an Administration Manual, Financial Manual, Examination Procedural Manual and a Disciplinary Code. The Code of ethics and the manuals are reviewed and updated from time to time to ensure their fitness for purpose.	During the financial year requirement of professional advice was not aroused. a) Monthly compliance statement is tabled for Council review. b) All members of the staff have to ensure compliance.
A.1.4	Access to the advice and services and removal of the Association Secretary	All Governing Council members should have access to the advice and services of secretary.	The Governing Council has access to the advice and services of the Association Secretary who possesses the required qualifications as stipulated in the Companies Act No. 07 of 2007. The secretary maintains attendance register and makes information available for reference. The appointment and removal of the Company Secretary rests with the Governing Council as a whole.	All Governing Council members have access to the Association Secretary. The Secretary advises the Governing Council and ensures all matters concerning the Companies Act, Governing Council procedures and other applicable rules and regulations are complied with.
A.1.5	Independent judgment of Governing Council members	All Governing Council members should bring an independent judgment to bear on issues of strategy.	The Governing Council members exercise independent judgment in decisions made by the Governing Council on issues of strategy, performance, resource allocation, risk management, compliance and standards of business conduct. The Governing Council draws on the strengths of each Governing Council member without placing undue reliance on any individual.	All Governing Council members have submitted the declaration of independence or non-independence against specified criteria as per the code. The composition of the Governing Council ensures that there is a sufficient balance of power and contribution by all Governing Council members which minimises the tendency for one or a few members of the Governing Council to dominate the Governing Council processes or decision making.

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.6	Dedicate adequate time and effort to matters of the Governing Council and the Association	Every Governing Council member should dedicate time and effort to matters of the Governing Council and the Association.	<p>a) Commitment to attend monthly Governing Council meetings and Committee Meetings. Schedule meetings well in advance and in consultation with those required to attend.</p> <p>b) Circulate all relevant papers giving adequate time to review same and seek adequate information if required.</p>	<p>a) The President and the members of the Governing Council have dedicated adequate time for the fulfillment of their duties as Governing Council members of the Association. In addition to attending Council meetings, they have attended Sub-committee meetings and also have made decisions via circulars where necessary.</p> <p>b) Papers relating to the Council meetings are uploaded well in advance allowing sufficient time for preparation.</p>
A.1.7.	Resolutions	Governing Council members to call for resolutions in the best interest of the Association.	In the best interest of the Association, one third of the Governing Council members can call for a resolution to be presented to the Governing Council.	No such instances had occurred during the year under review.
A.1.8	Succession	Every Governing Council member should get an appropriate training.	<p>a) The President is responsible to ensure the Governing Council members possess sound knowledge to carry out their duties in an effective manner.</p> <p>b) The Governing Council members are also kept abreast of applicable legislation and regulations, changes to rules, latest trends, standards and codes as well as relevant regulatory changes and developments in the educational sector.</p>	All new appointees go through the orientation. The learning environment of the Association itself facilitates the Governing Council members to enhance their knowledge by attending continuous professional development programmes and international conferences.
A.2	The President and Chief Executive Officer (CEO)	There should be a clear division of responsibilities between the President and the Chief Executive Officer to ensure the balance of power and authority.	<p>The position of the President and the CEO are separated clearly to segregate the balance of power and responsibility.</p> <p>The president is elected and serves in an honorary capacity whilst the CEO is a full time employee responsible to manage the operations of the Association with the support of the Association's management.</p> <p>Management ensures that the Governing Council is provided with timely, accurate, relevant and comprehensive information at both Governing Council and Sub-committee meetings.</p>	The roles of the President and the Chief Executive Officer have been segregated, ensuring an appropriate balance of power.

Governance

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.3	Role of the President	The President should conduct Governing Council proceedings in a proper manner and ensure an effective discharge of the Governing Council functions.	<p>Lead the Governing Council in discharging its duties effectively and enhance the Association's standards of governance.</p> <p>Demonstrates leadership in the Association's long-term strategy and growth which is fit for purpose in the current operating context</p> <p>Having a governance framework that comprises sound reporting mechanisms, internal controls and risk management processes designed to facilitate clear definition of roles, responsibilities and accountability measurement.</p> <p>President's term of office is two years and there after he shall serve on the Governing Council for another term of two years designated as Immediate Past President.</p>	The president leads the Governing Council ensuring effectiveness in all aspects of its role.
A.4	Financial Acumen	The Governing Council should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	The nominees of CA Sri Lanka are all Chartered Accountants and chosen from practicing firms of Accountants and leading large private sector enterprises.	All Governing Council members possess financial acumen and knowledge through experience gained.
A.5	Governing Council composition Balance	It is preferable for the Governing Council to have balance of executive and non-executive Governing Council members such that no individual or small group of individuals can dominate the Governing Council decision-taking.	<p>a) Five out of sixteen members are elected by members' vote.</p> <p>b) Two out of sixteen members are appointed by the Ministry of Education and Ministry of Finance & Planning.</p> <p>c) Eight out of sixteen members are nominated by CA Sri Lanka.</p> <p>d) The President shall be a member nominated by CA Sri Lanka and the Immediate Past President shall also be a member of the Governing Council.</p>	<p>All Council members serve in non-executive capacity and have submitted a signed and dated declaration of his / her independence or non independence.</p> <p>Three out of sixteen members are females contributing to the gender balance.</p>
A.6	Supply of information	The Governing Council should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	<p>All financial and non-financial information are analysed and presented to the Governing Council to make informed and accurate decisions.</p> <p>The Governing Council sought additional information as and when necessary.</p> <p>The President ensured that all Governing Council members were briefed on issues arising at the Governing Council meetings.</p>	The Governing Council was provided with timely and appropriate information by way of council papers and proposals. Members of the senior management made presentations on issues of importance whenever clarification was sought by the Governing Council.
A.7	Appointments to the Governing Council	There should be a formal and transparent procedure for the appointment of new Governing Council members to the Governing Council.	The appointment of new Governing Council members to the Governing Council is carried out in a transparent manner as mentioned under the rule number A.5.	Governing Council for the year 2020 – 2021 was appointed as per the laid down procedure.

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.8	Re-election / Appointment / Resignation	All Governing Council members should be required to submit themselves for re-election at regular intervals and at least once in every three years.	<p>a) The term of the Governing Council is two years and members are elected / nominated in every two years.</p> <p>b) In order to get re-elected, the Governing Council members themselves are required to submit their nominations in writing to the secretary.</p> <p>c) Any casual vacancy in respect of CA and ministry appointments to the Governing Council member is to be filled by fresh nominations.</p> <p>d) Any casual vacancy in respect of elected Governing Council member is to be filled by the next in line from the elected list, and any person so appointed shall retain his office until the next election of the Association and then retire.</p> <p>e) Resignation if any should be communicated in writing and it is recommended to state reasons. The communication is tabled for discussion.</p>	There were no resignations during the year under review.
A.9	Appraisal of Governing Council Performance	The Governing Council should periodically appraise its own performance against the present targets in order to ensure that the Governing Council responsibilities are satisfactorily discharged.	The Governing Council has recognised that it is necessary to periodically appraise their own performance in order to ensure that Governing Council responsibilities are satisfactorily discharged.	Self-declarations and evaluation by each member of the Governing Council for 2020/21 was carried out.
A.10	Disclosure of information in respect of Governing Council members	Details in respect of each Governing Council member should be disclosed in the Annual Report for the benefit of the members.	Profiles of each Governing Council member, including their qualifications, expertise and other appointments are disclosed in the Annual Report.	<p>Details of the Governing Council members are given in the Annual Report under Leadership section.</p> <p>Attendance of Governing Council members at the Governing Council meetings is presented in this report.</p> <p>Details of the related party transactions of the Governing Council members are also presented under note number 29 to the Financial Statements.</p>
A.11	Appraisal of Chief Executive Officer (CEO)	The Governing Council members should at least annually assess the performance of the Chief Executive Officer.	Evaluation of the performance of the CEO with reference to target set is carried out.	<p>Chief Executive Officer's performance targets are set at the commencement of every year with approval of the Annual Budget which is reviewed on quarterly basis at the Governing Council.</p> <p>Annual review is performed by the HR Sub-committee.</p>

Governance

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
B	Governing Council members' remuneration			
		The Association shall have a formal and transparent procedure for developing policy on fixing the remuneration packages of individual Governing Council members.	All Governing Council members serve on an honorary capacity.	No Governing Council member is entitled to any financial or non-financial benefits, remuneration or allowances for work carried out in the capacity of a Governing Council member.
C	Relationship with Members			
		The Governing Council should use the AGM to communicate with members.	<p>In its desire to maintain good relationships with Members, the Governing Council at AAT follows a policy of disclosing all relevant information, both financial and non-financial to its Members. The Governing Council constantly strives to enhance the value of Members who have built this winning Association</p> <p>The Governing Council recognises the importance of AGM to communicate effectively with Members and encourages the Members to attend and actively participate. The Members are given the opportunity of exercising their rights at the AGM.</p> <p>The notice of AGM including the final accounts link is circulated to Members well in advance of the AGM to enable the members to study.</p> <p>There is no process for proxy votes and the mechanism of voting is indicated in the Memorandum and Articles of Association.</p> <p>The Association Secretary and CEO will be the main contact persons with regard to any disclosures to the Members. Further, the CFO can also be contacted with regard to any clarifications on financial information published.</p> <p>The Association Secretary maintains records of all correspondence received from Members and direct the same to appropriate channels.</p>	<p>All the important information of the Association could be reached through the Association website, members' facebook page and Annual Report.</p> <p>Communications with members are done through individual letters too.</p> <p>The Members of the Governing Council spend time with the members of the Association at the AGM, hear their views and give importance to their questions.</p>
D	Accountability and Audit			
D.1	Financial Reporting	The Governing Council should present a balanced and understandable assessment of the Association's financial position and performance.	The Governing Council members should ensure that the Financial Statements are in accordance with the Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SMEs) and the Companies Act No. 07 of 2007 and the generally accepted accounting principles.	The Association has reported a true and fair view of its financial position and performance for the year ended 31st March 2021.

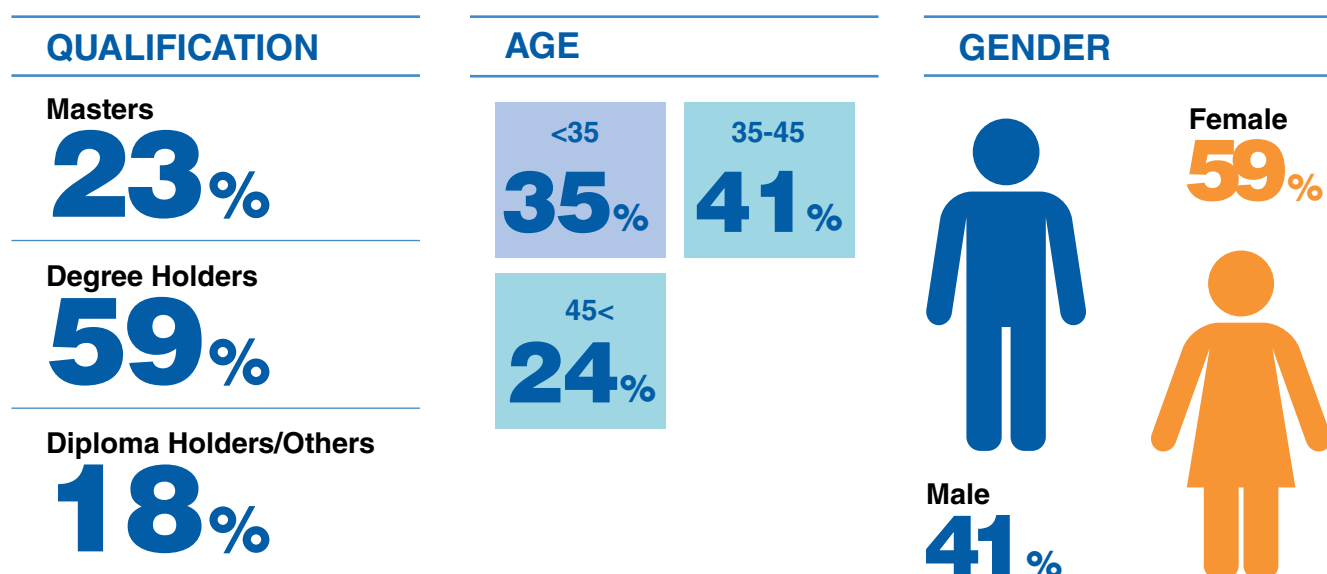
Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
D.2	Risk Management and Internal Control	The Governing Council should have a sound system of internal controls to safeguard the Associations investments and assets.	The Association's Audit, Risk Management and Ethics committee ensures that there is an effective internal control and financial reporting system. In addition to the annual financial audit it is the desire of the Association to ensure compliance with the relevant directions.	The Association has established a comprehensive framework of policies and procedures for risk management and internal control which are regularly reviewed and updated.
D.3	Audit Committee	The Governing Council should have a formal and transparent arrangement in selecting and applying the accounting policies for financial reporting, internal control principles and for maintaining an appropriate relationship with the Association's auditors.	The Association has embodied written terms of reference for the Audit, Risk Management and Ethics committee. Composition of the Audit, Risk Management and Ethics committee is set out under the Audit, Risk Management and Ethics committee report. Association has an internal audit function carried out by KPMG (Chartered Accountants) who are reporting to the Audit, Risk Management and Ethics committee. Internal auditors carry out reviews on the processes, effectiveness of the risk management, internal controls and report.	The committee maintains an appropriate relationship with the external auditor, Ernst & Young (Chartered Accountant) to ensure their objectivity and independence. The external auditors do not have any relationship and any interest in the affairs of the Association.
D.4	Related party transactions review committee	The Governing Council shall establish a procedure to ensure that the Association does not engage in transactions with related parties in a manner that would grant such parties more favorable treatment.	The Governing Council is of the view that a separate related party committee is not required at the Association due to the following reasons :- a) All Governing Council members are independent and serve the Association in Non-executive capacity. b) All Governing Council members are required to issue a declaration of independence at the year-end audit. c) No Governing Council member should participate at a meeting at which a transaction relating to him / her or in which he / she has any interest is discussed, unless invited to seek clarification / information.	Related party disclosure is made under note number 27 of the Note to the financial statements. All the Governing Council members have issued a declaration of independence. All financial and non-financial decisions are taken by the Governing Council through the related committees.
D.5	Code of Business Conduct and Ethics	The Association should develop a Code of Business Conduct and Ethics for Governing Council members and members of the senior management team.	The Association has developed a Code of Ethics and professional standards for all its members.	Compliance of the codes are monitored by the committees.
D.6	Governance Disclosure	The Association should disclose the extent of adoption of best practice in governance.	The Governing Council members should include in the Association's Annual Report a Governance Report, setting out the manner in which Association has complied with the principles and provisions of this code.	This requirement is met by including the Governance Report to this Annual Report.

Governance

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
E & F	Members & Other investors	Members are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.	Annual General Meeting is used to have an effective dialogue with the members on matters which are relevant and are of concern.	The Association maintains a good relationship with the Members and potential investors. Members' concerns are addressed as and when raised.
G	Internet of Things & Cybersecurity	The Governing Council should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance.	The Governing Council ensures the effectiveness of the cybersecurity risk management through IT Development committee. Risk relating to IT matters including that arising from cybersecurity are discussed at the IT Development committee and outcome is tabled at the Governing Council meeting.	IT Development committee meets regularly for periodic review and assurance.
H	Environment, Society and Governance	Association should establish a governance structure to support its ability to create value and manage risks in the short, medium and long term.	The Association believes that among others, environment, Society and governance aspects are important part of the Association's values and the Governing Council is aware of its responsibility to ensure that such aspects are linked closely with the Association strategy.	The Capital report of this Annual Report is a reflection of how the Association has performed and achieved long-term economic value, assumed corporate responsibility and contributed to sustainability development.

Senior Management

All members of the senior management team are well qualified and/or have the required experience to perform the functions delegated through the CEO.



Secretaries to the Governing Council

Integrated Management Systems (Pvt.) Limited, function as the Secretaries to the Association. The Secretaries are duly registered under the regulations and provide the necessary expertise and advice to the Council.

Risk Management

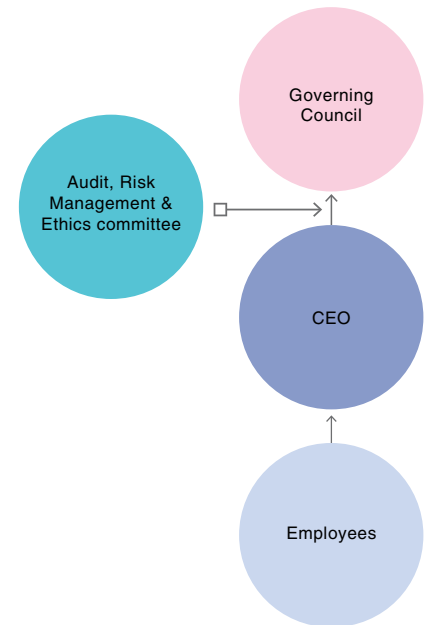


RISK MANAGEMENT IS A PIVOTAL TOOL IN SAFEGUARDING THE ABILITY OF THE ASSOCIATION TO CREATE VALUE IN THE SHORT, MEDIUM AND LONG TERM. THE PREVAILING UNCERTAINTY STEMMING FROM THE ONGOING COVID-19 PANDEMIC AS WELL AS NUMEROUS SOCIAL, ECONOMIC AND INDUSTRY RELATED RISKS, FURTHER EMPHASISES THE INTEGRAL VALUE OF A ROBUST RISK MANAGEMENT PROCESS. THE ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA LEANS ON A LONG-ESTABLISHED YET CONSISTENTLY UPDATED RISK APPROACH THAT USES RISK IDENTIFICATION, MEASURING AND MITIGATION TO MANAGE EXTERNAL AND INTERNAL RISKS IN A PROACTIVE MANNER. OUR RISK MANAGEMENT FRAMEWORK COMPRISES OF A GOVERNANCE STRUCTURES, COMPREHENSIVE POLICY FRAMEWORK AND DOCUMENTED PROCEDURES FOR RISK IDENTIFICATION AND MANAGEMENT.

During the year under review, AAT navigated the social and economic risks arising from the global pandemic in addition to prevailing industry specific risks through the rigorous application of our risk framework to forge ahead unhindered with our business continuity plan.

Risk Governance

AAT's Governing Council is the apex body which sets the tone for the overall risk management of the Association. The Audit, Risk Management and Ethics Committee plays supportive roles in assisting the Governing Council to manage risk in an effective, timely manner. The aforesaid committee is responsible for periodical reviewing and updating of the risk management framework as well as monitoring of AAT's risk performance on a consistent basis.



Risk Management Approach

AAT's risk management approach uses a carefully laid out, multi-pronged approach to identify, assess, measure, mitigate and effectively communicate risks and mitigating tactics to responsible parties in the Association.



Risk Management

AAT uses a constantly updated Risk Register, which includes risks identified at divisional levels to identify and categorise risks. Following which, the Governing Council and responsible committees prioritise risks based on impact and likelihood. Once risk mitigating tactics are implemented, the Risk Committee monitors performance of those tactics against pre-defined criteria. The Governing Council oversees the risk review process on an on-going basis.

The Governing Council engages Messrs. KPMG Sri Lanka, a firm of Chartered Accountants, to review systems and processes within the Association for its relevance, efficiency, effectiveness and timeliness periodically to obtain assurance on same. The reviews are undertaken quarterly and reports submitted to the Audit, Risk Management and Ethics Committees for necessary action and to be tabled at the Governing Council meetings.

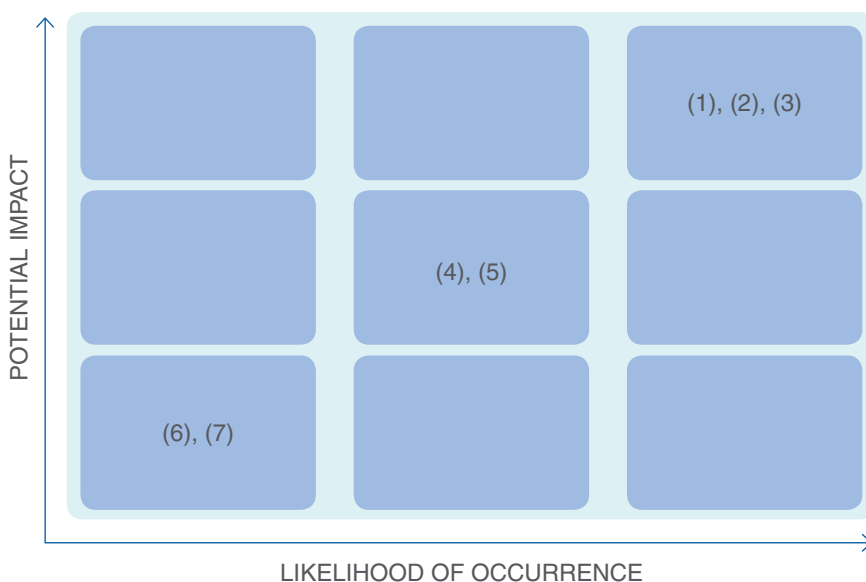
Risk mitigating measures

In-line with our ongoing risk mitigation measures, and in the face of the highly contagious COVID-19 virus, we identified the importance of ensuring the health and safety of employees to minimise work-related injuries. As such, we implemented a set of health risk mitigating measures within the operational risk category.

Moreover, AAT has obtained comprehensive insurance policies to cover risks on fixed assets, investment properties, money and employees. We monitor the policies in a timely manner, and they are currently in active status. AAT continuously monitor interest rate movements to alleviate the possibility of lower returns on investments due to interest rate downward trend.

Principle Risks and Uncertainties

The following risk matrix demonstrates the Association's key risk exposures, prioritised based on the potential impact and likelihood on its strategic goals.



Following Risk Register depicts the most significant cross-cutting risks that the Association currently faces.

Risk factors and Impact	Mitigating actions	Grading
01. COVID-19 pandemic The second and third waves of the outbreak in Sri Lanka have negatively impacted the country's economy as well as social wellbeing.	<ul style="list-style-type: none"> ■ Adhering to the COVID-19 safety guidelines as stipulated by the Government health authorities as well as the WHO. ■ Facilitate virtual stakeholder engagement events. ■ Continuous upgrade of e-platforms. ■ Maintain and facilitating work-from home for employees. 	High
02. Increasing competition from other institutes. Ever-growing competition from numerous overseas academic institutes, distant learning programmes as well as other professional institutions.	<ul style="list-style-type: none"> ■ Powerful brand building strategies ■ Conducting market research to comprehend market realities and student expectations. ■ Robust engagement with government and private schools to attract students ■ Continuous upgrading of the syllabus in line with current and future market requirements. ■ Maintaining a high level of engagement with AECs to ensure optimum delivery of AAT's syllabus. 	High

Risk factors and Impact	Mitigating actions	Grading
03. Information Technology Infrastructure Outdated software framework and platform versions may negatively impact the uninterrupted operation of activities of the Association.	<ul style="list-style-type: none"> ■ Ongoing investments in strengthening the Association's IT infrastructure ■ Investing in systems and processes to counter cybersecurity risks. ■ Strengthening the IT Development committee 	High
04. The demand from employers for multi skilled employees. In addition to theoretical and technical skills, employers look for individuals who possess sound soft skills, including communication, IT and leadership. Absence or insufficient mastery of such skills can result in the relatively low employability of our students and members.	<ul style="list-style-type: none"> ■ Engagement with employers to understand emerging requirements with regard to required and preferred employee skills. ■ Frequent upgrading of the syllabus in response to current and future requirements. ■ Ongoing brand building initiatives. ■ Facilitating frequent training programmes aimed at Passed Finalists and professional development programmes for members. 	Moderate
05. Talent Risk Inadequate succession planning for critical roles may result in disruption to the service delivery and impact in achieving short to medium term objectives of the Association.	<ul style="list-style-type: none"> ■ Ongoing efforts to strengthen our employee value proposition by facilitating Training and Development. ■ Investment in training and development ■ Providing opportunities for career progression ■ Maintaining a high level of employee engagement. 	Moderate
06. Government policy on education Changes in government policy regarding state and private education could result in shifting dynamics within the higher education industry.	<ul style="list-style-type: none"> ■ Maintaining a close rapport with government institutions related to education. ■ Active participation on tertiary education forums to give voice to AAT's concerns. 	Low
07. Reputation and Brand Image Reputational risk arising from uninformed use of social media marketing.	<ul style="list-style-type: none"> ■ Facilitating market awareness building, conducting brand audits and enhancing brand positioning ■ Reinforce focus on strong corporate values and implementation of the code of conduct and ethics. 	Low

The Audit, Risk Management and Ethics Committee Report

The Audit, Risk Management and Ethics Committee conducts its proceedings in accordance with the Terms of Reference approved by the Governing Council and deliberates to assist the Governing Council of the Association in fulfilling its oversight responsibilities for financial reporting process, internal control, the audit process and the monitoring process for compliance with laws and regulations.

The scope of the Committee is reviewed and updated regularly incorporating the provisions of regulatory requirements, Standards and Acts.

Mandate and Responsibilities

The Committee assists the Governing Council in discharging of its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Association and its compliance with legal and regulatory requirements. In addition, the Committee is entrusted with the independent appraisal of all financial and non-financial interests of the Association.

Composition of Audit, Risk Management and Ethics Committee

The Committee comprises of four non-executive Governing Council Members, who are independent. The Committee is chaired by Ms. Naayila Marikkar, who is a fellow member of the Institute of Chartered Accountants of Sri Lanka and former Governor of the Institute of Internal Auditors of Sri Lanka. The committee consists of high caliber professionals holding very senior positions in the field bringing wide range of experience to the committee. The Secretary of the Governing Council functions as the Secretary to the Audit, Risk Management and Ethics Committee as well.

The table below shows the list of members of the Committee and their attendance during the period under review.

Committee Members	Meetings attended / Meetings held
Ms. F. S. Naayila Marikkar – Chairperson	2 / 2
Ms. Iresha Bandara – Alt. Chairperson	0 / 2
Mr. Naleen Silva	2 / 2
Mr. Wasantha Kumara	0 / 2

Summary of Activities for the year 2020/21

- Reviewing the operations and effectiveness of the Associations' internal control systems to ensure that an effective financial reporting system is in place to comply with Sri Lanka financial reporting standards.

- Ensure that the presentation of Financial Statements satisfies all applicable accounting standards relevant to the Association as well as the relevant legal requirements.
- Recommend appointment or reappointment of the external auditors in compliance with relevant statutes.
- Reviewing and monitoring the external Auditor's independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards and best practices.
- Monitoring the effectiveness of the Association's internal audit function.
- Reviewing the scope of the internal audit.
- Ensuring that the Association's internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards.
- Evaluate risk profile of the Association and the risk mitigation strategies.

Meetings

The Committee met two times during the year under review. The proceedings of the committee are reported to the Governing Council through the minutes of meetings.

The CEO, CFO and Partner of Messrs. KPMG Sri Lanka (Chartered Accountants) in charge of reviewing and signing of the Internal Audit Report attended these meetings by invitation.

On the invitation of the Committee, the engagement partner of the Association's external auditor met the committee without the presence of the executive management of the Association to ensure that there was no limitation of scope in relation to the audit and any other related incidents which could have a negative impact on the effectiveness of the audit and concluded that there was no cause for concern.

Financial Reporting

The Committee reviewed the Financial Statements through Finance and Administration Committee before presenting it to the Governing Council. The committee reviewed and discussed the Financial Statements with the management and also obtained confirmation that they were prepared in line with the Sri Lanka Financial Reporting Standards for SMEs and also in compliance with the requirements of the Companies Act No. 7 of 2007.

Risks and Internal Controls

The internal controls within the Association are designed to provide reasonable but not absolute assurance to the members of the Governing Council and assist them to monitor the financial position of the Association. During the year under review, the Committee reviewed the effectiveness of the Association's internal control systems and assessed the effectiveness of the internal controls over financial reporting as of 31st March 2021. Based on its assessment of the internal control system, the Committee concluded and confirmed to the Governing Council that the Association's internal controls over financial reporting have been effective throughout the period.

External Audit

The Committee reviewed and monitored the independence of the external auditor and the objectivity and the effectiveness of the audit process. The Association's external audit functions were carried out by Messrs. Ernst & Young (Chartered Accountants).

Internal Audit


During the year under review, one internal audit report was released and the Committee reviewed the findings. This review also included the internal auditor's evaluation of the internal control systems. The committee also reviewed the adequacy of the internal audit coverage through the internal audit plan. Internal audits were carried out by Messrs. KPMG (Chartered Accountants). Currently the audits are on hold due to the social distancing restrictions.

Conclusion

Based on the reports submitted by the External Auditor and the Internal Auditor, the Committee identified matters in respect of which it considered action or improvement was needed and made recommendations on the steps to be undertaken and reported to the Governing Council.

The Committee is satisfied on the internal controls of AAT which provide a reasonable assurance on the affairs of the Association, which are managed in accordance with policies of the Association and that the Association's assets are properly accounted for and adequately safeguarded.

On behalf of the Audit, Risk Management and Ethics Committee,



Naayila Marikkar
Chairperson

04 June 2021

Human Resources Development Sub-committee Report

Human Resources Development Sub-committee is one of the Sub-committees which was initially formed under Finance and Administration committee in order to ensure the smooth functioning of the Management and Development of Human Resource function at the Association.

Committee is in force with three council members and given below is the composition and attendance of committee members

Committee Members	Meetings attended / Meetings Held
Mr. S. Ilayperuma - Chairman	8/8
Mr. Sunil Wanigabadu - Alternate Chairman	8/8
Mr. Jagath Perera - Member	8/8

During the year under review, eight meetings have been conducted to review and implement the best HR Practices in-line with industry standards in order to ensure the wellbeing of both staff members and the goals of the Association as a committed and loyal team is the biggest asset for any organisation which can contribute in value creation and preservation.

Committee has overall responsibility for effective functioning of human resource management functions such as recruitment of right talents at the right time, recommend and develop better compensation and benefit schemes align with the market rates, develop and monitor training & development plans, oversee the grievance handling process, propose and lead employee engagement activities, observe the staff performance appraisal process and ensure the health and safety measures are in place.

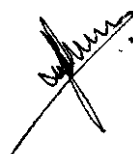
Staff members can connect with the committee via Manager HR & Administration who acts as Secretary to the committee and Chief Executive Officer to inform of any matter raised relating to their employment. In addition, employees have the full freedom to communicate directly with any member of the committee on any unethical behavior or any violation of the code of conduct of the Association.

Activities of the year

- During the year under review, employee retention rate has been maintained at 98.5% with the total staff strength standing at 67 team members
- Committee ensured retaining the full cadre as well as approved paying full salary without any deduction to all staff during the pandemic.
- Committee has reviewed and ensured all the statutory payments such as EPF, ETF on a monthly basis and Gratuity obligations of employees are provided and paid on or before the due dates.

- Committee also reviewed and made recommendation for the annual salary revision process of the Association employees based on their individual performance and the contribution made for the achievement of the goals of the Association especially during the pandemic. Further, some of the designations were redesigned to suit current market requirements.
- Committee has approved to pay incentives to staff members in appreciation of the contribution made by them for the achievement of organisational goals and for their great team work.
- On International Women's day, all female associates were appreciated for the contribution made by them towards achievements of the Association through a special programme.
- Staff insurance coverage was enhanced by adding life insurance as well as critical illnesses cover. Further, committee has given approval to extend personal accident cover to all staff which has 24 hour coverage to every employee.
- Well-structured guidelines were developed and implemented to reduce / prevent the impact of COVID-19 outbreak on our operations, team members and other stakeholders. Work from Home concept on roster basis was encouraged ensuring back up plans are in place by adopting safety guidelines published by the authorities.
- The committee reviewed the effectiveness of the training programmes which were conducted to enhance the knowledge of COVID-19 safety measures for all the staff members.

On behalf of the Human Resources Development Sub-committee,



S. Ilayperuma

Chairman - Human Resources Development Sub-committee

04 June 2021

Statement of Governing Council Members' Responsibility on Internal Controls

Members of the Governing Council are responsible for adequacy and effectiveness of the internal control mechanism in place at the Association. The Governing Council ensures that the laid down internal controls of the Association are designed to optimise the trade-off between risk and return and continue to create value sustainably into the future. The internal controls therefore have been designed to manage the Association's key areas of risk within an acceptable risk profile. In this light, the systems and internal control can only provide reasonable but not absolute assurance, against material misstatement of financial information or against financial losses or fraud.

The Governing Council has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Association and this process includes enhancing the System of Internal Controls over financial reporting as and when there are changes to the operating environment of the Association. The process is regularly reviewed by the Audit, Risk Management and Ethics Committee under the guidance of the Governing Council of the Association.

The Governing Council is of the view that the Systems of Internal Control in place are sound and adequate to provide reasonable assurance regarding the reliability of Financial Reporting, and that the preparation of Financial Statements for external purposes is in accordance with relevant financial reporting standards.

The integrity of the System of Internal Controls with respect to Financial Reporting includes the following:

- Various selected Committees are established by the Governing Council to assist the Governing Council in ensuring the effectiveness of the Association's operations.
- Those Committees ensure that the Association's operations are in accordance with the Association's objectives, strategies and the annual budget as well as the policies and directions that have been approved.
- The Audit, Risk Management and Ethics Committee of the Association monitors compliance with policies and procedures and the effectiveness of the internal control systems on an ongoing basis through internal audit
- Internal Audits are carried out on the operations of the Association on a quarterly basis. Internal Audit reports with management comments are reviewed by the Audit, Risk Management and Ethics Committee and are presented to the Governing Council. However, due to the pandemic situation and travel restrictions, internal audit was not activated during the year under review.
- The Annual Internal Audit Plan is reviewed and approved by the Audit, Risk Management and Ethics Committee. Findings of the internal audits are submitted to the Audit, Risk Management and Ethics Committee for review at their periodic meetings.

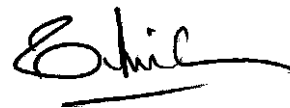
- The Audit, Risk Management and Ethics Committee of the Association reviews internal control issues identified by the Internal Auditors, External Auditors and the management and ensures that appropriate steps have been taken to rectify them.
- The minutes of the Audit, Risk Management and Ethics Committee meetings are recorded by the Association's Secretary and are tabled at meetings of the Governing Council of the Association on a periodic basis.

Confirmation


Based on the above processes, the Governing Council confirms that the Financial Reporting System of the Association has been designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes and has been done in accordance with Sri Lanka Financial Reporting Standards for SMEs.

By Order of the Governing Council

Association of Accounting Technicians of Sri Lanka



W. P. Russel P. H. Fonseka
President



S. Ilayperuma
Chairman
Finance & Administration Committee



Naayila Marikkar
Chairperson
Audit, Risk Management and Ethics Committee

04 June 2021

Annual Report of the Governing Council Members' on the Affairs of the Association

The members of the Governing Council of the Association of Accounting Technicians of Sri Lanka have pleasure in presenting the Annual Report of the Association for the year ended 31st March 2021, that includes and covers the Audited Financial Statements, President's Message, Statement of Responsibility, Auditors' Report, Governance Report, Capital Reports and all other relevant information for the year ended 31 March 2021 which provides the pertinent information required by the Companies Act No. 7 of 2007.

Principal Activities

The principal activity of the Association is promoting professional education in accounting. The process involves registration of students for the award of a qualification by conducting examinations, enrolment to membership and facilitating continuous professional development of members. There were no significant changes in the activities of the Association during the year under review.

The members of the Governing Council, to the best of their knowledge and belief, confirm that the Association has not engaged in any activities that contravene laws and regulations of the country.

Vision, Mission and Values

The Association's vision, mission and values are available on page 6. A culture of professionalism, ready to change, customer oriented, passion for winning, respect for all and work together has been developed within the Association. By being aligned with these values, the Governing Council members and employees conduct their activities to achieve the vision, "to be the most recognised qualification for middle level accounting professionals".

Review of Operations and Future Developments

An overall assessment of the Association's financial position and performance during the year 2020/21, with comments on financial results and special events that took place is contained in the President's Message, the CEO's Review and the Management Discussion & Analysis of this Annual Report. These reports form an integral part of the Annual Report of the Governing Council members on the affairs of the Association.

The Association set-up a new branch in Ampara to conduct operational activities in the eastern province.

Financial Statements and Auditors' Report

Financial Statements of the Association for the year ended 31st March 2021 have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs), issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with requirements of the Companies Act No. 07 of 2007. The Financial Statement for the year ended 31st March 2021 signed by the President and Vice President on behalf of the Governing Council and the Auditor's Report on the Financial Statements are provided on pages 110 to 111.

Synopsis of the Statement of Financial Position of the Association

The Association is registered under the Companies Act as a Company limited by Guarantee. The surplus of income over its expenditure is credited to the Association's Accumulated Fund and is not distributable amongst its members. The members do not subscribe to the capital of the Association.

The Association's Income, Surplus after Tax, Accumulated Fund and Total Assets position are given below.

	Rs. (Mn)	
	2020/21	2019/20
Income	283	290
Surplus After Tax	88	74
Accumulated Fund	805	722
Total Assets	981	897

Accounting Policies

The significant Accounting Policies adopted by the Association in preparation of the Financial Statement are mentioned in the Notes to the Financial Statements. There have been no changes in the accounting policies adopted by the Association during the year under review.

Independent Auditors' Appointment and Remuneration

The Association's independent external auditors are Messrs. Ernst & Young, Chartered Accountants who were re-appointed by a resolution passed at the last Annual General Meeting. Audit, Risk Management and Ethics Committee reviews the appointment of the Auditors, their effectiveness, independence and relationship with the Association, including the level of audit. Messrs. Ernst & Young, Chartered Accountants have indicated their willingness to continue as Auditors of the Association, and a resolution proposing their re-appointment as auditors and to authorise the Governing Council to determine their remuneration will be tabled at the Annual General Meeting.

Details of the audit fees paid to the external auditors are set out in Note 8 of the Financial Statements.

The Governing Council

The Governing Council of the Association as at 31 March 2021 consisted of sixteen nominated and elected members and their brief profiles are given in the Leadership section of this Annual Report.

Retirement and Re-Election of Governing Council Members

In accordance with Article 49 of the Association of AAT, appointed Governing Council for the year 2020 is continued to serve during the year under review and there were no new appointments or resignations took place.

Remuneration to Governing Council Members

The Governing Council members serve on an honorary capacity and derived no profits, financial benefits or otherwise. No remuneration payments were made during the year under review.

Related Party Transactions

The Governing Council Members in contracts or proposed contracts with the Association, both direct and indirect relationships are disclosed under Note 29 of the Financial Statements. These transactions are arms-length transactions and have been disclosed and approved by the Governing Council at Governing Council meetings with uninterested quorums.

Governance

The Association strives to follow best practices in the Code of Best Practices on Corporate Governance 2017 issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and Securities and Exchange Commission of Sri Lanka (SEC). The members of the Governing Council have declared all material interest in contracts involving the Association and have refrained from voting on matters in which they were materially interested. The Association has made all endeavors to ensure equitable treatment to all stakeholders. A review of internal control and risk management has been conducted and a reasonable assurance of their effectiveness and successful adherence herewith has been obtained.

The Governing Council is committed to act responsibly towards its stakeholders and to manage economic, environmental and social impacts during value creation activities, efficiently and effectively.

Equitable Treatment of Members

The Association has made all endeavors to ensure that all members are treated equitably.

Donations

With the approval of the Governing Council, the Association extended its helping hand to the COVID-19 healthcare and social security fund by donating Rs.1,000,000 during the year under review.

Statutory Payments

The members of the Governing Council to the best of their knowledge are satisfied that all statutory payments due to government, local authorities, other regulatory institutions and the employees have been either duly paid or appropriately provided for in the Financial Statements. The CEO submits a monthly compliance report to the Governing Council for their review.

Income Tax

The Association is liable to income tax on its gains and profits from business at the rate of 14% and on its investment income at the rate of 24%.

Going Concern

In determining the basis of preparing the Financial Statements for the year ended 31 March 2021, based on available information, the Governing Council assessed the existing and anticipated effects of COVID-19 and the appropriateness of the use of the going concern basis.

The members of the Governing Council, after considering the financial position, operating conditions, regulatory and other factors are satisfied that the Association has adequate resources to continue its operations in the foreseeable future. Accordingly the Financial Statements of the Association have been prepared based on the going concern concept.

Internal Control System and Risk Management

The processes have been implemented to identify, evaluate and manage the risks that are faced by the Association. The Governing Council members continually review the internal control system and risk management framework through the Audit, Risk Management and Ethics Committee to ensure soundness in the Financial Reporting process.

The members of the Governing Council are satisfied with regard to the effectiveness of the internal control system of the Association during the year under review and up to the date of approval of the Annual Report and the Financial Statements.

Sustainability

The Association is conscious of the need to preserve the environment and its natural resources and has taken specific steps, particularly in ensuring the conservation of its natural resources and environment as well as addressing material issues. The Association has not engaged in any activities that have caused detriment to the environment.

Annual Report of the Governing Council Members' on the Affairs of the Association

Contingent Liabilities & Capital Commitments

No contingent liabilities and capital commitments were made as at 31st March 2021.

Events after the Reporting Period

The Association is committed to adhere and monitor the health and safety guidelines to prevent wide spread of COVID-19 ensuring a safe environment for employees, students, Members and other stakeholders.

Comprehensive action plans were made to mitigate the future risk associated with health crisis related economic implications and necessary steps have been taken to monitor the situation closely to mitigate the potential impact on the Association's operations and financial performance.

No material or significant events that require adjustments to the Financial Statements have occurred subsequent to the reporting date.

Annual Report

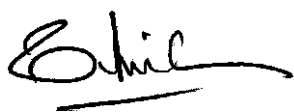
The members of the Governing Council approved the Financial Statements on 04 June 2021.

Notice of Meeting

The Annual General Meeting will be held online on 21st September 2021 from 5:00 pm onwards.

The Notice of the Annual General Meeting appears on page 150.

For and on behalf of the Governing Council



W. P. Russel P. H. Fonseka

President

Association of the Accounting Technicians of Sri Lanka

04 June 2021

FINANCIAL STATEMENTS

110	Independent Auditors' Report
112	Statement of Comprehensive Income
113	Statement of Financial Position
114	Statement of Changes in Funds
115	Statement of Cash Flows
116	Notes to the Financial Statements



Independent Auditors' Report



Ernst & Young
Chartered Accountants
201 De Saram Place
P.O. Box 101
Colombo 10
Sri Lanka

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eyst@lk.ey.com
ey.com

TO THE MEMBERS OF THE ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

Report on Audit of the Financial Statements

Opinion

We have audited the Financial Statements of The Association of Accounting Technicians of Sri Lanka ("the Association") which comprise the Statement of Financial Position as at 31 March 2021, and the statement of comprehensive income, statement of changes in fund 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, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (hereafter "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 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 the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Governing Council and those charged with governance for the financial statements

Council is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (hereafter "SLFRS for SMEs"), and for such internal control as council 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, council is responsible for assessing the Association'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 council either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 misstatement, 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.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty

Partners: W R H Fernando FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, Ms. Y A De Silva FCA, W R H De Silva ACA ACMA, W B S P Fernando FCA FCMA,
M. R R M Fernando FCA FCMA, Ms. L E H L Fonseka FCA, A P A Gunasekera FCA FCMA, A Herath FCA, D R Hulangamuwa FCA FCMA LLB (Lond), H M A Jayasinghe FCA FCMA,
Ms. A A Ludewig FCA FCMA, Ms. G O S Manatunga FCA, Ms. P V N N Sayerani FCA, N M Suman ACA ACMA, B E Wijesuriya FCA FCMA.
Principals: G B Goubilan ACMA, A A J R Perera ACA ACMA, T P M Ruberu FCA FCMA.
A member firm of Ernst & Young Global Limited

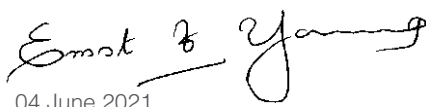
exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



04 June 2021

Colombo

Statement of Comprehensive Income

For the year ended 31 March	Note	2021	2020
		Rs.	Rs.
Income	3	282,965,115	289,545,122
Cost of Services	4	(137,763,548)	(155,116,743)
Gross Surplus		145,201,567	134,428,379
Other Operating Income		1,775,000	1,700,000
Administration and Establishment Expenses		(85,290,409)	(90,032,186)
Student Promotion and Awareness Expenses		(24,619,968)	(30,213,587)
Surplus from Operation		37,066,190	15,882,606
Finance Income	7	51,797,932	58,216,873
Net Income from Investment Property	6	14,683,497	14,300,430
Other Income	5	4,994,833	4,827,121
Best Annual Report Competition Expenses		(100,172)	(5,332,884)
Surplus for the Year before Tax		108,442,280	87,894,146
NBT Expense		-	(2,875,975)
Income Tax Expense	9	(20,373,307)	(11,273,157)
Surplus for the Year		88,068,973	73,745,014
Other Comprehensive Income			
Losses arising from Changes in Assumptions in			
Retirement Benefit Obligations (Net of Taxes)	19.2	(5,061,030)	(168,377)
Total Comprehensive Income for the Year		83,007,943	73,576,637

The Accounting policies and Notes on pages 116 through 136 form an integral part of the Financial Statements.

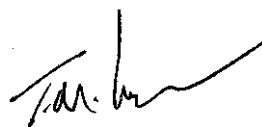
Statement of Financial Position

As at 31 March		2021	2020
	Note	Rs.	Rs.
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	10	135,241,056	140,169,357
Investment Property	11	138,873,364	141,602,258
Intangible Assets	12	6,393,832	7,915,570
Total Non-Current Assets		280,508,252	289,687,185
CURRENT ASSETS			
Inventories	13	9,366,040	5,216,962
Trade and Other Receivables	14	5,192,987	7,006,909
Short Term Investments	15	651,297,682	564,514,595
Deposits, Prepayments and Advances	16	12,903,667	7,014,803
Cash and Cash Equivalents	17.1	21,384,748	23,281,879
Total Current Assets		700,145,124	607,035,148
Total Assets		980,653,376	896,722,333
FUNDS AND LIABILITIES			
Accumulated Fund		804,716,356	721,708,413
Other Funds	18	31,795,167	33,072,007
Total Funds		836,511,523	754,780,420
NON-CURRENT LIABILITIES			
Retirement Benefit Obligation	19	27,547,517	18,882,600
Rent Received in Advance	20	17,067,748	21,020,818
Deferred Tax Liabilities	21	3,625,243	4,334,265
Total Non-Current Liabilities		48,240,508	44,237,683
CURRENT LIABILITIES			
Trade and Other Payables	22	45,012,875	39,532,708
Advances and Deposits Received	23	36,709,126	51,483,277
Income Tax Payable	24	10,100,361	4,481,779
Bank Overdraft	25	4,078,983	2,206,466
Total Current Liabilities		95,901,345	97,704,230
Total Funds and Liabilities		980,653,376	896,722,333

It is hereby certified that the financial statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

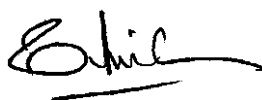


N. M. K. Ranasinghe
Chief Financial Officer



Tishanga Kumarasinghe
Chief Executive Officer

The Governing Council is responsible for these Financial Statements. Signed for and on behalf of the Governing Council by:



W. P. Russel P. H. Fonseka
President



Sunil Wanigabadu
Vice President

The Accounting policies and Notes on pages 116 through 136 form an integral part of the Financial Statements.

Statement of Changes in Funds

For the year ended 31 March	Accumulated Fund	Other Funds	Total
	Rs.	Rs.	Rs.
Balance as at 01 April 2019	648,131,776	34,819,996	682,951,772
Surplus for the Year after Tax	73,745,014	-	73,745,014
Other Comprehensive Income (Net of Taxes)	(168,377)	-	(168,377)
Net Movement in Other Funds	-	(1,747,989)	(1,747,989)
Balance as at 31 March 2020	721,708,413	33,072,007	754,780,420
Surplus for the Year after Tax	88,068,973	-	88,068,973
Other Comprehensive Income (Net of Taxes)	(5,061,030)	-	(5,061,030)
Net Movement in Other Funds	-	(1,276,840)	(1,276,840)
Balance as at 31 March 2021	804,716,356	31,795,167	836,511,523

"Other funds" represent the funds which are created for non operational activities. (Refer Note - 18).

The Accounting policies and Notes on pages 116 through 136 form an integral part of the Financial Statements.

Statement of Cash Flows

For the year ended 31 March	Note	2021	2020
		Rs.	Rs.
Cash Flows from / (used in) Operating Activities			
Net Surplus before Tax		108,442,280	87,894,146
Adjustments for			
Depreciation - Property and Equipment	10	9,906,251	11,132,299
Depreciation - Investment Property	11	2,728,894	2,728,894
Amortisation - Intangible Assets	12	2,881,177	2,553,756
Gain on Disposal of Property and Equipment	5	(85,400)	(268,435)
Provision for Gratuity	19	4,238,998	3,472,181
Interest Income	7	(51,797,932)	(58,216,873)
Income from Investment Property-before charging depreciation	6	(17,412,391)	(17,029,324)
Operating Surplus before Changes in Working Capital		58,901,877	32,266,644
Changes in Working Capital			
(Increase) / Decrease in Inventories		(4,149,078)	7,153,640
(Increase) / Decrease in Trade and Other Receivables, Prepayments and Deposits		(4,074,942)	2,082,501
Increase in Trade and Other Payables		5,480,168	6,527,595
Increase / (Decrease) in Advances and Deposits Received		(18,727,221)	22,699,593
Cash Generated from Operations		37,430,804	70,729,973
Tax Paid		(14,639,859)	(8,827,730)
Gratuity Paid		(1,459,000)	(129,780)
Net Cash from Operating Activities		(21,331,945)	61,772,463
Cash Flows from/ (used in) Investing Activities			
Acquisition of Property and Equipment	10	(4,977,991)	(7,342,056)
Acquisition of Intangible Assets	12	(859,369)	(4,832,625)
Movement in Capital Working Progress - Intangible Asset	12	(500,070)	1,506,520
Movement in Capital Working Progress - Property & Equipment	10	-	281,445
Interest Income	7	51,797,932	58,216,873
Income from Investment Property	6	17,412,391	17,029,324
Net Movement in Short-term Investments		(86,783,087)	(118,321,601)
Sales Proceeds on Disposal of Property and Equipment		85,441	1,741
Net Cash used in Investing Activities		(23,824,753)	(53,460,379)
Cash Flows from / (used in) Financing Activities			
Net Movement in Other Funds		(1,276,840)	(1,747,989)
Net Cash used in Financing Activities		(1,276,840)	(1,747,989)
Net Increase/(Decrease) in Cash and Cash Equivalents		(3,769,648)	6,564,095
Cash and Cash Equivalents at the Beginning of the Period (Note A)		21,075,413	14,511,318
Cash and Cash Equivalents at the End of the Period (Note B)		17,305,765	21,075,413
Note A			
Cash and Cash Equivalents at the Beginning of the Period			
Cash and Bank Balances		23,281,879	19,523,026
Bank Overdraft		(2,206,466)	(5,011,708)
		21,075,413	14,511,318
Note B			
Cash and Cash Equivalents at the End of the Period			
Cash and Bank Balances	17	21,384,748	23,281,879
Bank Overdraft	25	(4,078,983)	(2,206,466)
		17,305,765	21,075,413

The Accounting policies and Notes on pages 116 through 136 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Reporting Entity

The Association of Accounting Technicians of Sri Lanka (the "Association") ("AAT") is a Company Limited by Guarantee, domiciled in Sri Lanka, registered under the Companies Act No.17 of 1982 and re-registered under the Companies Act No.7 of 2007. The registered office and the principal place of business of the Association is located at No.540, Ven. Muruththettuwa Ananda Nahimi Mawatha, Narahenpita, Colombo 05, Sri Lanka.

1.2 Principal Activities and Nature of Operations

The principal activities of the Association are as follows.

- Enrollment of students.
- Regulating student education, training and securing advancement of the accounting profession.
- Conducting examinations and award membership for those who have completed all examinations with training requirements.
- Support members for continuous professional development.

1.3 Date of Authorisation for Issue

The financial statements of the Association of Accounting Technicians of Sri Lanka for the year ended 31 March 2021 were authorised for issue by the Council on 04 June 2021.

2. ACCOUNTING POLICIES AND BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows, together with the accounting policies and notes ("financial statements") of the Association have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium-sized Entities (hereafter "SLFRS for SMEs") is issued by The Institute of Chartered Accountants of Sri Lanka and are in compliance with Companies Act No.7 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No.15 of 1995.

2.1.1 Basis of Measurement

The financial statements have been prepared based on the historical cost, except for the following matters:

- Employee benefit is measured using the projected unit credit method.
- Interest income is recognised as it accrues in the Statement of Comprehensive Income.
- Staff loans granted for more than one year initially recognised at present value and subsequently

measured at amortised cost using the effective interest method.

2.1.2 Comparative Information

The accounting policies have been consistently applied by the Association and are consistent with those used in the previous year. The previous year's figures and phrases have been rearranged wherever necessary, to conform to the current presentation as indicated.

2.1.3 Going Concern

In determining the basis of preparing the financial statements for the year ended 31 March 2021, based on available information, the Governing Council has assessed the existing and anticipated effects of COVID-19 and the appropriateness of the use of the going concern basis.

The Governing Council satisfied that the Association have adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements.

2.1.4 Functional Currency and Presentation Currency

The financial statements are presented in Sri Lankan Rupees (Rs.), which is the Association's functional currency. All the financial information presented in Rupees has been rounded to the nearest Rupee.

2.1.5 Materiality, Aggregation and Offsetting

Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are treated immaterial as permitted by the Sri Lanka Accounting Standard for Small and Medium-sized Entities.

Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. Notes to the Financial Statements are presented in a systematic manner that ensures the understandability and comparability of Financial Statements.

Offsetting

Assets and liabilities or income and expenses are not set off unless required or permitted by a Sri Lanka Accounting Standard for Small and Medium-sized Entities.

2.1.6 Use of Estimates and Judgments

The preparation of the financial statements of the Association in conformity with the Sri Lanka Accounting Standards (SLFRS for SMEs) requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised prospectively.

- **Assessment of impairment**
The Association assesses at the end of each financial year whether there is objective evidence that an asset or portfolio of assets is impaired. The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using appropriate discount rates that reflects the current market assessments of the time value of money and risks specific to the asset.
- **Useful lives of Property & Equipment**
The Association reviews the residual values, useful lives and methods of depreciation of assets at each reporting date. Management estimates these values, rates, methods and hence they are subject to uncertainty.
- **Useful lives of intangible assets**
The Association reviews the residual values, useful lives and methods of amortisation of assets as at each reporting date. Judgement by the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

2.1.7 Current versus non-current classification

The Association presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Association classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Summary of Significant Accounting Policies

The accounting policies set out below, have been applied consistently for all periods presented in the financial statements of the Association.

2.2.1 Property and Equipment

Property and equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the entity and cost of the asset can be reliably measured.

Property and equipment are stated at cost, excluding the cost of day-to-day servicing, less accumulated depreciation and any impairment losses. Such costs include the cost of replacing parts of the equipment when that cost is incurred, if the recognition criteria are met.

Depreciation is calculated on straight-line basis over the useful life of the assets.

The estimated useful lives of the assets are as follows:

Assets	Years
Building	
Building –Head office	50
Office Equipment & Name Board	
Office Equipment	05
Machinery	04
Name Boards	05
Furniture & Fittings	
Furniture & Fittings	08
Partition Work	04
Computers & Communication Equipment	
Computers	04
Public Address Systems	04
Multi Media	04
Telephone Installations	04
Library Books	05

Notes to the Financial Statements

Assets	Years
Motor Vehicle	04
Generator	04
Elevator	04

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.2.2 De-recognition

An item of property & equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the assets are determined by comparing the proceeds from disposal with the carrying amount of the property & equipment and recognised within "Other Income" in the Statement of Comprehensive Income.

2.2.3 Capital Work-In-Progress

Capital work-in-progress is stated at cost, less any accumulated impairment losses. These are expenses of a capital nature directly incurred in the building renovation work awaiting capitalisation. Capital work-in-progress would be transferred to the relevant asset category in Property and equipment, when it is available for use i.e. when it is in the location and in condition necessary for it to be capable of operating in the manner intended by the association.

2.2.4 Restoration Costs

Expenditure incurred on repairs or maintenance of property and equipment in order to restore or maintain future economic benefits expected from originally assessed standard of performance is recognised as an expense when incurred.

2.2.5 Investment Property

Investment property consists of freehold land & buildings which are needed for long-term rental yields. These are not occupied substantially in administration. The value of buildings in investment property is stated at cost less accumulated depreciation and any impairment losses. Freehold land is stated at cost.

Depreciation is charged on building over its estimated life of 35 years using the straight-line method.

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

2.2.6 Long Term Investments

Investments with maturity more than one year from the date of acquisition are considered as long term financial investments.

Investments in fixed deposits are measured at amortised cost using the effective interest rate method less impairment.

2.2.7 Intangible Assets

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the SLFRS for SMEs.

Intangible Assets are purchased computer software that is stated at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Comprehensive Income as incurred.

Amortisation is charged on computer software over its estimated life of four years using the straight-line method. If there is an indication that there has been a significant change in the amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

2.2.8 Curriculum Development

Costs that are directly attributable to the development of curriculum and study materials of the AAT qualifications are recognised as pre-payment. When it is technically feasible to implement the new curriculum, the investment attributable to the project during its development period can be reliably measured. These costs are amortised over the 4 year period.

2.2.9 Impairment of Assets

At each reporting date, property and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverability of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less cost to complete

and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in the prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.2.10 Inventories

Inventories are valued at the lower of cost or net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

All inventory items are measured at weighted average directly attributable cost.

2.2.11 Trade and Other Receivables

Receivables are stated at the amounts that they are estimated to realise net of allowances for impairment.

Other receivables are also recognised at cost less allowances for impairment.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

2.2.12 Financial Instruments

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument.

2.2.12.1 Financial assets

Financial assets classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them.

At initial recognition, financial assets are measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction

costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Association's financial assets include cash and short-term deposits, trade and other receivables, loans, prepayment and other deposits.

Subsequent measurements of financial assets are as follows;

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.
Financial assets at FVPL	These assets are subsequently measured at fair value. Any gain or losses are recognised in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or settled and the Association has transferred substantially all risk and rewards of ownership of the financial assets to another party.

At the end of each reporting period, the Association assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost. If there is objective evidence of impairment, the impairment loss is immediately recognised in profit or loss.

Notes to the Financial Statements

2.2.12.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. The Association's financial liabilities mainly consist of trade and other payables and bank overdraft.

Subsequent measurements of financial Liabilities are as follows;

Financial Liabilities at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest expense and other gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.
Financial Liabilities at FVPL	These assets are subsequently measured at fair value. Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Association derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

2.2.12.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.2.13 Short Term investments

Investments with maturities more than three months and less than one year from the date of acquisition are considered as short term financial investments and are initially recognised at fair value. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.2.14 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand and at bank balances.

Bank Overdraft are included as a component of cash and cash equivalent for the purpose of the Statement of Cash Flow.

Cash and cash equivalents are short term, highly liquid held to meet short term cash commitments rather than investment or other purposes.

Cash Flow Statement has been prepared using the indirect method in accordance with Sri Lanka

Accounting Standard for Small and Medium-sized Entities.

2.2.15 Accumulated Fund and Other Funds

Accumulated fund includes the surpluses and deficits from profits and losses generated during the period for the use in the furtherance of the general objectives of the Association at the discretion of the Governing Council.

Other funds which have been set aside out of the accumulated fund by the Governing Council of the Association are restricted for specific purposes that can either be the updating of existing, or the development of products and services provided by the Association.

2.2.16 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation, as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimates can be made of the amount of the obligation. When the Association expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

All known provisions have been accounted for in preparing these Financial Statements.

2.2.17 Trade and Other Payables

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables are classified as current liabilities if payment is due within one year or less.

2.2.18 Retirement Benefit Obligation

2.2.18.1 Defined Benefit Plan - Gratuity

Gratuity is a defined benefit plan. In order to meet this liability, a provision is carried forward in the Statement of Financial Position. The provision is calculated based on a projected unit credit method considering the future salary increment rates, discount rates and the expected staff turnover rate (these assumptions are shown in the Note 19 to the Financial Statements). The resulting difference between the brought forward

provision at the beginning of the year and the carried forward provision at the end of the year is dealt within the Statement of Comprehensive Income. However, as per the payment of the Gratuity Act No.12 of 1983, gratuity liability is not externally funded. This liability is grouped under non-current liabilities in the Statement of Financial Position.

2.2.18.2 Defined Contribution Plans – Employees' Trust Fund and Employees' Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Employee Provident and Employee Trust Funds are recognised as an expense in profit or loss as incurred.

Employees are eligible for the Employees' Provident Fund and Employees' Trust Fund in accordance with respective statutes and regulations. The Association contributes 12% and 3% of the gross emoluments of employees to the Employees' Provident Fund and Employees' Trust Fund respectively.

2.2.19 Taxation

2.2.19.1 Income Tax

Income tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the date of the Statement of Financial Position.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act, No.24 of 2017 and subsequent amendments there to.

2.2.19.2 Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (Temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax assets and liabilities are not discounted.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit or tax loss of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.2.20 Capital Commitments and Contingent Liabilities

All material capital commitments and contingent liabilities are considered and necessary adjustments or disclosures are made in these financial statements.

2.3 Statement of Comprehensive Income

2.3.1 Income Recognition

Income from rendering services is measured at the fair value of the consideration received or receivable and to the extent that it is probable that the economic benefits will flow to the Association and that it can be measured reliably.

a) Student Registration, Renewal and Exemption Fees

The student registration, renewal and exemption fees from students are recognised as income at the time of completion of the registration, renewal and exemption process.

Any income related to future periods is shown in the statement of financial position under current liabilities as fee received in advance.

b) Membership fees and subscriptions

Fee received in connection with enrollment to membership is recognised as income after receiving the approval of the Council and the payment due on such application.

Annual subscriptions attributable to current financial year are recognised as income.

The subscription received in respect of life membership is accounted under life membership fund and amortised over a period of 10 years.

c) Examination Fees

Exam fees are recognised on the date the exam is held.

d) Income from Business school and AAT Classes

Income from courses is recognised as income at the end of the course period.

Notes to the Financial Statements

- e) **Income from sale of publications**
Sale of educational and other materials are recognised as income at the time of sale.

- f) **Annual Conference, Seminars and Workshops**
Incomes from Annual Conference, Seminars and Workshops are recognised soon after the respective event.

2.3.2 Surplus / Deficit from operation

The operating surplus/deficit of an Association measures by net of operating income and operating expenses. Operating expenses includes cost of sales, Administration expenses and Student promotion expenses.

2.3.3 Finance Income and Other Income

- a) **Finance Income**
Finance income comprises of interest income and is recognised as it accrues, using the effective interest method.
- b) **Other Income**
Other income is recognised on accrual basis.

2.3.4 Expenditure Recognition

2.3.4.1 Revenue Expenditure

Expenses are recognised in the Statement of Comprehensive Income on the basis of direct association between the cost incurred and the earning of specific items of income.

All expenditure incurred in running of the Association and in maintaining the property and equipment in a state of efficiency has been charged to revenue in arriving at the surplus for the year.

2.3.4.2 Capital Expenditure

All expenditure incurred in the acquisition, extension or improvement of the property and equipment of a permanent nature, in order to carry on or increase the earning capacity of the Association have been treated as capital expenditure.

2.3.5 Donated Services

Members of the Governing Council and members served in committees appointed by the Governing Council contribute significant amounts of time to the activities of the Association without being compensated. These donated services are not recognised in the financial statements as their value cannot be measured reliably.

2.3.6 Borrowing Costs

All borrowing costs are recognised as expenses in the period in which they were incurred.

2.3.7 Related Party Transactions

The Association carries out transactions in the ordinary course of business on the arm's length basis at commercial rate with related parties.

a) Transactions with Key Management Personnel (KMP)

Key Management Personnel are those having authority and responsibility for planning, directing and controlling the activities of the association directly or indirectly. Accordingly, Governing Council members of the Association have been classified as KMP.

b) Transactions with Close Family Members of Key Management Personnel (KMP)

Close family members are defined as spouse or dependent. A dependent is defined as anyone who depends on the respective Governing Council member for more than 50% of his/her financial needs.

2.3.8 Risk Management

The Association has appointed an Audit, Risk Management and Ethics Committee for monitoring financial reporting requirement, compliance of statutory requirements, effectiveness of the internal controls and risks affecting to the Association and risk factors.

For the year ended 31 March	2021	2020
	Rs.	Rs.
3. INCOME		
AAT Classes	4,106,030	3,874,520
Annual Conference	2,459,500	5,646,147
Branch operations	10,658,825	3,806,165
Business School	11,921,300	16,752,896
Education & Training	18,156,738	11,642,931
Examination fees	156,931,005	182,079,910
Membership fees & subscriptions	12,133,377	12,585,808
Passed Finalists' Workshops	260,000	5,108,675
Public Lectures & Seminars	219,200	175,275
Student registrations, renewals and exemptions fees	66,119,140	47,872,795
	282,965,115	289,545,122

4. COST OF SERVICES

AAT Classes	3,853,676	4,261,771
Annual Conference	1,259,282	6,647,449
Branch operations	10,866,561	8,598,077
Business School	11,500,837	13,527,176
Education & Training	19,444,166	22,963,224
Examination	72,834,263	75,896,807
Membership & subscriptions	6,122,123	7,142,317
Passed Finalists' Workshops	-	5,066,802
Public Lectures & Seminars	267,135	228,831
Student registrations, renewals and exemptions	11,615,505	10,784,289
	137,763,548	155,116,743

5. OTHER INCOME

Rental income	3,869,283	3,738,224
Hire of Auditorium / Lecture Halls	84,865	91,050
Other miscellaneous income	955,285	729,412
Gain on disposal of Fixed Assets	85,400	268,435
	4,994,833	4,827,121

6. NET INCOME FROM INVESTMENT PROPERTY

Rental Income	17,569,200	17,169,900
Less : Rates & Taxes		
- Current year Rates & Taxes	(70,840)	(70,840)
- Reversal of over charged rates	-	169,400
Depreciation - Building	(2,728,894)	(2,728,894)
Building Maintenance	-	(118,500)
Insurance	(85,969)	(120,636)
	14,683,497	14,300,430

Notes to the Financial Statements

For the year ended 31 March	2021	2020
	Rs.	Rs.
7. FINANCE INCOME		
Interest on Term Deposits	50,629,412	56,543,273
Interest on Savings / Money Market Account	1,164,653	1,580,323
Interest received from Staff Loans	3,867	93,277
	51,797,932	58,216,873

8. SURPLUS FOR THE YEAR

Surplus for the year is stated after charging all the expenses including the followings:

Payment for External Auditors - Audit Fee	147,168	259,239
Payment for External Auditors - Non Audit Services	-	62,194
Depreciation	9,906,251	11,132,299
Amortisation	2,881,177	2,553,755
Donations	1,000,000	250,000
Staff Costs		
Salaries and Allowances	54,552,157	50,687,438
Defined contribution plan (EPF and ETF)	8,182,824	7,197,734
Other Staff expenses	20,741,268	17,636,600
Defined benefit plan (Gratuity)	4,238,998	3,472,181

9. INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 March are as follows:

Current Income Tax		
Current income tax charge (9.1)	20,258,440	13,320,054
Over provision for the year in respect of previous year	-	(610,418)
Deferred Tax		
Deferred tax charge / (Reversal)	114,867	(1,436,479)
	20,373,307	11,273,157

For the year ended 31 March	2021	2020
	Rs.	Rs.
9.1 Reconciliation between Income Tax and the Accounting Surplus		
Trade Income		
Accounting profit before tax	108,442,280	87,894,146
NBT Expense	-	(2,875,975)
Net aggregate allowable items	601,643	(270,797)
	109,043,923	84,747,374
Less :		
Other income	(51,797,932)	(58,216,873)
Trade income	57,245,991	26,530,501
Other Statutory Income		
Interest income	51,797,932	58,216,873
Total other statutory income	51,797,932	58,216,873
Taxable Income		
Trade income	57,245,991	26,530,501
Other statutory income	51,797,932	58,216,873
Total Assessable Income	109,043,923	84,747,374
Less : Qualifying Payments	(1,000,000)	-
Taxable income	108,043,923	84,747,374
Tax on taxable income from Business Income at 14%	7,940,941	3,714,270
Tax on taxable income from Investment Income at 14%	-	6,112,772
Tax on taxable income from Investment Income at 24%	12,317,499	3,493,012
Tax expense	20,258,440	13,320,054

Notes to the Financial Statements

10. PROPERTY AND EQUIPMENT

	Freehold Land	Building	Office Equipment and Name Board	Furniture and Fittings	Computers and Communication Equipment	Library Books	Motor Vehicle	Generator	Elevator	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At Cost										
Balance as at 01 April 2019	75,435,799	92,556,613	27,154,881	29,241,867	25,571,188	416,841	9,131,040	5,069,500	2,027,221	266,604,950
Additions	-	1,823,345	3,725,224	427,648	1,715,839	-	-	-	-	7,692,056
Disposals	-	-	(5,297,627)	(1,494,108)	(1,405,412)	-	-	-	-	(8,197,147)
Balance as at 31 March 2020	75,435,799	94,379,958	25,582,478	28,175,407	25,881,615	416,841	9,131,040	5,069,500	2,027,221	266,099,859
Additions	-	-	1,156,777	166,364	3,654,850	-	-	-	-	4,977,991
Disposals	-	-	(435,106)	-	(2,734,311)	-	-	-	-	(3,169,417)
Balance as at 31 March 2021	75,435,799	94,379,958	26,304,149	28,341,771	26,802,154	416,841	9,131,040	5,069,500	2,027,221	267,908,433
Depreciation										
Balance as at 01 April 2019	-	47,293,339	22,218,571	19,481,286	22,860,707	416,841	3,544,582	5,069,500	2,027,221	122,912,047
Charge for the year	-	1,399,946	3,143,285	2,846,241	1,580,327	-	2,162,500	-	-	11,132,299
Disposals	-	-	(5,297,598)	(1,410,918)	(1,405,328)	-	-	-	-	(8,113,844)
Balance as at 31 March 2020	-	48,693,285	20,064,258	20,916,609	23,035,706	416,841	5,707,082	5,069,500	2,027,221	125,930,502
Charge for the year	-	1,418,851	2,289,862	2,663,410	1,371,628	-	2,162,500	-	-	9,906,251
Disposals	-	-	(435,106)	-	(2,734,270)	-	-	-	-	(3,169,376)
Balance as at 31 March 2021	-	50,112,136	21,919,014	23,580,019	21,673,064	416,841	7,869,582	5,069,500	2,027,221	132,667,377
Written Down Value										
As at 31 March 2020	75,435,799	45,686,673	5,518,220	7,258,798	2,845,909	-	3,423,958	-	-	140,169,357
Written Down Value										
As at 31 March 2021	75,435,799	44,267,822	4,385,135	4,761,752	5,129,090	-	1,261,458	-	-	135,241,056

- 10.1** During the financial year, the association acquired property and equipment to the aggregate value of Rs.4,977,991/- (2020 - Rs.7,692,056/-), Cash payments amounting to Rs.4,977,991/- (2020 - Rs.7,342,056/-) were made during the year for purchase of property & equipment.
- 10.2** The gross carrying amount of fully depreciated property and equipment that are still in use as at 31 march 2021 was Rs.58,730,484/- (2020 - Rs.46,609,936/-).
- 10.3** Based on the assessment of potential impairment carried out internally as at 31 march 2021 no provision was required to be made in the financial statements as at the reporting date.
- 10.4** There were no items of property and equipment pledged as securities for liabilities.
- 10.5** There were no restrictions existed on the title to the property and equipment of the association as at the reporting date.
- 10.6** Extents, locations and the number of buildings of the Association's holdings under property and equipment are given below.

Location	Extent (Perches)	Number of Buildings	Buildings (Square feet)
No. 540, Thimbirigasyaya Road, Narahenpita	28.5	01 (Six Storied)	33,098
No. 508, Thimbirigasyaya Road, Narahenpita	14.85	-	-

11. INVESTMENT PROPERTY

	Land	Building	Total
	Rs.	Rs.	Rs.
Cost			
As at 01 April 2019	122,500,000	66,303,202	188,803,202
Additions	-	-	-
As at 01 April 2020	122,500,000	66,303,202	188,803,202
Additions	-	-	-
Balance as at 31 March 2021	122,500,000	66,303,202	188,803,202
Depreciation			
As at 01 April 2019	-	44,472,050	44,472,050
Charge for the year	-	2,728,894	2,728,894
As at 01 April 2020	-	47,200,944	47,200,944
Charge for the year	-	2,728,894	2,728,894
Balance as at 31 March 2021	-	49,929,838	49,929,838
Carrying Value			
As at 31 March 2020	122,500,000	19,102,258	141,602,258
Carrying Value			
As at 31 March 2021	122,500,000	16,373,364	138,873,364

The Association has been applied undue cost or effort exemption for the measurement of Investments Property at fair value. Accordingly, the Association has adopted the cost model to subsequently account for Investment Property. Reason being, it would necessitate an additional effort by the Association's management to collate required data and resource allocation for this effort is expected to significantly outweigh the benefits of using a fair value model to account for Investment Property.

Information on Investment Property

Location	Extent (Perches)	Number of Buildings	Buildings (Square feet)
No. 86 & 86A, Maligawatte Road, Colombo 10.	70	01 (Three Storied)	14,302

Notes to the Financial Statements

12. INTANGIBLE ASSETS

12.1 At Cost

	Balance as at 01.04.2020	Additions	Disposals / Transfers	Balance as at 31.03.2021
	Rs.	Rs.	Rs.	Rs.
Computer Software	15,923,359	859,369	-	16,782,728
	15,923,359	859,369	-	16,782,728
Capital work-in progress				
Website Development	1,031,980	500,070	-	1,532,050
	1,031,980	500,070	-	1,532,050
Total Value of Intangible Assets	16,955,339	1,359,439	-	18,314,778

12.2 Amortisation

	Balance as at 01.04.2020	Additions	Disposals / Transfers	Balance as at 31.03.2021
	Rs.	Rs.	Rs.	Rs.
Computer Software	9,039,769	2,881,177	-	11,920,946
Total Amortisation	9,039,769	2,881,177	-	11,920,946

12.3 Net Book Values

	2021	2020
	Rs.	Rs.
Computer Software	4,861,782	6,883,590
Capital work-in progress	1,532,050	1,031,980
Total Carrying Amount of Intangible Assets	6,393,832	7,915,570

- 12.4** During the financial year, the Association acquired Intangible Assets to the aggregate value of Rs.859,369/- for cash. (2020 - Rs.4,832,625/-).
- 12.5** The gross carrying amount of fully depreciated Intangible Assets that are still in use as at 31 March 2021 was Rs.5,865,109/- (2020 - Rs.4,685,109/-).
- 12.6** Based on the assessment of potential impairment carried out internally as at 31 March 2021 no provision was required to be made in the financial statements as at the reporting date.

13. INVENTORIES

	2021	2020
	Rs.	Rs.
Practical training books	150,880	163,600
Suggested answers and other publications	190,685	439,958
Student guides	479,494	711,225
Study texts	6,239,737	1,550,226
Stationery items	957,063	983,306
Sundry items	1,348,181	1,368,647
	9,366,040	5,216,962

14. TRADE AND OTHER RECEIVABLES

	2021	2020
	Rs.	Rs.
Trade Debtors	1,265,920	686,793
Other receivables	365,540	3,135,736
Staff Loans (Note 14.1)	3,561,527	3,184,380
	5,192,987	7,006,909

14.1 Staff Loans

	2021	2020
	Rs.	Rs.
Staff loans	3,063,552	2,676,437
Pre paid staff expenses	497,975	507,943
	3,561,527	3,184,380

Staff loans granted for more than one year initially recognised at present value and subsequently measured at amortised cost using the effective interest method under the Sri Lanka Accounting Standard for SMEs.

15. SHORT TERM INVESTMENTS

	2021	2020
	Rs.	Rs.
Term deposits - Bank of Ceylon	257,083,143	239,419,877
- People's Bank	181,123,087	120,337,753
- DFCC Bank	63,922,972	16,574,499
- Seylan Bank	-	60,055,329
- Sampath Bank	20,700,240	128,127,137
- NDB Bank	128,468,240	-
	651,297,682	564,514,595

Due to the volatility of interest rates in the current market, management has decided to invest funds in short term in order to avoid the exposure towards the interest rate risk and no intention to withdraw the funds within short term. On expiry/redemption of term deposits, the funds will be reinvested at best available interest rate.

Notes to the Financial Statements

16. DEPOSITS, PREPAYMENTS AND ADVANCES

	2021	2020
	Rs.	Rs.
Prepayments / Advances	10,900,167	5,321,303
Deposits (Note 16.1)	2,003,500	1,693,500
	12,903,667	7,014,803

16.1 Deposits

	2021	2020
	Rs.	Rs.
Refundable deposits	812,500	512,500
Bulk postage deposit	500,000	500,000
Security deposits - Electricity	522,500	522,500
- Safe Locker	15,000	15,000
- Water	80,000	80,000
- Other	13,500	3,500
Rent deposit - Parking area	60,000	60,000
	2,003,500	1,693,500

17. CASH AND CASH EQUIVALENTS

	2021	2020
	Rs.	Rs.
17.1 Favourable Balances		
Cash at bank	21,215,910	22,690,979
Stamps	37,060	488,922
Cash-in-hand	131,778	101,978
	21,384,748	23,281,879

17.2 Unfavourable Balances

Hatton National Bank	(2,120,914)	-
Bank Of Ceylon	(1,958,069)	(2,206,466)
	(4,078,983)	(2,206,466)
Total cash and cash equivalents for the purpose of Statement of Cash Flow	17,305,765	21,075,413

18. OTHER FUNDS

	Balance as at 01.04.2020	Contribution	Distribution	Balance as at 31.03.2021
	Rs.	Rs.	Rs.	Rs.
Scholarship fund	340,910	10,000	10,400	340,510
Member's benevolence fund	14,500	10,500	-	25,000
Education and training fund	6,000	-	-	6,000
Toastmasters club fund	10,100	-	-	10,100
Prize fund	609,420	432,600	110,000	932,020
Achievers network fund	2,089,608	-	-	2,089,608
Life membership fund				
MAAT	27,559,404	3,634,000	5,158,952	26,034,452
SAT	1,467,951	191,234	260,106	1,399,080
FMAAT	974,114	166,000	181,716	958,397
	33,072,007	4,444,334	5,721,174	31,795,167

18.1 These funds have been established for specific purposes and utilised only for those purposes. The life membership fund has been created out of the membership fees received from the members on account of life time membership. Life membership fund is amortised over a period of 10 years.

18.2 The interest earned from the restricted funds are taken into the normal current accounts of the Association.

19. RETIREMENT BENEFIT OBLIGATION

	2021	2020
	Rs.	Rs.
Balance at the beginning of the year	18,882,600	15,344,412
Current service cost	3,036,874	2,023,545
Interest cost	1,202,124	1,448,636
	23,121,598	18,816,593
Payments made during the year	(1,459,000)	(129,780)
Loss arising from changes in assumptions	5,884,919	195,787
Balance at the end of the year	27,547,517	18,882,600

The Present Value of the Retirement Benefit Obligation is estimated using Projected Unit Credit method as per the Section 28 of Sri Lanka Accounting Standard for SME.

The following key assumptions were used in determining the cost of retirement benefits as per Section 28 of SLFRS for SMEs.

	2021	2020
Discount interest rate	7%	10%
Salary increment rate	10%	10%
Staff turnover rate	5%	5%
Retirement age (years)	55	55

However, under the Gratuity Act No.12 of 1983, gratuity liability arises only upon an employee completing a continuous service of five years.

Notes to the Financial Statements

	2021	2020
	Rs.	Rs.
19.1 Expenses recognised during the year in Income Statement		
Current service cost	3,036,874	2,023,545
Interest cost	1,202,124	1,448,636
Actuarial Losses recognised in other comprehensive income	5,884,919	195,787

19.2 Retirement Benefit Obligations (Net of Taxes)

Losses arising from changes in assumptions	5,884,919	195,787
Tax at 14% p.a	(823,889)	(27,410)
	5,061,030	168,377

19.3 Sensitivity Analysis - Salary Increment rate / Discount rate

A one percentage change at the reporting date to one of the assumptions would have the following effects to retirement benefit obligation.

	Changes in Retirement benefit obligation		Present value of Retirement benefit obligation	
	Rs.	Rs.	Rs.	Rs.
	+ 1%	- 1%	+ 1%	- 1%
Rate of Discount	(1,944,756)	2,167,175	25,602,760	29,714,692
Salary Increment rate	2,084,869	(1,910,907)	29,632,385	25,636,609

20. RENT RECEIVED IN ADVANCE

	2021	2020
	Rs.	Rs.
Bharti Airtel Lanka (Pvt) Ltd	17,046,930	21,000,000
Mobitel (Pvt) Ltd	20,818	20,818
	17,067,748	21,020,818

21. DEFERRED TAX LIABILITIES

	2021	2020
	Rs.	Rs.
Balance at the beginning of the year	4,334,265	5,798,154
Amount originated/(reversed) during the year		
Charged/ (Reversed) to profit or loss	114,867	(1,436,479)
Charged/ (Reversed) to other comprehensive income	(823,889)	(27,410)
Balance at the end of the year	3,625,243	4,334,265

	2021		2020	
	Temporary	Tax	Temporary	Tax
	Difference	Effect	Difference	Effect
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Arising from				
Accelerated depreciation for tax purpose	53,442,117	7,481,896	49,841,641	6,977,829
Post - employment retirement benefit	(27,547,517)	(3,856,653)	(18,882,600)	(2,643,564)
	25,894,600	3,625,243	30,959,041	4,334,265

21.1 Reconciliation of net deferred tax liability

	Statement of Financial Position		Statement of Comprehensive Income		Other Comprehensive Income	
	2021	2020	2021	2020	2021	2020
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Accelerated depreciation for tax purposes	7,481,896	6,977,829	504,067	(968,543)	-	-
Defined benefit plans	(3,856,653)	(2,643,564)	(389,200)	(467,936)	-	-
Tax effect on actuarial losses on defined benefit plans	-	-	-	-	(823,889)	(27,410)
Deferred tax effect on profit or loss and other comprehensive income			114,867	(1,436,479)	(823,889)	(27,410)
Net deferred tax liability as at 31 March	3,625,243	4,334,265				

22. TRADE AND OTHER PAYABLES

	2021	2020
	Rs.	Rs.
Trade Payables	18,271,405	14,658,265
Other Payables	26,732,720	24,655,358
VAT Payable	-	211,835
Stamp Duty	8,750	7,250
	45,012,875	39,532,708

23. ADVANCES AND DEPOSITS RECEIVED

	2021	2020
	Rs.	Rs.
Fees received in advance	33,264,126	48,038,277
Refundable deposits	25,000	25,000
Refundable rent deposits	3,420,000	3,420,000
	36,709,126	51,483,277

Notes to the Financial Statements

24. INCOME TAX PAYABLE

	2021	2020
	Rs.	Rs.
Balance at the beginning of the year	4,481,779	(2,276,102)
Charge for the year	20,258,440	12,709,636
	24,740,220	10,433,534
Less: Payments made during the year	(14,639,859)	(2,448,091)
Withholding tax	-	(2,585,750)
ESC recoverable	-	(917,914)
Payable at the end of the year	10,100,361	4,481,779

25. BANK OVERDRAFT

	2021	2020
	Rs.	Rs.
Bank of Ceylon	1,958,069	2,206,466
Hatton National Bank	2,120,914	-
	4,078,983	2,206,466

26. EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen since the reporting date which would require adjustments or disclosure in the financial statements other than disclosed below.

The Management has developed comprehensive action plans to mitigate the future risk associated with post-lockdown economic implications and necessary steps has taken to monitor the situation closely to mitigate the potential impact of this crisis on the Association's operations and financial performance.

27. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

	2021	2020
	Rs.	Rs.
Website Development	-	300,000
Curriculum Development	-	10,923,000
	-	11,223,000

28. FINANCIAL RISK MANAGEMENT

Governing Council has overall responsibility for the establishment and overseeing of the Association's risk management that oversee through the Audit, Risk Management & Ethics Committee.

28.1 Credit Risk

28.2 Liquidity Risk

28.3 Market Risk

28.1 Credit Risk

Credit risk is the risk of financial losses to the Association if a recipient of a service or counterparty to a financial assets fails to meet its contractual obligation.

To minimise the credit risk all deposits are held in government banks and private banks which have higher ratings.

Credit risk exposure

The maximum risk exposure of financial assets which are generally subject to credit risk are equal to their carrying amounts.

	2021	2020
	Rs.	Rs.
As at 31st March		
Term Deposits	651,297,682	564,514,595
Receivables & Deposits	18,096,654	14,021,712
Cash at Bank	17,136,927	20,484,513
Total credit risk exposure	686,531,263	599,020,820

Balances with banks

	2021	2020
	Rs.	Rs.
Fitch Rating		
AA+	439,913,461	362,843,458
AA-	79,150,069	33,857,590
A+	149,312,323	128,242,731
A-	58,756	60,055,329
	668,434,609	584,999,108

The Association has taken necessary steps to monitor creditors more closely and frequently to ensure that the payables are settled on time.

28.2 Liquidity Risk

The Association is managing the liquidity risk by ensuring that there will always be sufficient liquidity to meet its liabilities when due without incurring unacceptable damages to the Association's reputation.

Maturity analysis of financial assets and liabilities

Description	On demand	Less than 3 months	3 to 12 months	More than 1 year	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Financial Assets					
Trade and Other Receivables	1,631,460	-	-	-	1,631,460
Staff Loan	-	18,753	352,449	3,190,325	3,561,527
Short Term Investments	-	232,203,763	419,093,919	-	651,297,682
Refundable Deposits	10,000	3,500	-	1,990,000	2,003,500
Cash and Cash Equivalents	21,384,748	-	-	-	21,384,748
	23,026,208	232,226,016	419,446,368	5,180,325	679,878,917
Financial Liability					
Trade and Other Payables	18,271,405	26,741,470	-	-	45,012,875
Refundable Deposits	25,000	-	-	3,420,000	3,445,000
Bank Overdraft	4,078,983	-	-	-	4,078,983
	22,375,388	26,741,470	-	3,420,000	52,536,858

Governing Council is satisfied that the Association have adequate liquidity and business plans to continue the operation and to mitigate the increased liquidity risks arising from the movement restrictions made due to COVID-19 pandemic, for the next 12 months from the reporting date.

28.3 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates, which will affect the Association's profit or loss or the value of its holdings of financial instruments.

Notes to the Financial Statements

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Association manages its interest rate risk by monitoring and managing cash flows, negotiating favourable rates on deposits including and maintaining an appropriate combination of deposits with Government and Private banks.

29. RELATED PARTY DISCLOSURES

The Association carries out transactions in the ordinary course of business on arm's length basis at commercial rates with related parties. Transactions with related parties listed below have been processed as reimbursement of expenses and other expenses.

29.1 Transactions with Governing Council Members of the Association

Related parties include Governing Council members those who having authority and responsibility for planning, directing and controlling the activities of the entity and its related entities.

The Governing Council Members of the Association carried out the following transactions in the ordinary course of business:

	2021	2020
	Rs.	Rs.
Reimbursement of travelling expenses of all members of the Governing Council	679,219	782,318

29.2 Transactions with Related Entities

CA Sri Lanka

CA Sri Lanka appoints 8 out of 16 council members of AAT. Following transactions occurred during the year.

	2021	2020
	Rs.	Rs.
Payments to CA Sri Lanka		
Seminar Participation	31,000	116,900
Best annual report competition expenses	-	181,500
Receipts from CA Sri Lanka		
Sponsorships	250,000	1,250,000

30. COMPARATIVE RECLASSIFICATION

The presentation and classification of following item in these Financial Statements are amended to ensure comparability with the current year.

Accounting policy

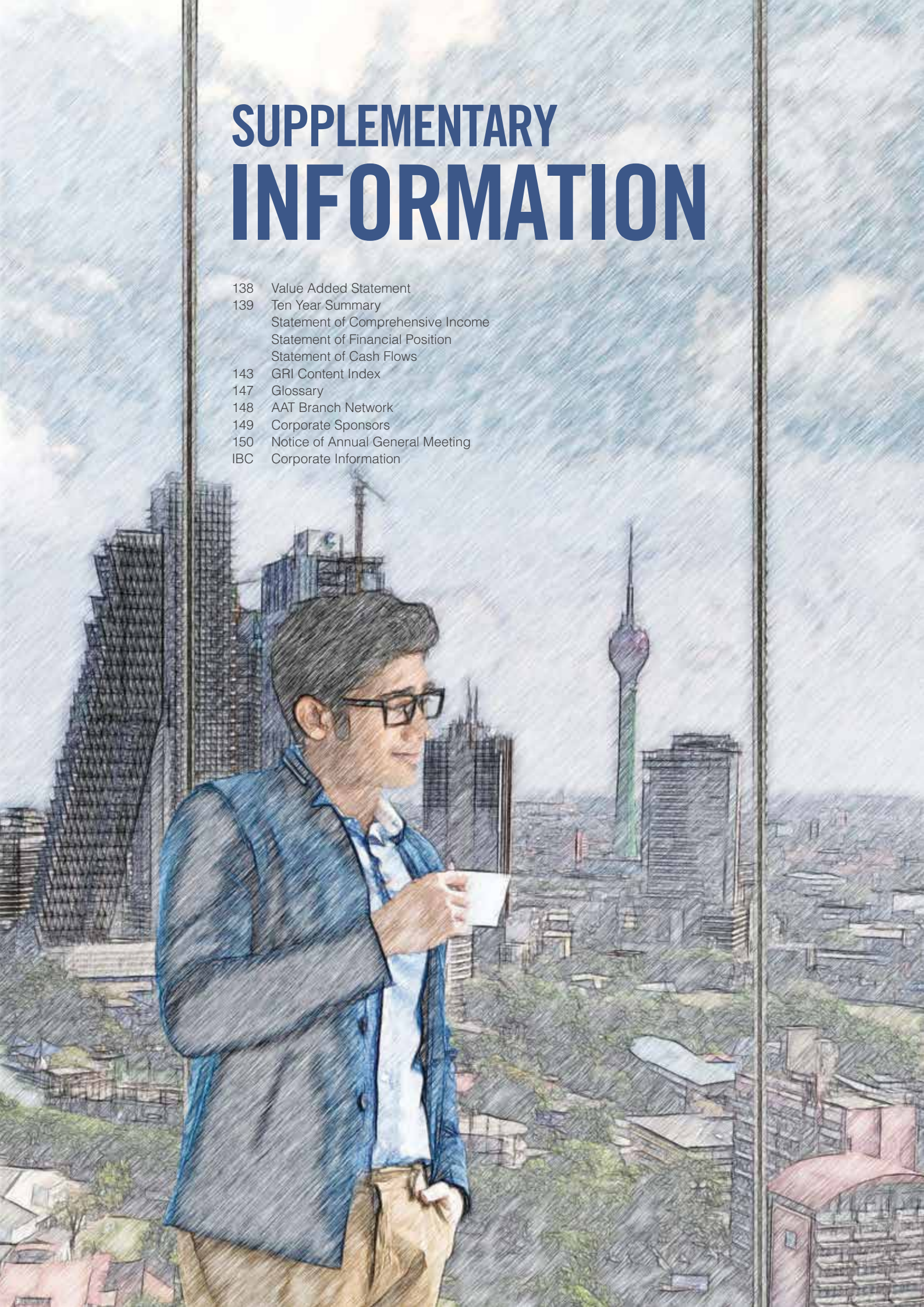
The accounting policies have been consistently applied by the Association with those of the previous financial year in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities on "Presentation of Financial Statements". Comparative information is reclassified wherever necessary to comply with the current presentation. The presentation and classification of the following items in these financial statements are amended to ensure the comparability with the current year.

	As disclosed in previous year (2019/2020)	Classification	As disclosed in this year (2020/2021)
Statement of Comprehensive Income	Rs.	Rs.	Rs.
Finance Charges	1,642,958	(1,642,958)	-
Administration and Establishment Expenses	88,389,228	1,642,958	90,032,186

The above reclassification did not have any impact on statement of comprehensive income, operating, investing and financing cash flows for the year ended 31 March 2020.

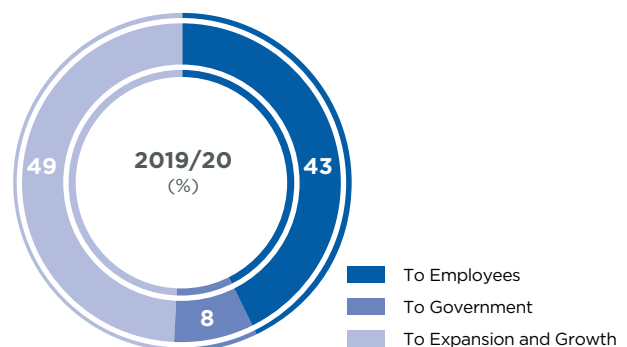
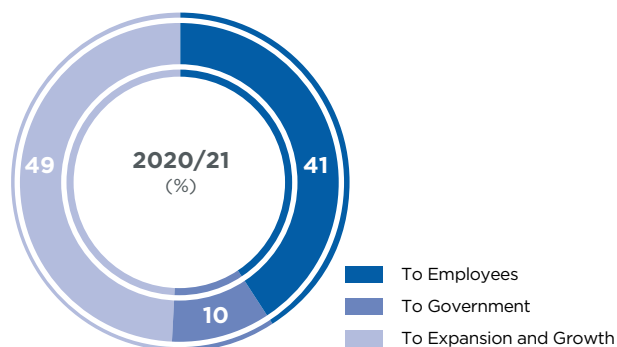
SUPPLEMENTARY INFORMATION

138	Value Added Statement
139	Ten Year Summary
	Statement of Comprehensive Income
	Statement of Financial Position
	Statement of Cash Flows
143	GRI Content Index
147	Glossary
148	AAT Branch Network
149	Corporate Sponsors
150	Notice of Annual General Meeting
IBC	Corporate Information



Value Added Statement

	2021	2020
For the year ended 31 March	Rs.	Rs.
VALUE ADDITION		
Revenue	282,965,115	289,545,122
Income from Investment property	17,569,200	17,169,900
Other income	58,567,765	64,743,994
Total	359,102,080	371,459,016
Less: Operating expenses	(146,834,076)	(185,255,601)
Value added	212,268,004	186,203,415
DISTRIBUTION OF VALUE ADDITION		
To employees as salaries and other benefits	87,715,247	78,993,953
Total to Employees	87,715,247	78,993,953
Income Tax	20,258,440	12,709,636
NBT	-	2,875,975
Total to the Government	20,258,440	15,585,611
As depreciation and Amortisation	15,516,322	16,414,948
As reserves	88,068,973	73,745,014
Deferred Taxation	709,022	1,463,889
Total to the Expansion and Growth	104,294,317	91,623,851
Value distributed	212,268,004	186,203,415



Ten Year Summary

Statement of Comprehensive Income

Year ended 31 March	2021	2020	2019	2018	2017	2016	2015	2014	2013
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income	282,965	289,545	275,000	232,717	219,122	212,410	226,401	209,769	200,412
Cost of services	(137,764)	(155,117)	(136,854)	(135,133)	(123,980)	(129,853)	(112,510)	(98,042)	(95,147)
Gross surplus	145,202	134,428	138,146	97,584	95,142	82,557	113,891	111,727	105,265
Other income	6,770	6,527	6,577	12,332	6,061	24,785	5,529	5,978	5,966
Net income from investment property	14,683	14,300	13,045	12,237	11,112	10,823	9,832	10,096	8,518
Administration, Establishment and Finance Expenses	(85,290)	(90,032)	(91,348)	(86,982)	(81,358)	(80,565)	(73,000)	(58,975)	(51,963)
Student Promotion and Best Annual Report Expenses	(24,720)	(35,546)	(32,510)	(15,489)	(19,874)	(20,526)	(23,290)	(16,583)	(14,174)
Finance income	51,798	58,217	46,178	39,308	29,794	15,540	17,586	22,525	23,001
Surplus for the year before tax	108,442	87,894	80,088	58,991	40,878	32,614	50,549	74,768	76,613
Tax expense	(20,373)	(14,149)	(18,885)	(16,407)	(8,314)	(4,999)	(9,927)	(11,608)	(11,613)
Surplus for the year after tax	88,069	73,745	61,203	42,584	32,564	27,615	40,622	63,160	65,000
Other comprehensive income									
Gain/(Loss) arising from changes in assumptions in retirement Benefit Obligation (Net of Taxes)	(5,061)	(168)	230	(2,208)	2,298	2,888	(1,917)	381	-
Total comprehensive income for the year	83,008	73,577	61,433	40,376	34,862	30,503	38,705	63,541	65,000

Year ended 31 March	2012
	Rs.'000
Income	
Registration fees, exemption fees, renewals & subscriptions	55,036
Examinations	46,370
Net surplus from main activities	101,406
Net surplus from other activities	7,682
Other income	15,853
Surplus from investment property	6,553
Total net surplus	131,494
Expenses	
Administration & establishment expenses	(60,781)
Publicity & other expenses	(13,620)
Surplus for the year before tax	57,093
Income tax expense	(5,419)
Surplus for the year after tax	51,674

Figures in 2012 are presented under the Sri Lanka Accounting Standards. These figures can not be compared with 2013 to 2021 due to the difference application of Sri Lanka Financial Reporting Standards for Small and Medium size entities (SLFRS for SMEs).

Ten Year Summary

Statement of Financial Position

As at 31 March	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
ASSETS										
NON-CURRENT ASSETS										
Property and Equipment	135,241	140,169	143,974	153,687	154,437	157,057	137,089	123,936	54,117	59,494
Investment Property	138,873	141,602	144,331	147,060	149,789	152,518	155,247	157,976	160,705	165,125
Intangible Assets	6,394	7,916	7,143	3,985	1,211	1,696	416	-	-	-
	280,508	289,687	295,449	304,732	305,437	311,271	292,752	281,912	214,822	224,619
Deferred tax assets	-	-	-	-	-	-	744	2,485	2,260	2,429
Total Non-Current Assets	280,508	289,687	295,449	304,732	305,437	311,271	293,496	284,397	217,082	227,048
CURRENT ASSETS										
Inventories	9,366	5,217	12,371	10,058	10,727	10,940	4,897	7,225	8,490	7,650
Trade and Other Receivables	5,193	7,007	7,584	8,000	7,896	2,279	3,269	1,812	1,989	3,030
Short Term Investments	651,298	564,515	446,193	352,076	261,705	232,963	221,125	210,100	208,113	132,892
Deposits, Prepayments and Advances	12,904	7,015	8,520	8,253	19,422	27,043	16,814	7,989	7,057	4,533
Non-Current Assets Held for Sale	-	-	-	-	-	-	9,198	-	-	-
Income Tax Receivable	-	-	2,276	-	-	433	-	-	-	-
Cash and Cash Equivalents	21,385	23,282	19,523	21,610	44,183	23,602	27,109	6,193	8,923	3,989
Total Current Assets	700,145	607,035	496,467	399,997	343,933	297,260	282,412	233,319	234,572	152,094
Total Assets	980,653	896,722	791,916	704,729	649,370	608,531	575,908	517,716	451,654	379,142
FUNDS AND LIABILITIES										
Accumulated Fund	804,716	721,708	648,132	586,698	546,323	511,461	480,958	442,253	378,613	312,713
Other Funds	31,795	33,072	34,820	34,264	32,683	30,959	28,346	25,229	16,062	12,522
Total Funds	836,512	754,780	682,952	620,962	579,006	542,420	509,304	467,482	394,675	325,235
NON-CURRENT LIABILITIES										
Retirement Benefit Obligation	27,548	18,883	15,344	13,139	8,934	9,894	11,463	8,259	7,089	6,766
Rent Received in Advance	17,068	21,021	21,021	21,021	21,443	21,422	21,402	21,382	21,365	21,347
Deferred Tax Liabilities	3,625	4,334	5,798	2,765	2,103	2,216	-	-	-	-
Total Non-Current Liabilities	48,241	44,238	42,163	36,925	32,480	33,532	32,865	29,641	28,454	28,113
CURRENT LIABILITIES										
Trade and Other Payables	45,013	39,533	33,005	22,820	21,246	23,602	20,535	17,632	24,089	18,588
Advances and Deposits Received	36,709	51,483	28,784	17,212	6,257	5,496	7,345	-	-	-
Income Tax Payable	10,100	4,482	-	4,109	4,255	-	1,182	2,960	4,434	7,088
Bank Overdraft	4,079	2,206	5,012	2,701	6,126	3,481	4,677	-	2	118
Total Current Liabilities	95,901	97,704	66,801	46,842	37,884	32,579	33,739	20,592	28,525	25,794
Total Funds and Liabilities	980,653	896,722	791,916	704,729	649,370	608,531	575,908	517,716	451,654	379,142

Figures in 2012 are presented under the Sri Lanka Accounting Standards. These figures can not be compared with 2013 to 2021 due to the difference application of Sri Lanka Financial Reporting Standards for Small and Medium size entities (SLFRS for SMEs).

Ten Year Summary

Statement of Cash Flows

As at 31 March	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from / (used in) Operating Activities										
Net Surplus before Tax	108,442	87,894	80,088	54,657	40,878	32,614	50,550	74,767	77,613	57,093
Adjustments for										
Depreciation - Property and Equipment	9,906	11,132	12,772	12,078	11,202	9,176	5,411	3,691	8,228	8,383
Depreciation - Investment Property	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	4,420	6,074
Amortisation - Intangible Assets	2,881	2,554	1,774	1,238	485	120	123	-	-	-
(Gain) / Loss on Disposal of Property and Equipment	(85)	(268)	(28)	(4,864)	2	(17,163)	(51)	235	-	-
Provision for Gratuity	4,239	3,472	3,062	2,521	2,160	2,511	2,159	1,802	1,609	986
Interest Income	(51,798)	(58,217)	(46,178)	(39,308)	(29,794)	(15,540)	(17,391)	(22,525)	(23,002)	(9,500)
Income from Investment Property-before charging depreciation	(17,412)	(17,029)	(15,773)	(14,966)	(13,841)	(13,553)	(12,562)	(12,825)	(12,939)	(12,627)
Operating Surplus before Changes in Working Capital	58,902	32,267	38,445	14,084	13,821	894	30,968	47,874	55,929	50,409
(Increase)/Decrease in Working Capital										
Inventories	(4,149)	7,154	(2,313)	669	212	(6,077)	2,328	1,264	(839)	2,172
Trade and Other Receivables, Prepayments and Deposits	(4,075)	2,083	149	11,065	2,004	(41)	(9,940)	(757)	(1,481)	406
Trade and Other Payables	5,480	6,528	10,571	1,573	(2,354)	3,066	7,135	(5,834)	5,501	(1,096)
Advances and Deposits Received	(18,727)	22,700	11,571	10,955	761	(1,848)	3,113	(623)	-	-
Cash flows from / (Used in) operations	37,431	70,730	58,423	38,346	14,444	(4,006)	33,604	41,924	59,110	51,891
Tax Paid	(14,640)	(8,828)	(22,274)	(11,311)	(3,994)	(4,780)	(9,582)	(13,378)	(14,099)	(600)
Gratuity Paid	(1,459)	(130)	(589)	(770)	(567)	(68)	(1,255)	(80)	(1,386)	(359)
Net Cash from/ (used in) Operating Activities	21,332	61,772	35,560	26,265	9,883	(8,854)	22,767	28,466	43,625	50,932
Cash Flows from/ (used in) Investing Activities										
Acquisition of Property and Equipment	(4,978)	(7,342)	(3,163)	(11,328)	(10,169)	(38,852)	(27,849)	(73,518)	(2,850)	(2,676)
Acquisition of Intangible Assets	(859)	(4,833)	(2,394)	(4,012)	-	(1,400)	(540)	-	-	-
Movement in Capital Work-in Progress - Intangible Asset	(500)	1,507	(2,539)	-	-	-	-	-	-	-
Movement in Capital Work-in Progress - Property & Equipment	-	281	(281)	-	1,584	-	-	-	-	-
Interest Income	51,798	58,217	46,178	39,308	29,794	15,540	17,391	22,525	23,002	9,500
Income from Investment Property	17,412	17,029	15,773	14,966	13,841	13,553	12,562	12,825	12,939	12,627
Net Movement in Short-term Investments	(86,783)	(118,322)	(94,117)	(90,371)	(28,741)	(21,838)	(23,866)	10,513	(70,221)	(73,128)
Sales Proceeds on Disposal of Property and Equipment	85	2	28	4,864	-	26,907	139	(226)	-	-
Net Cash Flows from/ (used in) Investing Activities	(23,825)	(53,460)	(40,514)	(46,572)	6,309	(6,090)	(22,163)	(27,881)	(37,130)	(53,677)

Ten Year Summary Statement of Cash Flows

As at 31 March	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash Flows from / (used in) Financing Activities										
Net Movement of Rent Advances	-	-	-	(422)	21	20	19	18	17	17
Net Movement in Other Funds	(1,277)	(1,748)	556	1,581	1,724	2,612	3,117	9,167	3,540	1,701
Net Cash flows from / (used) in Financing activities	(1,277)	(1,748)	556	1,159	1,745	2,632	3,136	9,185	3,557	1,718
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,770)	6,564	(4,397)	(19,148)	17,937	(12,312)	3,740	9,770	10,052	(1,027)
Cash and Cash Equivalents at the Beginning of the Period (Note A)	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922	8,870	4,897
Cash and Cash Equivalents at the End of the Period (Note B)	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922	3,870
Note A										
Cash and Cash Equivalents at the Beginning of the Period										
Cash and Bank Balances	23,282	19,523	21,610	44,182	23,602	37,109	28,692	18,924	8,988	4,897
Bank Overdraft	(2,206)	(5,012)	(2,701)	(6,125)	(3,482)	(4,677)	-	(2)	(118)	-
	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922	8,870	4,897
Note B										
Cash and Cash Equivalents at the End of the Period										
Cash and Bank Balances	21,385	23,282	19,523	21,610	44,182	23,602	37,109	28,692	18,924	3,988
Bank Overdraft	(4,079)	(2,206)	(5,012)	(2,701)	(6,125)	(3,482)	(4,677)	-	(2)	(118)
	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922	3,870

GRI Content Index

GRI Standards :	Disclosure	Page Number	Omission	
Core option				
GRI 101: Foundation 2016				
GRI 102: General Disclosures 2016				
	102-1	Name of Organisation	IBC	-
	102-2	Activities, brands, products and services	06 - 09	-
	102-3	Location of the organisation's headquarters	IBC	-
	102-4	Location of operations	148, IBC	-
	102-5	Ownership and legal form	07, IBC	-
	102-6	Markets served	20, 53, 55	-
	102-7	Scale of the organisation	10 - 13	-
	102-8	Information on employees and other workers	76 - 81	-
	102-9	Supply chain	36	-
	102-10	Significant changes to the organisation and its supply chain	37	-
	102-11	Precautionary principle	-	we have not formally adopted the principle
	102-12	External initiatives	07, 52 - 70	-
	102-13	Membership of National and International Associations	07	-
	102-14	Statement from senior decision maker	20 - 23	-
	102-15	key impacts, risks and opportunities	46, 100, 101	-
	102-16	Values, principles, standards and norms of behaviors	06, 86 - 98	-
	102-18	Governance Structure	87	-
	102-19	Delegating authority	87	-
	102-22	Composition of the highest governance body and its committees	87 - 89	-
	102-23	Chair of the highest governance body	88	-
	102-24	Nominating and selecting the highest governance body	88	-
	102-40	List of stakeholder groups	38	-
	102-41	Collective bargaining agreements	07	-
	102-42	Identifying and selecting stakeholder groups	38	-
	102-43	Approach to stakeholder engagement	38 - 43	-
	102-44	Key topics and concerns raised	38 - 43	-
	102-45	Entities included in the consolidated financial statements	-	Not applicable

GRI Content Index

GRI Standards :	Disclosure		Page Number	Omission
Core option				
	102-46	Defining report content and topic boundaries	02, 04, 47	-
	102-47	List of material topics	47	-
	102-48	Restatement of information	Not applicable	-
	102-49	Changes in reporting	05	-
	102-50	Reporting period	04	-
	102-51	Date of most recent report	04	-
	102-52	Reporting cycle	04	-
	102-53	Contact point for questions regarding the report	05	-
	102-54	Claims of reporting in accordance with the GRI Standards	04	-
	102-55	GRI Content index	143 - 146	-
	102-56	External assurance	05, 110	-
Material Topics				
GRI 201: Economic performance 2016				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	36, 47	-
	103-2	The Management Approach and its components	36, 47	-
	103-3	Evaluation of the Management Approach	12, 36, 47	-
	201-1	Direct economic value generated and distributed	37	-
	201-3	Defined benefit plan obligations and other retirement plans	120, 131	-
GRI 302: Energy 2016				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	83	-
	103-2	The Management Approach and its components	83	-
	103-3	Evaluation of the Management Approach	84	-
	302-1	Energy consumption within the organisation	84	-
	302-4	Reduction of Energy consumption	84	-
GRI 303: Water and Effluents 2018				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	83	-

GRI Standards :	Disclosure	Page Number	Omission	
Core option				
	103-2	The Management Approach and its components	83	-
	103-3	Evaluation of the Management Approach	83	-
	303-1	Water withdrawal by source	84	-
GRI 307:Environmental Compliance 2016				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	83	-
	103-2	The Management Approach and its components	83	-
	103-3	Evaluation of the Management Approach	84	-
	307-1	Non- compliance with environmental laws and regulations	83 - 84, 106	-
GRI 401: Employment 2016				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	76	-
	103-2	The Management Approach and its components	76	-
	103-3	Evaluation of the Management Approach	76 - 80	-
	401-1	New employee hires and employee turnover	78	-
GRI 403: Occupational Health and Safety Management System				
GRI 103: Management Approach 2016	103-1	Explanation of material topics and its boundaries	77	-
	103-2	The Management Approach and its components	77	-
	103-3	Evaluation of the Management Approach	77	-
	403-1	Occupational health and safety management system	77	-
	403-2	Hazard identification, risk assessment and incident investigation	77	-
	403-3	Occupational health services	77	-
	403-4	Worker participation, consultation and communication on occupational health and safety	77	-
	403-5	Worker training on occupational health and safety	77	-
	403-6	Promotion of worker health	77	-

GRI Content Index

GRI Standards :	Disclosure		Page Number	Omission
Core option				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	77	-
	403-9	Work-related injuries	77	-
GRI 404: Training and Education				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	76	-
	103-2	The Management Approach and its components	78	-
	103-2	Evaluation of the Management Approach	78	-
	404-1	Average hours of training per year per employee	12, 78	-
	404-2	Programmes for upgrading skills and transition assistance programmes	78	-
	404-3	Percentage of employees receiving regular performance and career development reviews	78	-
GRI 405: Diversity and Equal Opportunity 2016				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	80	-
	103-2	The Management Approach and its components	80	-
	103-3	Evaluation of the Management Approach	80	-
	405-1	Diversity of governance bodies and employees	80	-
GRI 413: Local Communities 2016				
GRI 103: Management Approach	103-1	Explanation of material topics and its boundaries	52	-
	103-2	The Management Approach and its components	52	-
	103-3	Evaluation of the Management Approach	52 - 70	-
	413-1	Operations with local community engagement, impact assessments and development programmes	52 - 70	-

Glossary

AAT	-	Association of Accounting Technicians of Sri Lanka
AEC	-	Accredited Education Centre
AGM	-	Annual General Meeting
ATL	-	Above The Line
BAR	-	Best Annual Report
BTL	-	Below The Line
CA	-	Institute of Chartered Accountants of Sri Lanka
CAO	-	Chief Academic Officer
CAPA	-	Confederation of Asian and Pacific Accountants
CCHRM	-	Certificate Course in Human Resource Management
CEA	-	Central Environment Authority
CEO	-	Chief Executive Officer
CFO	-	Chief Financial Officer
CPD	-	Continues Professional Development
CSR	-	Corporate Social Responsibility
ERP	-	Enterprise Resource Planning
GC	-	Governing Council
FAQ	-	Frequently Asked Question
FMAAT	-	Fellow Member of Association of Accounting Technicians of Sri Lanka
G. C. E. A/L	-	G. C. E. Advanced Level
G. C. E. O/L	-	G. C. E. Ordinary Level
GDP	-	Gross Domestic Product
GRI	-	Global Reporting Initiative
HDAF	-	Higher Diploma in Accounting and Finance
HNDA	-	Higher National Diploma in Accountancy
HRM	-	Human Resource Management
IBC	-	Inner Back Cover
IFAC	-	International Federations of Accountants
IMF	-	International Monetary Fund
IR	-	Integrated Reporting
IT	-	Information Technology
K- SAM	-	Knowledge, Skills, Attitudes and Mindset
KPI	-	Key Performance Indicator
MAAT	-	Member of Association of Accounting Technicians of Sri Lanka
MIP	-	Members in Practice
NBT	-	Nation Building Tax
NICD	-	National Institute of Cooperative Development
NVQ	-	National Vocational Qualification
PLS	-	People and Leadership Skills
PF	-	Passed Finalist
R & D	-	Research and Development
SAT	-	Senior Accounting Technician
NBT	-	Nation Building Tax
SEC	-	Securities and Exchange Commission
SME	-	Small and Medium – sized Enterprises
VAT	-	Value Added Tax

AAT Branch Network

Ampara

No. 19, D S Senanayake Street, Ampara.
Tel: 063-7559669
Email: ampara@aatsl.lk

Anuradhapura

No. 514/4A, 2nd Floor,
New Bus Stand, Anuradhapura.
Tel: 025-7559669
Email: anuradhapura@aatsl.lk

Kurunegala

No. 15/6, Convent Road, Kurunegala.
Tel: 037-7559669
Email: kurunegala@aatsl.lk

Matara

No. 274, 2nd Floor, Sagara Building,
Anagarika Dharmapala Mawatha, Matara.
Tel: 041-7559669
Email: matara@aatsl.lk

Jaffna

No. 340, Stanley Road,
Jaffna.
Tel: 021-7559669
Email: jaffna@aatsl.lk

Ratnapura

No. 66, 1st Floor,
Bandaranayake Mawatha,
Ratnapura.
Tel: 045-7559669
Email: rathnapura@aatsl.lk

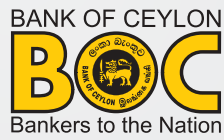
Kandy

No. 788 B, Peradeniya Road,
Kandy.
Tel: 081-7559669
Email: kandy@aatsl.lk



During the year under review Ampara branch was added to the branch network

Corporate Sponsors



Notice of Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of the Association of Accounting Technicians of Sri Lanka will be held via on-line platform on 21 September 2021 from 5.00 p.m. onwards for the following purposes.

- 1 To receive and consider the Annual Report of the Governing Council for the Financial Year 2020/21.
- 2 To receive and consider the Audited Financial Statements of the Association and Report of the Auditors thereon for the year ended 31 March 2021.
- 3 To re-appoint M/S. Ernst & Young, Chartered Accountants as Auditors of the Association for the Financial Year 2021/2022 and to authorise the Governing Council to determine their remuneration.
- 4 To authorise the Governing Council to determine contribution to charity and donations for the Financial Year 2021/22 and up to the date of the next Annual General Meeting.

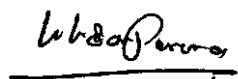
In line with the regulations issued by the Health Authorities the Association is compelled to conduct the AGM as an online meeting via Zoom. Please use the below link for registration.

Link to register : <https://bit.ly/3l8lv2T>

The Zoom link to connect with the AGM will be emailed only to the members who register using the above link on or before 20 September 2021. Registrations will be on first come, first served basis and the link to the AGM will be emailed on 21 September 2021 which is not to be shared with any party. For more details contact Ms. Harshani on 112559669 Ext. 324 or email to harshani@aatsl.lk

By Order of the Governing Council

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA



K. L. Jagath N. Perera
Secretary

31 August 2021

Notes

This image shows a single page of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes

Corporate Information

Company Name	: Association of Accounting Technicians of Sri Lanka
Legal form	: Limited Liability Company (Guarantee)
Company Registration number	: GA90
Registered Office & Principal Place of Business	: 540, Ven. Muruththettuwe Ananda Nahimi Mawatha, (Thimbirigasyaya Road), Narahenpita, Colombo 05.
Contact	: +94 11 2559669, 2552662, 2595857
Fax	: +94 11 2559299
Email	: aatsled@sltnet.lk
Website	: www.aatsl.lk
External Auditors	: Ernst & Young – Chartered Accountants
Internal Auditors	: KPMG – Chartered Accountants
Company Secretaries	: Integrated Management Systems (Pvt.) Limited
Bankers	: Bank of Ceylon DFCC Bank PLC Hatton National Bank PLC NDB Bank PLC National Savings Bank People's Bank Sampath Bank PLC Seylan Bank PLC
Lawyers	: F. J. G. De Saram & Company

