

YOUR GUIDED ASSURER



aat
SRI LANKA

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA
ANNUAL REPORT 2021/2022






YOUR GUIDED ASSURER

As an educator with direct involvement in shaping the future of our younger generations, we are tasked with the responsibility of maintaining an uninterrupted learning environment, despite external challenges. Not only are we committed to appeasing academia but ensuring continued learning which nurtures technically adept individuals, adding to the country's economic and social progress.

While the pandemic imposed a new normal with significant disruptions to the comfort and stability of routine learning, we remained committed to providing an uninterrupted stream of education – taking measures above and beyond our call of duty.

The resilience of our staff and adaptive-thinking ensured that our students maintained their usual momentum of learning, while imparting knowledge through innovative methods. A combination of modern learning and a growth mindset enabled us to ensure that our students received access to education that is uncompromised on quality and consistency.



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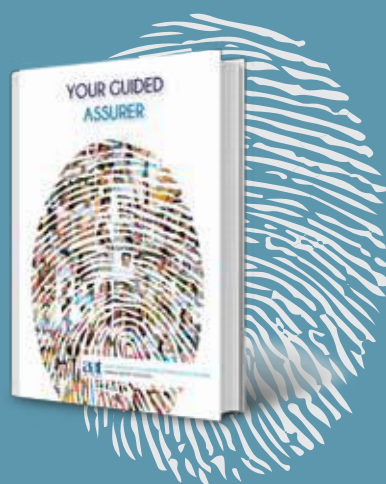
OVERVIEW

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ABOUT THIS REPORT



Scan for digital version of Annual Report 2021/22



Welcome to the 9th Integrated Annual Report of the Association of Accounting Technicians of Sri Lanka. In presenting a nuanced picture of the financial and non-financial proceedings of the Association for the financial year 2021/22, we attempt to enable our stakeholders to make informed decisions. This report details a comprehensive view of the operational aspects of AAT Sri Lanka to depict the manner in which we created value from April 1, 2021 to March 31, 2022 in line with our Annual Report cycle. The report covers broader material aspects identified through comprehensive stakeholder engagement in our efforts to present a more concise and transparent picture to our stakeholders.



The most recent report covers 12 month period ending March 31, 2021 which was dated on June 04, 2021.

This report is dated 26 May, 2022 and captures material events after the balance sheet date.

SCOPE AND BOUNDARIES

The 9th Integrated Annual Report of the Association of Accounting Technicians of Sri Lanka has been prepared in accordance with the following standards, frameworks and guidelines to ensure a high standard of regulatory compliance.

Regulatory Requirements	Voluntary Compliance
The Companies Act No. 07 of 2007	• Code of Best Practice on Corporate Governance 2017
Sri Lanka Financial Reporting Standards for Small and Medium-sized Entities	• International <IR> Framework of IIRC
Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995	• Gender Parity Reporting Framework of CA Sri Lanka
	• GRI Standards "In Accordance" option
	• Sustainable Development Goals (SDG) of the United Nations General Assembly

NAVIGATING THE REPORT

This Integrated Annual Report provides a comprehensive view of the Associations operations during the year under review in seven different segments as detailed below:



About Us

This section presents AAT Sri Lanka's scope, overview, performance highlights and milestone map over the years. Moreover, this section presents details of Awards and recognition as well as AATSL's response to the economic crisis.



Leadership

This section details an overview of our leadership team as well as their reviews and commentaries on the performance of the Association, and future direction.



Management Discussion and Analysis

This section presents a detailed view of the external environment, material aspects, our commitment to upholding United Nations sustainable development goals, how we engaged with our stakeholders, overall value creation and strategic direction.



Capital Reports

This section details how we use the six capital model to create value for the short, medium and long term through adopting an interconnected approach.



Stewardship

This section presents a comprehensive view of the Governance Framework, Risk Management and how we shape Association's culture to create lasting value



Financial Reports

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



Supplementary Information

This section includes, ten year summary, GRI Index, Glossary, 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. The report was reviewed and approved by the Governing Council.

ABOUT THIS REPORT

RESTATEMENTS AND CHANGES

This Annual Report does not contain any restatements of information from the previous Annual Report. There were no significant changes reported in the scope and aspect boundaries from the previous Annual Report. Nevertheless, we have improved on the presentation of non-financial information in line with our objective of depicting a clearer view of the Association's operations, strategic direction and values.

DISCLAIMER FOR THE PUBLICATION OF FORWARD-LOOKING STATEMENTS

This Annual Report presents detailed information about action plans and strategies of the Association as well as forward looking statements. Even though these statements are made in good faith based on current realities and assumptions, they are not intended to guarantee future results, in particular in the context of the prevalent economic crisis in the country. As such, the actual performance and operational outcomes may differ from the forward looking statements presented in this report.

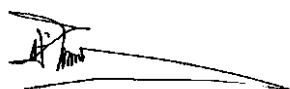
ASSURANCE

The Associations' Audit, Compliance, Risk Management and 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

The Governing Council members of AAT Sri Lanka relied on their combined strength, expertise, experience and knowledge to ensure the validity, transparency and clarity of information presented in this report. On behalf of members of the Governing Council, I would like to assure that this Integrated Report presents all material issues and impartially details the integrated performance of AATSL and its impacts to the best of our understanding. All members of the Governing Council of AATSL 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,



Mr. A. Naleen Dhammika De Silva

President - Association of Accounting Technicians of Sri Lanka



Ms. Naayila Marikkar

Chairperson
Audit, Compliance, Risk Management and Ethics Committee

26 May 2022

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
Address	:	AAT Centre, No. 540, Ven. Muruththettuwe Ananda Nahimi Mawatha, Colombo 05.
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ABOUT US

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ABOUT AAT SRI LANKA

“ 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 COOPERATING FOR MUTUAL
GAIN WITH ACCOUNTING & ACADEMIC
INSTITUTIONS.

“ VALUES

- PROFESSIONALISM
- CUSTOMER FOCUS
- PASSION FOR EXCELLENCE
- COLLABORATION
- TEAMWORK

“ 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 SRI LANKA, 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.

Formed in 1987, the Association of Accounting Technicians of Sri Lanka facilitates the requirement for a formal qualification for the middle tier of the accounting fraternity. AATSL was formed on an initiative of the Institute of Chartered Accountants following gap identification by the Asian Development Bank. Ever since inception AATSL has been at the forefront of changing the course of accounting education and profession for the mid-tier professionals in Sri Lanka, thus contributing to the country's economic and social development. AATSL 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 Sri Lanka has been a full member of the International Federation of Accountants since 2017, having been an associate member of the federation for 28 years prior to that. The Association is the second Accounting Technicians body in the world to have gained full membership of this global apex body of accountants.



Having been the first Associate Member of the Confederation of Asian & Pacific Accountants, AAT Sri Lanka obtained the full membership in 2015, the second Sri Lankan accounting body to achieve this feat. CAPA has been a leading network of accounting bodies in the region since 1989.

RECOGNITION OF AAT QUALIFICATION

As a well-known and trusted accounting body in the country, AAT Sri Lanka consistently establishes and nurtures mutually beneficial partnerships with Professional Bodies and Universities. AATSL maintains reciprocal relations with the following bodies:

- 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
- Institute of Financial Accountants (IFA) of UK
- Chartered Institute of Personnel Management (CIPM)

- 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 of UK
- BMS (Business Management School) in collaboration with Northumbria University of UK
- Saegis Campus in collaboration with Canterbury Christ Church University of UK
- BCAS Campus in collaboration with Southampton Solent University of UK
- AATSL Business School

THE AATSL REACH

Over the years, AAT Sri Lanka has created a comprehensive network comprising members, passed finalists and students across the nation. While the AATSL headquarters is based in Colombo, the Association maintains a robust reach through 7 branches as well as 125 Accredited Education Centres covering all provinces. AATSL provides study materials and conducts examinations in the three languages (Sinhala, Tamil and English). During the year under review, AATSL held examinations at 67 examination centres across the nation.

In the digital age, social media platforms are a viable option for reaching out to the younger generation. As such, AAT Sri Lanka keeps on investing in the social media campaigns to generate interest amongst large follower base of students and other stakeholders. AAT Sri Lanka official pages are active in all platforms and offers 24 hour help desk by replying to messages and comments. The Association communicates in all three languages used in Sri Lanka on three separate Whatsapp accounts to provide information and reply to queries. This report presents a detailed snapshot of AAT Sri Lanka's social media reach under expanding our presence report.

AAT Sri Lanka participates in education exhibitions to maintain the presence in the education arena, such initiatives provide opportunities to reach out to new students and add value to what the Association offers to current students. In addition, AAT Sri Lanka conducts online webinars to reach out to students in the absence of physical school visits due to the pandemic situation to present the AAT curriculum and benefits associated with following qualifications offered by AAT Sri Lanka.

AAT SRI LANKA QUALIFICATION

The fundamental objective of AAT Sri Lanka is to serve the economic progress of Sri Lanka through supporting mid-tier accounting professionals who work in the Corporates specially in Small and Medium Enterprise sector of the country. As such, the Association seeks to offer timely, data and insight driven education and professional development opportunities that fits in well with the current digitally driven accounting requirements through facilitating progress in areas such as Accounting & Finance, Performance Analysis & Management, Legal, Taxation, Auditing, Digital and Communication.

Striving consistently to remain up-to-date across a comprehensive spectrum of subjects, AAT Sri Lanka qualification addresses real-world concerns and requirements of accounting professionals.

Moreover, AAT qualifications and course content align well with Sri Lanka's G.C.E. Advanced Level Commerce curriculum, thus offering students an ideal opportunity following their G.C.E. Ordinary Levels to assimilate well into the G.C.E. Advanced Level curriculum while simultaneously gaining a reputed qualification to gain competitive advantage as they progress further in their academic and professional pursuits.

AAT qualification and study content are geared-well to enable aspiring entrepreneurs to gain valuable financial management skills and tools to pursue sustainable business growth. AATSL members are recognised as Approved Accountants and AATSL Fellow members are recognised as Authorised Representatives by the Inland Revenue Act No.24 of 2017.

AATSL BUSINESS SCHOOL

The AATSL Business School fulfills the role of a strategic career development unit as part of AAT Sri Lanka to broaden and enrich career pathways of AATSL members, passed finalists and students. As such, the Business School focuses on enhancing competencies of accounting professionals that foster individual development. It conducts a plethora of programs to develop skills of accounting professionals in particular in the fields of Accounting & Finance Management, Information Technology, Taxation, Business Communication and Leadership Skills. Thus far, over 12,000 students have enriched their potential and enhanced skills through resources provided by AATSL Business School.



CURRICULUM STRUCTURE 2020-2025

AAT Sri Lanka's goals include the provision of relevant, useful and progressive educational and professional skills development opportunities to both students and members. As such, the Association conducts curriculum evaluations and upgrades once in every 5 years. Such periodical revisions to AAT course content and qualification are information and insight driven – well-geared to meet timely needs.

At present, AAT Sri Lanka is exploring further resource provision to help mid-tier accountants to meet the challenges and rapidly evolving trends of the digital era to become employable and valuable members of the accounting fraternity.

The AAT curriculum of 2020- 2025 – themed 'Employment Fast-Tracked' is designed to enable mid-tier accounting professionals to meet relevant competencies and self-directed learning habits that will see them go far in the digital era.



AAT MEMBERSHIP

AAT Sri Lanka membership remains a valuable asset to accounting professionals as it offers opportunities for knowledge expansion in tandem with the evolving markets as well as networking with peers and industry experts.

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

TRUSTING THE QUALIFICATION

27,479

Students Applied For The Examinations

24,093

Students Sat For The Examinations

13,256

New Student Registrations

18,141

Student Renewals

6,184

Active Members

UPGRADING THE NEXT GENERATION

120

Lecture Hours Via TV

30

Seminars in Schools

32

Free Webinars for Over 27,000 A/L & O/L Students

CONNECTING WITH OUR STAKEHOLDERS

91,750

Facebook Followers

16,300

YouTube Subscribers

8,050

Instagram Followers

4,800

Linkedin Followers

5

Networking Member Events

WE TREAT ALL GENDERS EQUALLY

Female Representation %

62%

Active Student Base

49%

Our Team

39%

Active Member Base

INCREASED ACCESSIBILITY

125

Accredited Education Centres

- Study Text Courier to Door Step
- E-Access to Study Texts & Past Papers
- Online Examination Application and E-Admission
- Trilingual Website
- Hybrid Seminars
- Virtual Events

CAREER PATH DEVELOPED

2,251

New Passed Finalists

2,368

Students Completed Business School Courses

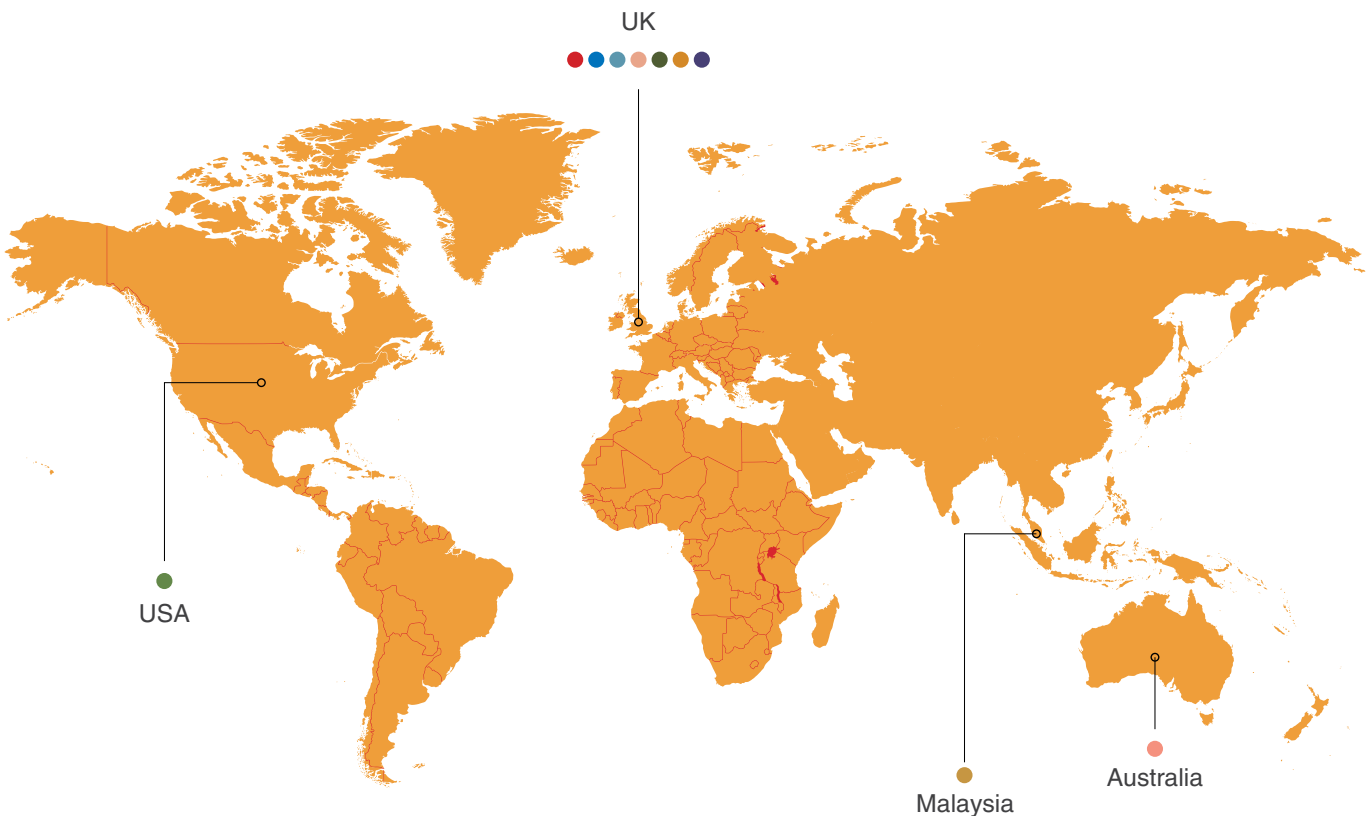
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New Members

SOCIAL MEDIA PERFORMANCE



EXPANDING OUR INTERNATIONAL PARTNERSHIP



- Chartered Institute of Management Accountants UK (CIMA-UK)
- Association of Chartered Certified Accountants of UK (ACCA-UK)
- Institute of Financial Accountants (IFA) of UK
- National Institute of Business Management (NIBM) in collaboration with Coventry University of UK
- BMS (Business Management School) in collaboration with Northumbria University of UK
- Saegis Campus in collaboration with Canterbury Christ Church University of UK
- BCAS Campus in collaboration with Southampton Solent University of UK
- International Federation of Accountants (IFAC)
- Institute of Public Accountants (IPA) of Australia
- Confederation of Asian & Pacific Accountants (CAPA)

PERFORMANCE HIGHLIGHTS

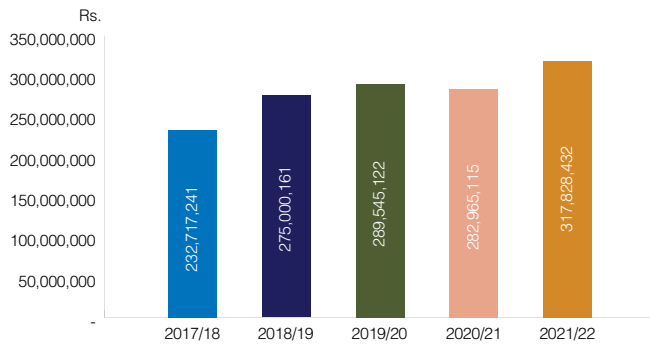
As at 31 March	Metric	2021/22	2020/21	YOY
Financial Capital				
Income	Rs. Mn	318	283	12%
Gross Surplus	Rs. Mn	170	145	17%
Surplus After Tax	Rs. Mn	98	88	11%
Finance Income	Rs. Mn	36	52	-31%
Total Assets	Rs. Mn	1,062	981	8%
Total Funds	Rs. Mn	948	837	13%
Investments	Rs. Mn	734	651	13%
Accumulated Fund	Rs. Mn	914	805	14%
Gross Surplus Ratio	%	53	51	4%
Net Surplus Ratio	%	31	31	0%
Liquidity Ratio Times	Times	9	7	29%
Return on Assets	%	9	9	0%
Manufactured Capital				
Property & Equipment	Rs. Mn	130	135	-4%
Capital Expenditure	Rs. Mn	5	6	-17%
Social and Relationship Capital				
Active Student Base (calender year)	No.	28,501	31,264	-9%
Active Member Base (calender year)	No.	6,184	6,064	2%
Student Registrations	No.	13,256	15,268	-13%
Student Renewals	No.	18,141	15,996	13%
Accredited Education Centres	No.	125	114	10%
AATSL Business School Students	No.	2,368	1,318	80%
Investment in CSR	Rs. Mn	3.3	2.0	65%
Human Capital				
Employees	No.	70	67	4%
Net Surplus After Tax per Employee	Rs. Mn	1.4	1.3	8%
Total Payment to Employees	Rs. Mn	96	88	9%
Training Hours	Hour	111	233	-52%
Average Training Hours per Employee	Hour	2	4	-50%
Investment in Training	Rs. Mn	0.49	0.01	4800%
Staff Promotions	No.	6	0	100%
Retention	%	90	87	3%
Natural Capital				
Energy Consumption	kWh	195,343	205,480	-5%
Water Consumption	Ltr (Mn)	1.22	1.91	-36%
Paper Recycled	Kg	1,787	4,250	-58%

9%
**RETURN
ON ASSETS**

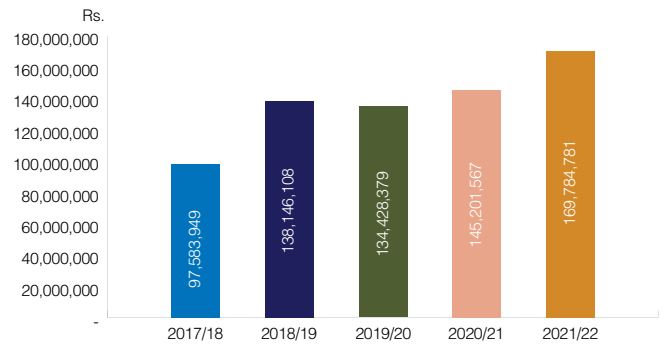
31%
**NET SURPLUS
RATIO**

53%
**GROSS SURPLUS
RATIO**

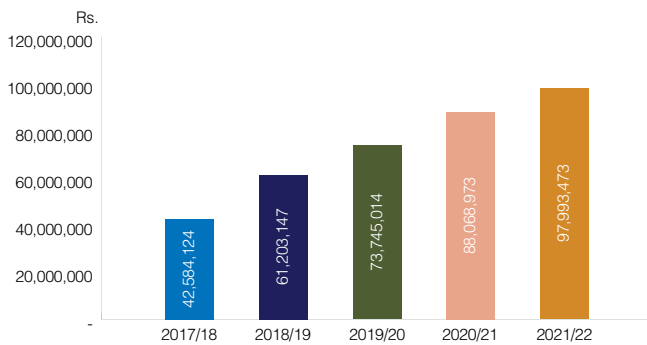
Income



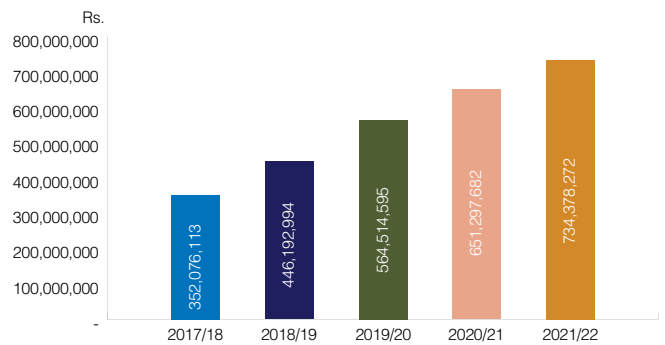
Gross Surplus



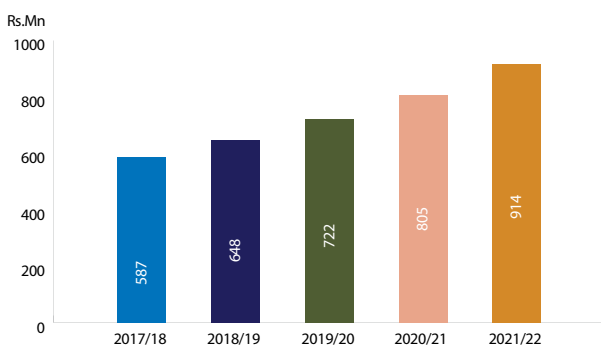
Surplus After Tax



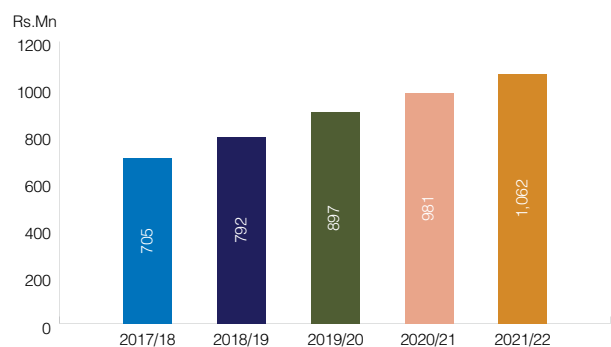
Investments



Accumulated Fund



Total Assets



**SURPASSED THE ASSET BASE OF RS. 1 BILLION
FOR THE FIRST TIME**

OUR RESPONSE TO THE ECONOMIC CRISIS

The year under review presented a gamut of interconnected challenges from the COVID-19 pandemic, followed by the economic crisis which unfolded during the latter part of the year. In this bleak context, as a not-for-profit education institute, AAT Sri Lanka faced a multitude of challenges in maintaining operational integrity and chartering growth prospects. Even though, AAT Sri Lanka was able to navigate the challenging circumstances effectively through adopting a set of pragmatic strategies, we are well aware that our response to the economic crisis will not only determine our capacity to pursue growth but also influence our ability to contribute to ushering in economic stability to the nation. This section of the report discusses, the responses we initiated during the year to the economic crisis as well as our plans to mitigate risks in the future.

EMBRACING DIGITALISATION

Frequent lockdowns, school closures and overall mobility restrictions initially impacted AAT Sri Lanka's ability to conduct planned events for students and members as well as delivery of course content. In response to this, we initiated a widespread digitalisation drive to offer our services virtually. We continued to work closely with AECs to resolve bottlenecks and enhance the quality of education delivered via online channels.

Moreover, we utilised the AAT Sri Lanka website to convert study material into digital formats and enable free access to students. Enabling trilingual features on our website allowed us to reach out to a wider audience of students. Our students were allowed to register for their examinations virtually.

AAT Sri Lanka conducted a series of webinars virtually targeting G.C.E. Ordinary Level and G.C.E. Advanced Level students, extending access to the content through live streaming sessions on YouTube. In addition, we collaborated with Y FM to conduct similar webinars targeting G.C.E. Ordinary Level students.

Striving to reach out to educators outside the fold of AAT Sri Lanka, we conducted online teacher training programs for teachers to assist them in delivering G.C.E. Advanced Level content virtually. Conducted by Professional trainer Mr. Mohan Palliyaguruge, the webinar discussed challenges and strategies of digital education delivery.

As the economic crisis keeps on unfolding, we will continue to explore digitalisation options to further extend our services and create value for students, members and communities.

CREATING EMPLOYMENT OPPORTUNITIES

AAT Sri Lanka intensified efforts at finding employment for passed finalists and providing training during the year under review. We consistently work on nurturing our relationships with employers and corporates to create opportunities and avenues of growth for our students, passed finalist and members. During the year under review, AAT Sri Lanka facilitated 308 job opportunities for passed finalists.

FINANCIAL POSITION

Mindful of the fact that the prevailing economic crisis has diminished the purchasing power of Sri Lankans across the nation including our students, AAT Sri Lanka, refrained from increasing student registration and members fees. Nevertheless, we relied on a stringent and well-thought out cost management framework to manage our expenditure.

As a not-for profit education organisation, AAT Sri Lanka has been investing surplus earnings in the local financial market. While the current economic crisis poses a threat to the stability of the financial position, AAT Sri Lanka led by the Governing Council will continue to closely monitor the situation and take prudent risk mitigation actions that are possible to execute within our mandate.

REACHING OUT TO COMMUNITIES

The economic downturn negatively impacted a large section of society. AAT Sri Lanka conducted various CSR activities to contribute to empowering individuals. Responding to the obstacles that school students face in obtaining quality education with limited access to digital devices and internet connectivity, we partnered with SIYATHA TV to conduct lectures via electronic channels.

The project commenced in October 2021 for level 1 and level 2 Sinhala students. Prominent lecturers from AAT weekend classes conducted 120 hours of subject material for all 8 subjects dedicating 15 hours each per subject. We conducted recording and editing in-house, and Siyatha TV aired the programs from 5am to 6am from October 2021 to March 2022.

Meanwhile, celebrating world humanitarian day and World Food day on two separate occasions, we reached out to people from vulnerable communities with donations of cash and food.

FUTURE OUTLOOK

The current political and economic crisis will continue to disturb the fabric of the society, threatening stability. A set of well-defined, data driven, time sensitive strategies should be the linchpin to resolving the underlying issues and restoring a sense of normalcy to rebuild the economy. In this regard, the SME sector can perform a gargantuan task. The country's SME sector is the true backbone of the economy – providing employment and bringing in export earnings. As such, AAT Sri Lanka is set to fulfill a greater role in ensuring prudent financial management of SMEs.

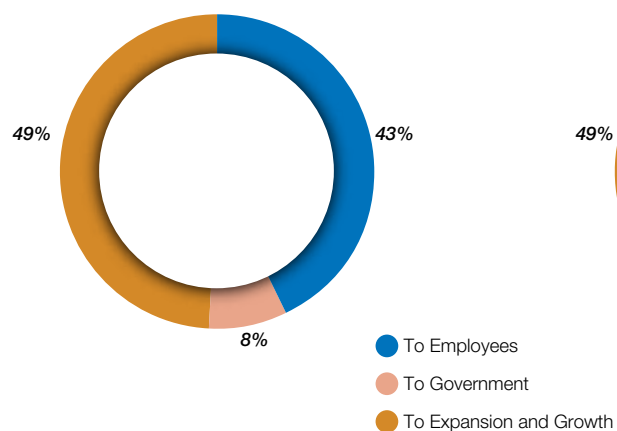
We will continue to intensify our efforts to incorporate timely and futuristic education content within our curriculum and introduce new courses not only to students but to members through our Business School to usher them into the era of the fourth industrial revolution. We are confident that our efforts to digitalise our services, facilitate futuristic competencies and contribute to the growth of the country's SME sector will prove to be successful in creating lasting value not only for our stakeholders but also Sri Lanka.

VALUE ADDED STATEMENT

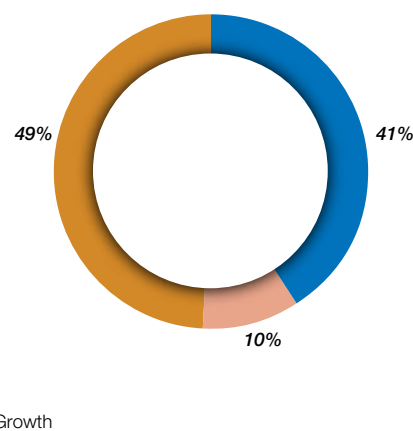
The Value added statement illustrated below presents a comprehensive and concise picture of the benefits that AATSL has created on behalf of stakeholders and how those are distributed amongst each stakeholder group, along with the economic value retained within the Association.

For the year ended 31 March	2022 Rs.	2021 Rs.
VALUE ADDITION		
Revenue	317,828,432	282,965,115
Income from Investment property	18,886,890	17,569,200
Other income	42,760,366	58,567,765
Total	379,475,688	359,102,080
Less: Operating expenses	(155,453,771)	(146,834,076)
Value added	224,021,917	212,268,004
DISTRIBUTION OF VALUE ADDITION		
To employees as salaries and other benefits	96,355,347	87,715,247
To the Government	17,178,927	20,258,440
To expansion and growth		
As depreciation and Amortisation	13,835,085	15,516,322
As reserves	97,993,473	88,068,973
Deferred Taxation	(1,340,915)	709,022
Total to the Expansion and Growth	110,487,643	104,294,317
Total Distribution Of Value Addition	224,021,917	212,268,004

Value Distribution 2021/2022

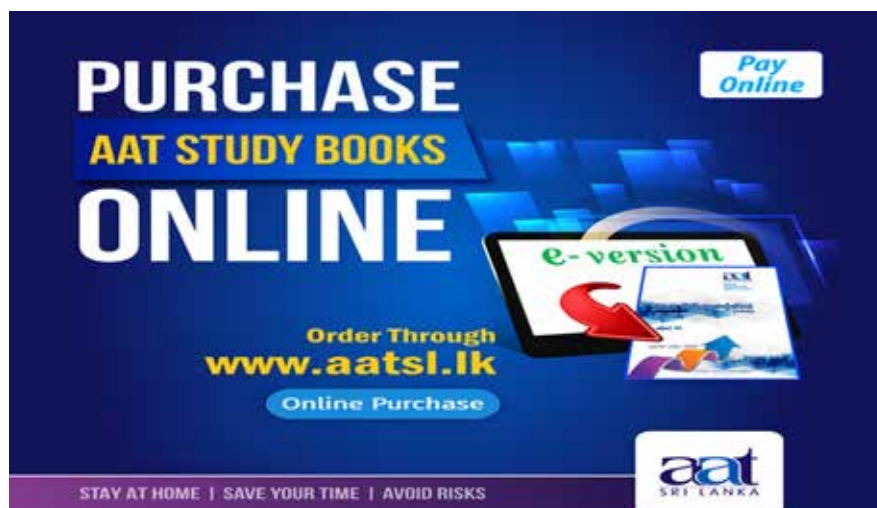


Value Distribution 2020/2021



YEAR AT A GLANCE

LAUNCHING
E-STUDY TEXT



WENT
LIVE WITH
APPLYING FOR
EXAMINATIONS
AND ISSUING
ADMISSION
PROCESS
ONLINE

INTRODUCED
TRILINGUAL
WEBSITE



PASSED FINALISTS' CERTIFICATE AWARDING CEREMONY FOR JANUARY 2021 EXAMINATION WAS HELD AT BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL



THE 28TH ANNUAL CONVOCATION OF AAT SRI LANKA WAS HELD AT BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL

THE 29TH ANNUAL CONVOCATION OF AAT SRI LANKA WAS HELD AT BANDARANAIKE MEMORIAL INTERNATIONAL CONFERENCE HALL



YEAR AT A GLANCE

**19TH ANNUAL
CONFERENCE
WAS HELD AT THE
HOTEL GALADARI**



**AAT SRI LANKA
WAS AWARDED
WITH THE MOST
PRESTIGIOUS GOLD
AWARD AT ANNUAL
REPORT AWARDS
2021 OF CA
SRI LANKA (NPO
INCLUDING NGO
SECTOR)**

**AAT SRI LANKA
BAGS THREE
PRESTIGIOUS
AWARDS AT
THE NATIONAL
BUSINESS
EXCELLENCE
AWARDS 2021**





**MR. NALEEN
DHAMMIKA DE SILVA
WAS INDUCTED AS THE
12TH PRESIDENT OF
THE ASSOCIATION**

**TOASTMASTERS CLUB
ACHIEVEMENTS**



KEY MILESTONES

Established on
the Initiative of CA
Sri Lanka

1987

Associate Member of
CAPA & IFAC

1989

Established AAT
Toastmasters
Club

2009

Recognition
as Authorised
Representatives
under Inland
Revenue Act

2011

Established AAT
Computer Training
Centre

1994

Set up Own
Examination
Division

1999

Established
AAT
Business
School

Awarded
ISO
9001:2008

2013

Approved
Accountant
Under IR Act.
Full Membership
of CAPA

2015

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)

Shifted to Own
Head Office
Building

2002

Full Membership of
IFAC

2017

Introduced
Structured
Monitored
Practical
Training
Scheme &
Code of Ethics

2005

Introduced
MIP Scheme

2018

Acquired
Investment
Property

2007

Introduced Online
Registrations

2020

Introduced
CPD
Scheme

2008

Introduced E-Study
Text and Online
Exam Application
Process

2021

AWARDS 2021/22



- 1) Gold Award – Annual Report Awards of CA Sri Lanka (NPO including NGO Sector)
- 2) Gold Award – National Business Excellence Award (Associations and Societies Sector)
- 3) Silver Award – National Business Excellence Award (Medium Category)
- 4) Merit Award – National Business Excellence Award (Excellence in Corporate Social Responsibility)
- 5) Golden Club Award - AATSL Toastmasters Club together with 6 other awards

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 (All sector)
Golden Gavel Award – AAT Toastmasters Club together with 5 Awards and 50+ Individual Awards

2020

Gold Winner – Best Integrated Report of CMA Excellence in Integrated Reporting Awards (Education Sector)
Merit Award – Excellence in Integrated Reporting of CMA Sri Lanka (All sectors)
Golden Gavel Award – AAT Toastmasters Club together with 10 Awards

AWARDS & EXCELLENCE



Gold Award - National Business Excellence Awards 2021 (Associations and Societies Sector) for the 8th Consecutive Year

Silver Award - National Business Excellence Awards 2021 (Medium category)

Merit Award - National Business Excellence Awards 2021 (Excellence in Corporate Social Responsibility)



Gold Award – Annual Report Awards 2021 of CA Sri Lanka (NPO including NGO sector)

AATSL Emerging Toastmasters Club Award



AATSL TOASTMASTERS CLUB AWARDS

GOLDEN CLUB AWARD
BEYOND BOUNDARIES AWARD
8-80 MEMBERSHIP AWARD - TERM 2
TRIPLE STAR AWARD
PUBLICITY STAR AWARD - GOLD
ON TIME RENEWAL AWARD
BEST ONLINE PRESENTS - SILVER AWARD





LEADERSHIP

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PRESIDENT'S MESSAGE

In retrospect, the financial year 2021/22 proved to be one that ushered in timely changes and growth within the Association of Accounting Technicians of Sri Lanka. The year commenced with a myriad of challenges stemming from the pandemic, and during the latter part of the year we witnessed the onset of the economic crisis. Nevertheless, AATSL successfully navigated these troubled waters by adopting a set of pragmatic strategies designed to not only survive external obstacles but also support growth of the Association in line with strategic objectives. In this backdrop, I am pleased to present the Annual Report for the financial year 2021/22.

GLOBAL OUTLOOK

The COVID-19 pandemic that began in 2020 continued to evolve and disrupt the social fabric with recurring infections creating health concerns, and mobility challenges escalating economic and social concerns. Accordingly, global growth slowed down as a result of supply chain disruptions due to COVID-19 flare ups and lack of sound fiscal support in some economies.

SRI LANKAN ECONOMY

Sri Lanka's own economy showed signs of stepping into a prolonged crisis with challenges from unsustainable debt and balance of payment driving hyperinflation especially during the latter part of the year. The country's GDP increased by 3.5% during the year in spite of the decrease in earnings from tourism as well as foreign remittances. The country's export sector performed well to increase earnings. However, the cost of imports of intermediate and capital goods worsened the trade deficit.

THE ASSOCIATION'S RESPONSE TO CHALLENGES

The pandemic and the resultant mobility, economic and social repercussions challenged AAT Sri Lanka to look for alternative approaches to engage students, members and other stakeholders in our efforts to continue to create value. In response to mobility challenges, we increased our focus on digital delivery of academic content and student engagement including the registration and admission process. Meanwhile, the economic challenges called for greater focus on cost management and on implementing sustainable and stringent cost control methods to manage expenditure.

Even though, we were obliged to postpone and cancel a number of important events scheduled for the year, we organised virtual events to continue to effectively engage our stakeholders and deliver content, facilitate networking and educate our target audiences in line with strategic objectives.

The aforementioned strategies enabled AAT Sri Lanka to not only navigate choppy waters effectively, but also lay the groundwork for sustainable growth and preparedness for the digital era.

“

Mindful of the fact that a sound social media strategy plays an integral role in reaching out to target audiences and stakeholders in the digital era, we reinforced our efforts to increase our social media reach and engagement during the year under review.

”





PRESIDENT'S MESSAGE

PERFORMANCE

The strategic impetus that we adopted allowed the Association to record an outstanding financial performance during the year under review. Our top-line rose by 12% recording an income generation of Rs.317,828,432/= (Rs.282,965,115/= FY2020/21). AAT Sri Lanka posted a surplus after tax of Rs.97,993,473/= (Rs.88,068,973/= FY2020/21) for the year recording a growth of 11% while the accumulated fund increased by 14%.

Among other operations, AATSL Business School performed exceptionally well during the year under review with a top-line growth of 58% for the year. Meanwhile, during the year under review AATSL reached Rs.1Bn in the asset base. A detailed analysis of the financial performance is presented in the Understanding Our Financial Stability section of this report.

During the year under review, our Student Renewals increased by 13% with 18,141 students renewing their studentship, while our active member base increased from 6,064 to 6,184 by the calendar year end.

ENGAGING STAKEHOLDERS TO CREATE VALUE

The external pressure from the pandemic led to a shift in our modus operandi in stakeholder engagement. Our member engagement drive included a number of networking events which witnessed the participation of a large number of members including those who reside overseas. Meanwhile, we provided the necessary support to AECs for the virtual delivery of academic content effectively. AAT Sri Lanka conducted a number of webinars and seminars for G.C.E. Advanced Level and G.C.E. Ordinary Level students virtually to provide assistance with their academic pursuits.

In line with our efforts to engage communities, we partnered SIYATHA TV to telecast 120-hour lectures to cover subject material for all 8 subjects dedicating 15 hours each per subject.

While we were obliged to adopt the aforementioned changes in response to mobility challenges, the virtual delivery of content proved to be effective, thus reinforcing our digitalisation agenda.

EMBRACING THE ONSET OF THE DIGITAL REVOLUTION

As the world continues to embrace a digitally driven economy in tandem with the changes that usher in the technological revolution 4.0, AAT Sri Lanka too is well-prepared to adapt to digitalisation. During the year under review, we launched the first phase of our digitalisation strategy. Making study material available online and enabling students to download the content free of charge as well as adding trilingual features to the website were part and parcel of our digitalisation strategy. In addition, we enabled virtual registration facilities to interested students.

Mindful of the fact that a sound social media strategy plays an integral role in reaching out to target audiences and stakeholders in the digital era, we reinforced our efforts to increase our social media reach and engagement during the year under review.

STRATEGY ADOPTION TO CREATE LONG TERM VALUE

The combination of the shift in approach to operational delivery that we adopted during the year as well as the evolving market needs is the catalyst that will drive our strategic approach in the years to come. As we prepare to draft our strategy for the next five years, we will continue to adopt a data and insight driven approach to formulating effective action plans. We are well aware that the evolving needs of the business arena calls for accounting professionals to become digitally savvy and adopt a data driven approach to executing their job role. Accordingly, we will continue to change our content offerings to students, upgrade curriculum and expand the offerings of the AATSL Business School. The current and futuristic market trends and requirements call for the Business School to play a more involved and comprehensive role in assisting our members to accumulate necessary skills and knowledge to thrive in the future.

GOVERNANCE

Our governance framework plays an important role in shaping our future direction in addition to safeguarding the operational integrity of our current operations. Headed by the Governing Council,

AAT Sri Lanka's governance framework provides a solid base to ensure transparency, integrity, risk mitigation as well as the Association's ability to create value for all stakeholders in an equitable and sustainable manner. The governance section to this report presents a more detailed analysis of our governance framework.

FUTURE OUTLOOK

The prevalent economic, political and social instability will have far reaching negative impacts not only on the Association but also the nation as a whole. While we remain concerned and alert to potential risks, we have already adopted necessary mitigating tools and strategies to weather the storm. We will continue to seek financial stability, operational integrity and creation of value for all stakeholders by implementing pragmatic mechanisms.



"Highest ever active member base.

Highest business school performance.

Reached 1 Bn assets base."



ACKNOWLEDGMENT

The year under review will go down in history as one of the most challenging and game changing ones in recent history. Members of the Governing Council provided inspiring leadership in guiding AAT Sri Lanka to pursue growth amidst challenges. I am thankful for their contribution. AAT Sri Lanka would not have been able to navigate this challenging year effectively, achieve financial success and charter a new direction in growth in FY 2021/22 without the able and committed support of our senior management led by Mr. Tishanga Kumarasinghe the CEO as well as the staff. I am sincerely grateful to our CEO as well as each member of the staff for their unwavering dedication. I would also like to extend my warm gratitude to our students and members for their trust in our abilities and for staying by us in these turbulent times. I would also like to thank the Accredited Education Centres for their invaluable role in education delivery. Our members continued to battle on in spite of the dire economic challenges, steadfastly maintaining their professional roles and contributing to the economy. I would like to acknowledge their contribution not only to the economy but also towards enhancing the brand reputation of AATSL. Let us continue to seek progress undeterred by challenges.

Mr. A. Naleen Dhammika De Silva

President - Association of Accounting Technicians of Sri Lanka

CHIEF EXECUTIVE OFFICER'S REVIEW



Resilience, unity, strategic impetus and commitment were the key drivers of AAT Sri Lanka's growth during the financial year 2021/22. Even though the external environment proved to be challenging, we designed an effective and pragmatic approach to mitigate the difficulties by utilising the available resources. As a result of this successful strategy, we were able to surpass our expectations and achieve financial and operational success while also paving the way for future growth.

PERFORMANCE

During the year under review, AAT Sri Lanka reached double digit growth targets recording a top-line growth of 12% along with a gross surplus growth of 17% from Rs.145 Mn in 2020/21 to Rs. 170 Mn in FY 2021/22.

The Association's accumulated fund grew by 14% while the asset base grew by 8%. AAT Sri Lanka achieved the highest surplus in our operational history of Rs. 98 Mn. Our Investment Portfolio grew by Rs. 734 Mn, illustrating a growth of 13%.

Meanwhile, we achieved the highest number of students that applied for July examination (15,966) since the year 2015. In addition, we witnessed the highest number of student renewals (18,141) during the year under review.

EXTERNAL CHALLENGES

The Association along with the rest of the nation faced a confluence of challenges stemming not only from the COVID-19 pandemic but also the unsustainable socio-political and economic situation in the country. Mobility restrictions due to the pandemic disrupted AECs ability to conduct physical classes and we were forced to cancel or postpone a number of events scheduled for the year. Meanwhile, G.C.E. Ordinary Level and G.C.E. Advanced Level examinations were held at later dates than originally scheduled – a fact that complicated AAT Sri Lanka's student recruitment drives. As the purchasing power of Sri Lankans across the nation continued to dwindle and uncertainty prevailed, AAT Sri Lanka sought to achieve recruitment and business continuity targets a set of unified strategies.

“

We achieved the highest number of students applied for July examination (15,966) since the year 2015. In addition, we witnessed the highest number of student renewals (18,141) during the year under review.

”

CHIEF EXECUTIVE OFFICER'S REVIEW



"AAT Sri Lanka reached double digit growth targets recording a topline growth of 12% along with a gross surplus growth of 17%"



RESPONSE TO THE CRISIS

Our sound risk identification process enabled AAT Sri Lanka to comprehend potential risks stemming from external pressure. This nuanced understanding of the status quo allowed us to respond in a prudent and progressive manner to the crisis. Led by the Governing Council and senior management, AAT Sri Lanka team adopted a well-defined process to achieve targets through facilitating each employee to carry out their responsibilities in a flexible manner by introducing and providing necessary resources to work from home. In the meantime, the Association relied on a transparent and interactive communication method to enhance interactions within departments promoting greater understanding within the Association.

Meanwhile, we took appropriate steps to increase our digitalisation drive through offering e-study texts on our website, which the students could download at a concessionary rate. We added trilingual features to our website to provide greater access to our resources to students across the nation from diverse backgrounds. Students were also allowed to submit their student registration applications online and register for their studentship virtually. In the absence of physical classes, we facilitated virtual delivery of course content through close collaboration with AECs. As we were unable to conduct a large number of events due to the pandemic, we organised webinars as well as networking events on virtual platforms.

During the year under review, AAT Sri Lanka branches located across the island rendered great services by providing study material to students in relevant areas. AAT Sri Lanka took that extra step in facilitating students through couriering study material to home addresses when required.

Even though, education delivery on virtual platforms proved to be challenging at first, we developed a set of effective tools during the process. Virtual member interaction however proved to be a successful strategy with members who live overseas joining in to take part in various events.

Meanwhile, during the year under review, we recognised the value of our Business School offering and took measures to ready the stage for a revamping. Moreover, our efforts at improving the delivery of education through the Business School proved to be successful with it contributing well to the overall performance of AAT Sri Lanka. Our financial stability section of this report discusses the operational and financial success of the AATSL Business School during the year under review, in detail.

EXPANDING THE SOCIAL MEDIA PRESENCE

AAT Sri Lanka by nature of our education offering target the youth of Sri Lanka, who belong to a digitally savvy generation who frequently use social media platforms to interact and gain insights into opportunities available. Mindful of this, we conducted an extensive social media expansion drive during the year under review. Our social media strategy included promotional drives catered to the younger generation. AAT Sri Lanka's Facebook and Instagram platforms attracted a considerable following during the year under review and generated interactive discussions which translated into student registrations.

Moreover, we used communication apps such as WhatsApp and Viber to enable potential students to interact with AAT Sri Lanka front-line employees, a strategy that proved to be successful with a definitive increase in student numbers.

Our social media outreach contributed to improving our brand equity, as we reached out to a large section of the society. Expanding our presence section in this report discusses our social media strategy in detail.

AWARDS AND ACCOLADES

The awards and accolades that we received during the year under review strengthened our brand reputation and contributed to establishing the AAT Sri Lanka brand as a respected entity in the accounting arena in the country. During the year under review, we won the Gold Award in the NPO including NGO category at the CA Sri Lanka Annual Report Awards, which recognise excellence in financial reporting through illustrating transparency, accountability, governance and sustainability. AAT Sri Lanka won the Gold Award in the Associations and Societies Sector at the National Business Excellence Awards (NBEA) 2021 for the 8th consecutive year as well as the Silver Award in the medium category along with a Merit Award for excellence in Corporate Social Responsibility. The NBEA awards celebrate entities that showcase excellence in business while contributing to the economic progress in the country.



Highest ever Income, Surplus,
Investments, Accumulated Fund
and Asset Base



FUTURE OUTLOOK

The prevalent economic and political crisis presents a confluence of concerns as to the future direction of the Association. While we are hopeful that the country's situation will stabilise in time, as the President discusses at length in his review, we are well aware of our role in the economic revival. As such, we will continue to seek to improve our own offering to the Accounting profession through learning, un-learning and re-learning necessary skills and knowledge in tandem with the evolving corporate world. We will continue to upgrade our curriculum and increase our offerings to all our stakeholders including members, passed finalists, students and communities.

ACKNOWLEDGEMENT

We could not have overcome the multitude of challenges that occurred during the year under review without the steady support of all our stakeholders. I am grateful to the insightful guidance of our President Mr. Naleen De Silva as well as members of the Governing Council. I wish to thank our immediate past President, Mr. Russell Fonseka for his inspiring leadership. Their perceptive guidance enabled AAT Sri Lanka to steady the ship in troubled waters. Our members provided invaluable support through their participation in various committees. I am thankful to our members for their assistance. AAT Sri Lanka's senior management and employees worked with dedication and unity to achieve growth targets. I am sincerely grateful to them for their contribution. Our partner Accredited Education Centres worked in close collaboration with us during the year to face challenges effectively. I would like to offer my gratitude to each AEC for their role. 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 am sincerely grateful to our corporate sponsors for their steady support in spite of difficulties that we all faced during the year. Let us continue to work together to build the AAT Sri Lanka brand and contribute to the true economic progress of the country.

Mr. Tishanga Kumarasinghe

Chief Executive Officer - Association of Accounting Technicians of Sri Lanka

GOVERNING COUNCIL



Mr. A. Naleen Dhammika De Silva
President



Mr. K. L. Jagath Nandana Perera
Vice President



Mr. Indraka Liyanage
Secretary



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



Dr. Chamara Bandara
Council Member



Ms. Chamila Cooray
Council Member



Mr. Thilak Dharmarathne
Council Member



Dr. Damith Gangodawilage
Council Member



Mr. Lahiru Jayasinghe
Council Member



Mr. P. D. Wasantha Kumara
Council Member



Mr. Heshana Kuruppu
Council Member



Ms. F. S. Naayila Marikkar
Council Member



**Mr. B. Kapila
K. Ranasinghe**
Council Member



Mr. Sunil Wanigabadu
Council Member



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



**Ms. Neelamani
Malawiarachchi**
Council Member

INTRODUCTION TO OUR GOVERNING COUNCIL

Mr. A. Naleen Dhammika De Silva

FMAAT, FCA, ACMA, MBA (USJ)

President, Chairman - International Affairs Sub-Committee

A prominent accounting professional with experience that spans across a number of industries, Mr. A. Naleen Dhammika De Silva is the Head of Corporate Planning - Nawaloka Constructions (Pvt.) Ltd and holds a Director position at Corporate Doctors (Pvt.) Ltd. Mr. De Silva holds a Master of Business Administration from the University of Sri Jayawardenepura. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka, Fellow Member of the Institute of Chartered Accountants of Sri Lanka and an Associate Member of the Institute of Certified Management Accountants of Sri Lanka.

Mr. K. L. Jagath Nandana Perera

FMAAT, FCA, B.B Mgt (Acc) Sp.

Vice President, Chairman - Finance & Administration Committee, HR Sub-committee and Procurement Sub-Committee

A veteran accounting professional, Mr. K. L. Jagath Nandana Perera is a partner at the DHP Munaweera & Company, Chartered Accountants. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka and Fellow Member of the Institute of Chartered Accountants of Sri Lanka. Mr. K. L. Jagath Nandana Perera holds a Bachelor of Business Management Degree Accountancy (Sp) from the University of Kelaniya.

Mr. Indraka Liyanage

FMAAT, MBA, FIB(S), FCPM, FICM (UK), AICM, MCIS (UK), PGD (CASL), GSLID

Secretary, Chairman – Membership Committee, Alternate Chairman - Education & Training committee and HR Sub-Committee

Mr. Indraka Liyanage is the Head of Risk Management at Siyapatha Finance PLC and President of the CEMBA/CEMPA Alumni Association. In addition, he works as an Assistant Secretary to the Council at the Sri Lanka Institute of Training & Development as well as a Member of the Regional Advisory group of RIMS for South Asia. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka and Senior Fellow Member of the Institute of Bankers. Mr. Indraka Liyanage holds a Postgraduate Diploma in Business Administration from the Institute of Chartered Accountants of Sri Lanka. He also holds a Commonwealth Executive Master of Business Administration, Fellow Member of Institute of Certified Professional Managers and Fellow Member of the Institute of Credit Management (UK). He is an Associate Member of the

Institute of Credit Management of Sri Lanka and a Vocational Member of the Chartered Institute of Securities and Investments (UK). Mr. Liyanage holds membership positions of numerous organisations namely; the Sri Lanka Institute of Directors and Certified Graduate Director, the Sri Lanka Institute of Training and Development, the Organisation of Professional Associations of Sri Lanka, the Automobile Association of Sri Lanka and the Association of Professional Bankers of Sri Lanka.

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

FMAAT, FCA, B.Sc. (B Ad) Sp. Hons., MBA, FIB(s)

Immediate Past President, Alternate Chairman - International Affairs Sub-Committee

A prominent accounting professional, Mr. W. P. Russel P. H. Fonseka is the Additional General Manager of Bank of Ceylon. He holds Directorial positions at several leading organisations, namely; the Merchant Bank of Sri Lanka & Finance PLC, Transnational Lanka Records Solutions (Pvt.) Ltd and the Sri Lanka Accounting and Auditing Standards Monitoring Board. Mr. Fonseka acts as a Director and Audit Committee Chairman of Property Development PLC and Director & Audit Committee Chairman of Lanka Clear (Pvt.) Ltd. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka and Fellow Member of the Institute of Chartered Accountants of Sri Lanka. He holds an honours degree in B.Sc (Business Administration) from the University of Sri Jayewardenepura and Master of Business Administration - University of Southern Queensland, Australia. He also holds a Postgraduate Diploma in Management from Postgraduate Institute of Management, University of Sri Jayewardenepura. Mr. Fonseka is an Alumnus of the Harvard Business College, USA. He is a Senior Fellow Member of the Institute of Bankers of Sri Lanka.

Dr. Chamara Bandara

FMAAT, FCA, FCMA, MBA, PhD

Council Member, Chairman – Strategic Plan Sub-Committee, Public Seminars & Professional Development committee and SME Committee, Alternate Chairman – Finance & Administration Committee

Dr. Chamara Bandara is the Chief Executive Officer of the Corporate Doctors (Pvt.) Ltd. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka as well as the Institute of Chartered Accountants of Sri Lanka. In addition, he is a Fellow Member of the Certified Management Accountants of Sri Lanka. He holds a Master's Degree in Business Administration from the University of Southern Queensland, Australia as well as a Doctorate in Business Management from the Management & Science University in Malaysia.

Ms. Chamila Cooray**FMAAT, FCA, FCMA (UK), FCMA, FCPM, CPA (Aus), B.Sc (Acc) 1st class Hons., MBA***Council Member, Chairperson – Conference Committee, Alternate Chairperson – Business School, IT Development Committee*

Ms. Chamila Cooray works as the General Manager Operations at WNS Global Service (Pvt.) Ltd. She is a Non-Executive Director at the State Mortgage and Investment Bank and Member of the Country Network Committee, CIMA Sri Lanka. In addition, she works as a Council Member of the Sri Lanka Institute of Advanced Technical Education, Ministry of Higher Education, Technology and Innovation. She holds Fellow Membership positions at a number of prominent organisations, namely: the Association of Accounting Technicians of Sri Lanka, the Chartered Management Accountants (UK), the Certified Management Accountants Sri Lanka, the Chartered Professional Managers Sri Lanka as well as the Institute of Chartered Accountants of Sri Lanka. She is a Full Member of the Certified Practising Accountants of Australia. Ms. Cooray holds a first class honours degree in B.Sc (Accounting) Sp. from the University of Sri Jayewardenepura and obtained her Master's in Business Administration from the University of Colombo.

Dr. Damith Gangodawilage**FMAAT, DBA (Kelaniya), MBA (USQ), PGD (BFA), HNDA, EDAF, FTII, CTA, ACPA, ACPM, MIPA (Aus), AFA (UK)***Council Member, Chairman – Business School Committee, Alternate Chairman – Conference Committee*

Dr. Damith Gangodawilage is the Founder and Director of Taxperts Lanka (Pvt.) Ltd as well as Corporate Business Solutions (Pvt.) Ltd. He is a Lecturer at the Faculty of Business Studies, Sri Lanka Technological Campus and acts as an Advisory Board Member of the Business School at Sri Lanka Institute of Information Technology. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka as well as the Sri Lanka Institute of Taxation. He is also an Associate Member of the Institute of Certified Public Accountants (Pakistan), the Institute of Financial Accountants (UK) and the Institute of Certified Professional Managers. Dr. Gangodawilage holds an Executive Diploma in Accounting and Finance from the Institute of Chartered Accountants of Sri Lanka and a Higher National Diploma in Accountancy from the Sri Lanka Institute of Advanced Technological Education and a Post graduate Diploma in Business and Financial Administration from the Institute of Chartered Accountants of Sri Lanka. He obtained a Master's in Business Administration from the University of Southern Queensland, Australia and a Doctorate in Business Administration (Entrepreneurship and Compliance Management) from the University of Kelaniya. Dr. Gangodawilage is a Certified Tax Advisor as well as a member of the Institute of Public Accountants (Australia).

Mr. Thilak Dharmarathne**SAT, MBA, CBA, ACPM, EDDBA***Council Member, Chairman Members Welfare Committee, Alternate Chairman – Act of Incorporation Committee*

Mr. Thilak Dharmarathne is the Chairman of Ishika Life Stores and works as a Account Consultant at Theekshana. He is the Admin and Finance Manager at Healthy Lanka Alliance for Development. Mr. Dharmarathne is a Senior Member of the Association of Accounting Technicians of Sri Lanka. He holds a Master's Degree in Business Administration (AEU) and an Executive Diploma in Business and Accounting. He is a Certified Business Accountant of Institute of Chartered Accountants of Sri Lanka and Associate Member of Chartered Professional Managers.

Mr. Lahiru Jayasinghe**FCA, MBA (PIM), BSc. Bus Admin (sp), ACIM, ACMA, ACPM, CLSSBB***Council Member, Chairman – Student Promotion & Brand Marketing Committee, Alternate Chairman – Strategic Planning Sub Committee, Examination Committee*

Mr. Lahiru Jayasinghe is the Chief Operating Officer of the St. Anthony's Industries Group (Pvt.) Ltd and Non-Executive and Director/Audit committee Chairman of Sanasa General Insurance (Pvt.) Ltd. He is also a Council Member of the Sri Lanka Economic Association. He holds a B.Sc. (Business Administration) (Sp) Degree from the University of Sri Jayewardenepura as well as a Master's Degree in Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a Certified lean six sigma black belt. He holds Associate Member positions at a number of institutes including; the Chartered Institution of Marketing of UK, the Institute of Certified Management Accountants of Sri Lanka and the Institute of Chartered Professional Managers.

INTRODUCTION TO OUR GOVERNING COUNCIL

Mr. P. D. Wasantha Kumara

SAT, M.A (Econ), B. Com (Acc) Sp. (USJ), CBA (CASL), HNDA

Council Member, Chairman – Public Sector Co-ordination Committee, Alternate Chairman – Members Welfare Committee and Public Seminars & Professional Development Committee

Mr. P. D. Wasantha Kumara is a Senior Tax Officer at the Provincial Revenue Department (W.P.). Mr. Kumara is a Senior Member of the Association of Accounting Technicians of Sri Lanka. He obtained HNDA qualifications from the Advanced Technological Institute of Sri Lanka and his Bachelor's Degree in Commerce (Accounting) Spl. from the University of Sri Jayewardenepura. He holds a Master's of Art (Economics) from the University of Kelaniya. He is a Certified Business Accountant of Institute of Chartered Accountants of Sri Lanka.

Mr. Heshana Kuruppu

FCA, MBA, PIM, MA (Econ), B.Sc. (Acc) Sp. (USJ), ACMA

Council Member

Mr. Heshana Kuruppu is the Vice President of the Institute of Chartered Accountants of Sri Lanka and Group Chief Financial Officer of David Peiris Holdings (Pvt.) Ltd. He acts as a Technical Advisor at SAFA Board. In addition, he acts in Membership capacity at the SAFA Professional Accountants in Business Committee (PAIB) and the Committee to Study Fiscal Regimes and other Statutory Requirements of Business in SAARC Countries. Mr. Kuruppu holds a B.Sc in (Accounting) Sp. 1st Class (Hon.) degree from University of Sri Jayewardenepura and Master's in Financial Economics from the University of Colombo. He also holds a Master's Degree in Business Administration in Banking and Finance from Postgraduate Institute of Management, University of Sri Jayewardenepura. Mr. Kuruppu is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and Associate Member of the Certified Management Accountants of Sri Lanka.

Ms. F. S. Naayila Marikkar

FMAAT, FCA

Council Member, Chairperson – Audit, Compliance and Risk Management Committee and Examination Committee

Ms. F. S. Naayila Marikkar is a Partner at the BR De Silva & Co, Chartered Accountants as well as Alles Martin & Co, Chartered Accountants. She is a Fellow Member of the Association of Accounting Technicians of Sri Lanka as well as the Institute of Chartered Accountants of Sri Lanka.

Mr. B. Kapila K. Ranasinghe

FMAAT, FCA, FSCMA

Council Member, Chairman – Education & Training Committee and Alternate Chairman – Membership Committee

Mr. B. Kapila K. Ranasinghe is a Partner at the Ranasinghe & Co. Mr. Ranasinghe is a Fellow Member of the Association of Accounting Technicians of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka. He is a Fellow Senior Member of the Certified Management Accountants of Sri Lanka.

Mr. Sunil Wanigabadu

FMAAT, CPA, FCPM

Council Member, Chairman – Best Annual Report Competition Committee and Act of Incorporation Committee, Alternate Chairman – Procurement Sub Committee

Mr. Sunil Wanigabadu is a Proprietor of Wanigabadu & Co. He is a Fellow Member of the Association of Accounting Technicians of Sri Lanka. He holds a Fellow Membership position at the Chartered Professional Managers. He is also a Member of the Institute of Certified Public Accountants.

Ms. G. M. Iresha U. Bandara

FMAAT, MFE, ACA, ACMA

Council Member, Alternate Chairperson – Audit, Compliance and Risk Management Committee and Public Sector Co-ordination Committee

Ms. G. M. Iresha U. Bandara is the Director of the Department of State Accountants at the Ministry of Finance. She holds a Master's Degree in Financial Economics and she is a Fellow Member of the Association of Accounting Technicians of Sri Lanka. Ms. Bandara holds Associate Membership position at the Institute of Chartered Accountants of Sri Lanka and the Certified Management Accountants of Sri Lanka.

Ms. Neelamani Malawiarachchi

BA, PGD in Edu, PGD in Mgt.

Council Member, Alternate Chairperson – Best Annual Report Competition Committee and Student Promotion and Brand Marketing Committee

Ms. Neelamani Malawiarachchi is the Director of Education at the Commerce & Business Studies Branch, Ministry of Education. She obtained her Bachelor of Arts Degree from the University of Colombo. She holds a Postgraduate Diploma in Education from the University of Colombo as well as a Postgraduate Diploma in Management from the National Institute of Education.

MANAGEMENT TEAM



01



02

01. Mr. Tishanga Kumarasinghe

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

02. Ms. N. Monika K. Ranasinghe

FMAAT, MBA (Sp) Fin (USQ-AUS),
FCA, ACMA
Chief Financial Officer



03

03. Ms. Nimali Ekanayake

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

04. Ms. S. A. Nadee N. Perera

MBA (UK), B.Sc. Mgt. (Sp) (USJ),
CBA, MCPM, AIPFM
Head of Student Registration &
Membership



04

05. Ms. B. R. Lilani Thanuja

MAAT, FCA, FCMA
Head of Examinations

06. Mr. Sachith Karunaratna

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



05



06

MANAGEMENT TEAM



07

- 07. Ms. Saluja Herath**
BBA (HRM) Sp (UOC), PQHRM,
L.L. Dip
Head of Human Resources &
Administration
- 08. Mr. Dinuka Subapanditha**
Dip. in Marketing
Head of Marketing



08

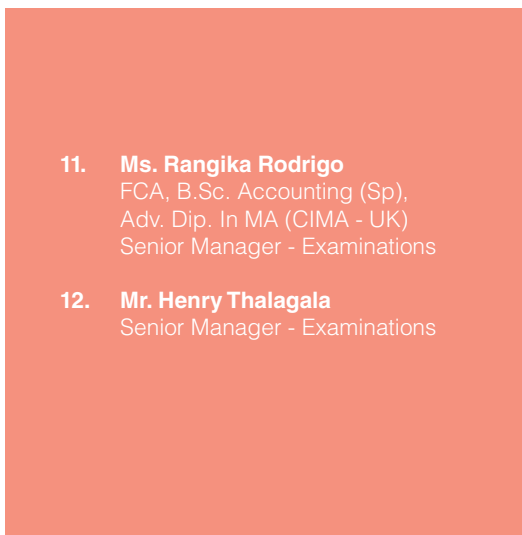


09



10

- 09. Mr. J. P. Manoj Niroshan**
B.Sc. Hons (MIS), Dip. NIBM
Manager - Information
Technology
- 10. Ms. Ajani D. Fernando**
B.Sc. Accounting (Sp), Dip. in
IT, CIMA (UK) - Passed Finalist
Manager - Education & Training



- 11. Ms. Rangika Rodrigo**
FCA, B.Sc. Accounting (Sp),
Adv. Dip. In MA (CIMA - UK)
Senior Manager - Examinations
- 12. Mr. Henry Thalagala**
Senior Manager - Examinations



11



12



13



14

13. Ms. Niroshinee Ratnayake
Dip. In Conf. Sec, Dip. In
Exec. Sec, Dip. In Admin.
Sec, Dip. In HRM
Secretary to CEO

14. Mr. Chamil Moragodaarachchi
BBA (Bus. Admin) Sp. (UOC),
PG. Dip. In Business Finance
Assistant Manager – Student
Registration & Membership

15. Mr. Lasantha Perera
AMBCS
Assistant Manager - IT



15

16. Ms. Shehani De Zoysa
ACA, BBA (Accounting) Sp. (UOC)
Financial Accountant

17. Ms. Nilakshi Liyanage
BBA (Fin) Sp. (UOC), Adv. Dip. in CIMA (UK)
Assistant Manager - Examination

18. Ms. Peumika Weeraratna
MBA (Staffordshire University - UK),
BBA Sp. Fin. (UOC), Adv. Dip. in CIMA
Assistant Manager - Marketing

19. Mr. Ranshan Fernando
PgDBM (Col), Dip in Journalism (Col)
Assistant Manager -
Corporate Communication



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17



18



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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



Mr. W. P. Russel P. H. Fonseka
2020 - 21



MANAGEMENT DISCUSSION AND ANALYSIS

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SCANNING...



OPERATING ENVIRONMENT

GLOBAL OUTLOOK

The economic downturn experienced in 2020 rebounded to an extent in 2021, albeit at a slower pace. The World Bank Report on the global economy released in January 2022 reveal that while economic growth rebounded at an estimated 5.5% in 2021, growth projections are set to decelerate in early 2022. COVID-19 flare ups, lack of robust fiscal support and recurring supply chain bottlenecks triggered the downturn. The rise in the Delta variant of COVID-19, and rising geopolitical tensions negatively impacted world trade while supply chain disruptions prevailed. Nevertheless, advanced economies indicated signs of stabilisation driven mainly by comprehensive vaccination rollouts, and sound fiscal policy support extended by governments. In contrast, Emerging Markets and Developing Economies weakened in view of the lack of fiscal backing by governments and unstable financial conditions.

Global financial conditions remained benign as a result of strong policy support extended by advanced economies as well as equity price rise driven by robust corporate earnings. Moreover, portfolio flows in Emerging economies decreased as a result of policy rate hikes.

(Source: Global Economic Prospects January 2022)

THE ECONOMIC BACKDROP OF SRI LANKA

The year 2021 marked the beginning of a widespread economic crisis in Sri Lanka. The country's economic woes stemmed from unsustainable debt and balance of payment challenges.

While Sri Lanka's Real GDP grew by 3.5% driven by a healthy 12.3 % growth year on year, signalling a rebound from a low base during the second quarter of 2021, earnings from tourism decreased due to pandemic challenges with a decrease by 61.7 % and foreign remittances dwindled by 22.7%. In contrast, export earnings, especially from the textile industry surged.

However, expenditure on import of intermediate and capital goods increased offsetting the earnings from exports. The country's fiscal and economic challenges intensified with the trade deficit increasing to USD 8.1 Bn in 2021 from USD 6 Bn in 2020 even though the Government severely restricted the import of non-essential goods. Sri Lanka's current account deficit grew to USD 3.2 Bn in 2021.

In this backdrop, Sri Lanka's year on year inflation surged to 17.5% driven partly by fuel price adjustments and rise in global commodity prices.

Amidst unsustainable debt and pre-emptive default on foreign debt by the Government, hyperinflation remains a key concern.

(Source: The World Bank)

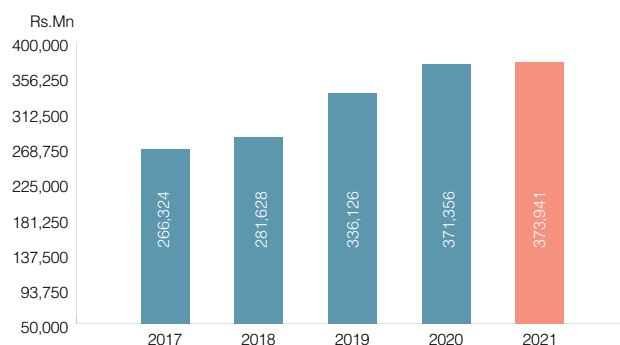
DYNAMIC EDUCATION SECTOR

In this challenging backdrop, the education sector in the country experienced uncertainty fuelled by financial and social concerns. While such concern will weigh heavily upon the youth of Sri Lanka, a sound education geared to pursue financial and career growth remains integral to personal wellbeing of individuals as well as the sustainability and equality of the larger society.

The country's education system comprises basic level (grades 1–9) and secondary levels (grades 10–13). Students face two milestone national examinations, namely G.C.E. Ordinary Levels and G.C.E. Advanced Levels. Since the year 2005, education has been compulsory until grade 11, while this was extended until grade 13 in 2015. Nevertheless, nearly over 100,000 students become school drop-outs post Ordinary Levels as a result of a confluence of socioeconomic factors including poverty. A number of such drop-outs seek alternative qualifications and career pathways.

EDUCATION EXPENDITURE

Education Sector Expenditure



While the free education sector expenditure has increased over the years, it has not surged parallel to the requirement of the general public and students who wish to pursue higher education. As such, the private sector could play a more expansive role in facilitating higher education pathways that align well with students' competencies and interest.

UNIVERSITY EDUCATION IN SRI LANKA

While Sri Lanka provides free education opportunities up to and throughout University levels, the system can merely accommodate higher (University) level education opportunities for 20% of the student population.

During the past few years, the gap between the number of students who obtained the minimum requirements for admission to state Universities and the number of students who were admitted was considerable. This status quo is the result of a lack of capacity at state universities to facilitate a large number of students. It is shown the lack of opportunities for students to pursue higher education following successful completion of their G.C.E. Advanced Level qualifications.

As the current lack of opportunities for students to pursue higher education indicates - robust yet affordable education pathways that AAT Sri Lanka facilitate remain viable, providing safe pathways of growth for students who are interested in the accounting profession.

Following the acceleration of the paradigm shift in online education that occurred with the onset of the COVID-19 pandemic, AAT Sri Lanka too revamped our online education facilitation to accommodate digital distribution of course content as well as signing up for our programs. However, this is but the beginning of the shift in how education is delivered to students across the country. As our digital education facilitation unfolds, we will be able to facilitate affordable yet high quality content to a larger audience.

Meanwhile, the education system requires a fundamental change in approach to content and delivery to prepare students to meet the evolving needs of the future industries as the 4th industrial revolution continues to unfold.

As such, we will continue to explore insight driven possibilities of improving our offering to students to create lasting value.

FUTURE OUTLOOK

The prevalent political instability, hyperinflation, rising cost of living and socioeconomic challenges stemming from this crisis seriously undermines growth prospects and financial stability of AAT Sri Lanka. In the current economic environment, we will continue to face a daunting task of attracting and retaining students as disposable incomes dwindle. Meanwhile, the changing G.C.E. Ordinary Level and G.C.E. Advanced Level examination calendar continues to complicate our ability to attract and retain students as well.

Nevertheless, middle level accountants will have a greater role to play in the economic revival that would follow the crisis. At present, the country's SME sector is experiencing a setback following the repercussions of COVID-19 pandemic as well as the prevailing socioeconomic crisis. As financial management will be an integral part of the revival of the SME sector in Sri Lanka, the services of mid-tier accountants will be essential.

In this backdrop, we will continue to intensify our efforts to increase awareness with regard to AAT qualification and membership benefits and value addition to professional progress.

STAKEHOLDER ENGAGEMENT

AATSL's stakeholder management methodology includes key communication tools, and clear communication channels that ensure consistent, transparent interactions and sustainable outcomes in the value creation and preservation process. The below illustration depicts our stakeholder identification and relevant strategy development mechanism:



We identify stakeholders based on their influence and impact on our Association as well as the decision making processes. Aiming to promote more meaningful stakeholder inclusivity and engagement, we employ a robust stakeholder interaction mechanism calculated to gain insights to stakeholder requirement and gauge the quality of our relationship. Our key stakeholder groups include Students, Passed Finalists, Members, Accredited Education Centres, Accounting Bodies and Universities, Employees, Employers and Government & Regulators.

Stakeholder	Goals	Level of Relationship	Level of Engagement
1. Students	Provide a route to success in life by facilitating to become competent middle level accounting and business professionals who add value to the corporate sector	●	●
2. Passed Finalists	Continues professional Development and conversion into Members	●	●
3. Members	Provide an opportunity for career progression and networking	●	●
4. Accredited Education Centres	Provide an opportunity to develop the delivery competency	●	●
5. Accounting Bodies and Universities	Collaboration, partnerships and consultation	●	●
6. Government and Regulators	Compliance	●	●
7. Employees	Provide an empowered and enjoyable working environment	●	●
8. Employers	Access to professional, skilled accountants	●	●

● High ● Medium ● Low

Our principles of stakeholder engagement are fivefold. We conduct purposeful interactions using appropriate communication methods to address separate and sometimes interconnected concerns of stakeholders. We strive to keep the dialogue relevant, open and honest through timely provision of information and fostering a culture of transparent information sharing. We consistently seek to remain inclusive through being open to alternative concepts and progressive mechanisms. Proactive acknowledgment of stakeholder requirements and concerns are the other core aspects of our fivefold approach to effective stakeholder engagement.

Stakeholder engagement is an essential part of our value creation process. As such, we use a set of tools designed to foster purposeful engagement with stakeholders.

STAKEHOLDER ENGAGEMENT METHODS

Stakeholder	Visits (Schools, AEC etc)	Seminars / Workshops / Industry forums / Group discussions	Newsletters / InSearch magazine	Meetings / Face to face interactions/ Tele communication / Email	Business School events	Returns and payments (tax / rates etc)	Formal letters	Marketing / Social Media platforms / Promotional brochures / E-fliers/ Website	Job Bank	Reciprocal arrangements for exemptions	Market research / Surveys / Student feedback/ questionnaires
Students	On going	On going	Bi-annually	On going	On going		On going	On going	On going		On going
Passed Finalists		On going	Bi-annually	On going	On going		On going	On going	On going		On going
Members		On going	Bi-annually	On going	On going		On going	On going	On going		On going
Accredited Education Centres	On going	On going		On going			On going	On going			On going
Accounting Bodies & Universities	As & when required	On going		On going			On going	On going	On going		On going
Employers	As & when required	On going		On going			On going	On going	On going		On going
Employees		On going		On going	On going		On going				
Government and Regulators	As & when required	On going		On going	On going	On going	On going				As & when required

STAKEHOLDER ENGAGEMENT EVENTS

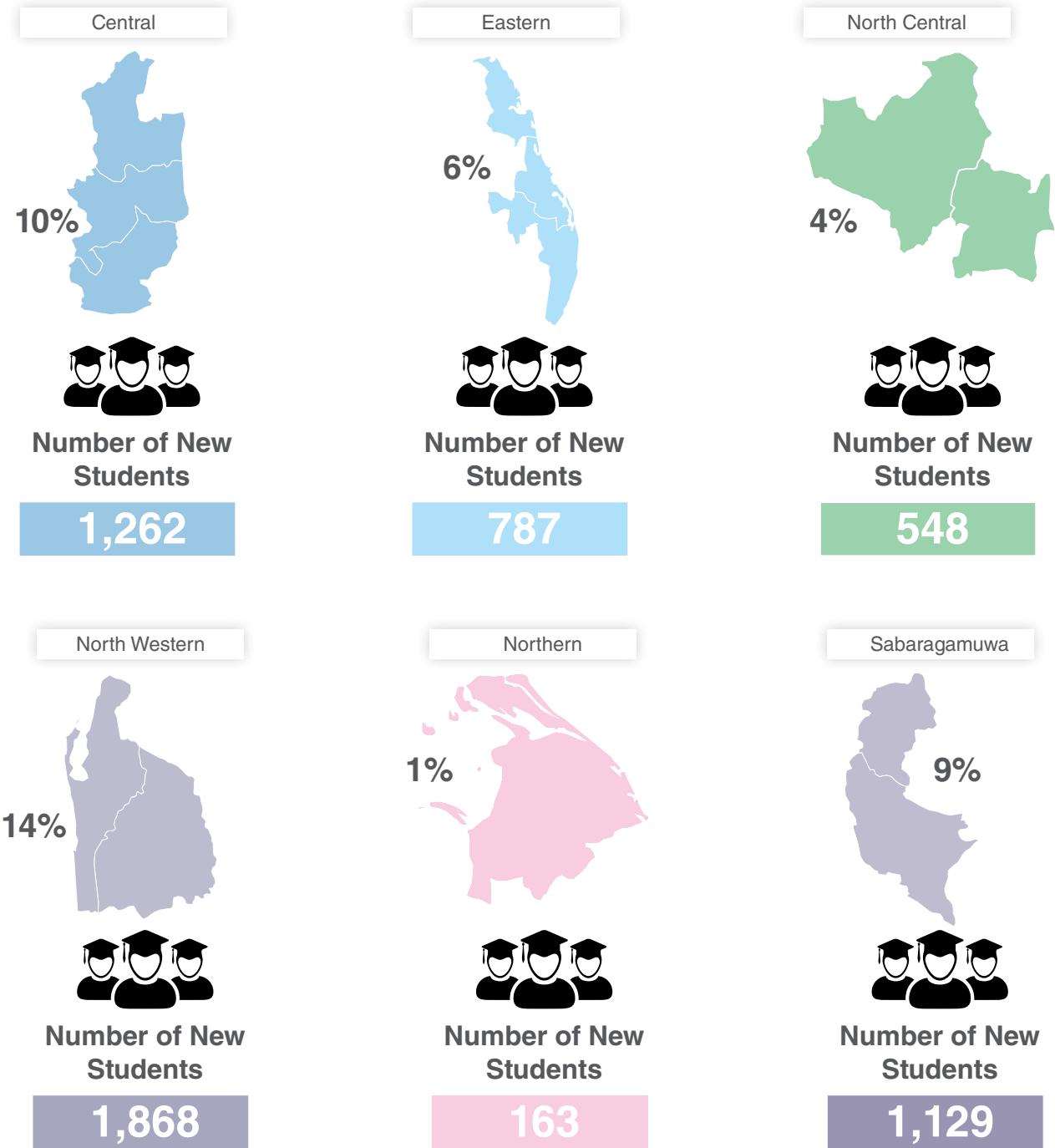
Stakeholder	Felicitation of A/L outstanding performers	AATSL Prize winners ceremony	PLS Workshops	PF award ceremony	Achievers club	Conference	Toastmasters club	Annual General Meeting & Annual Report	Curriculum launch	Staff / Member welfare events	Appraisal
Students	Annually	Bi-annually				Annually					
Passed Finalists			On going	Bi-annually	Annually	Annually					
Members					Annually	Annually	On going	AGM - Annually		On going	
Accredited Education Centres					Annually	Annually		AR - Annually	Once in 5 years		
Accounting Bodies & Universities					Annually	Annually		AR - Annually	Once in 5 years		
Employers					Annually						
Employees										On going	Annually
Government and Regulators					Annually			AR - Annually			

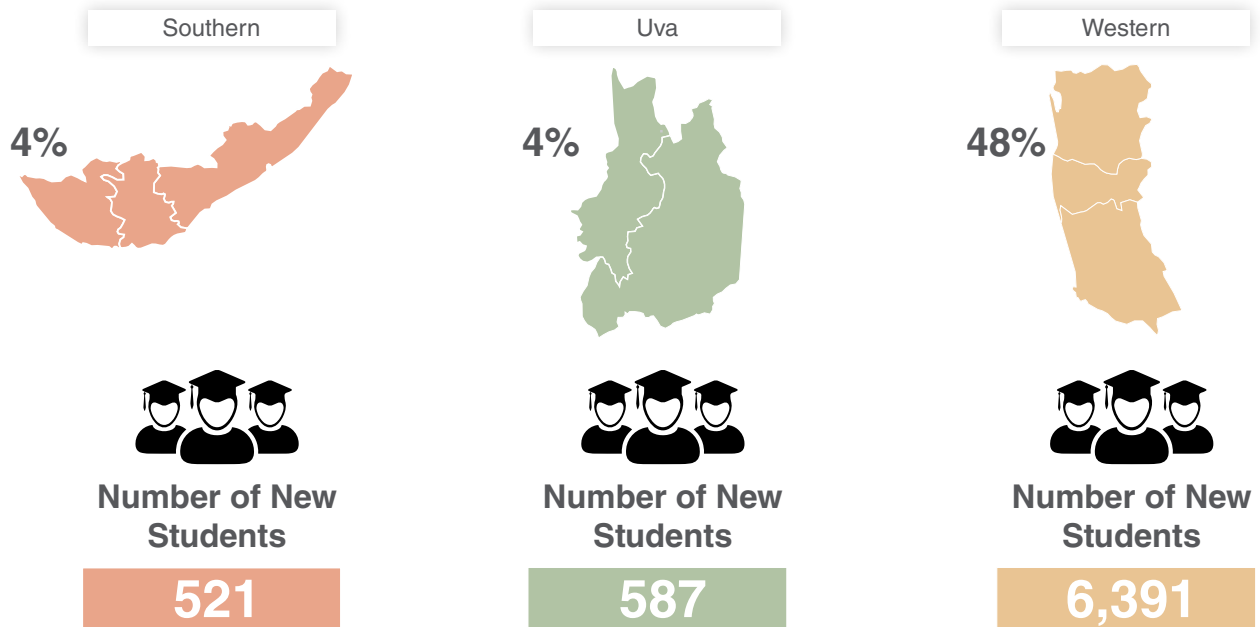
STAKEHOLDER ENGAGEMENT

ADDRESSING STAKEHOLDER CONCERNS

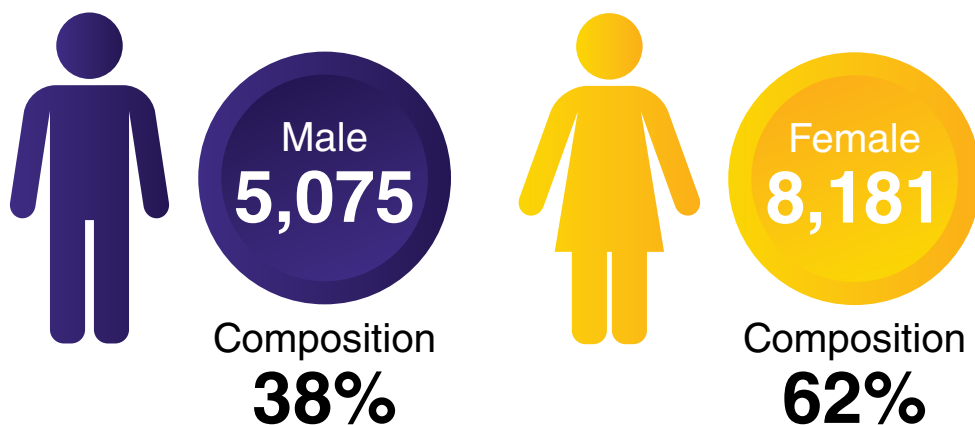
1. STUDENTS

As an education institute, students are integral to the composition of our stakeholder base. Students represent not only the future of the Association but also of the nation. The inherent diversity of the youthful talent pool that make up AATSL's student base stands in testament to the inclusive approach we have been championing since inception. We allocate considerable resources to facilitate the progression of students towards member status, which in turn assist them with realising their career goals. During the year under review, we witnessed 13,256 new student registrations out of which 19% were registered online. The below province wise breakdown of new student registration indicate a high increase in student registrations in Western province while a similar trend could be observed in student renewals.





NEW STUDENT REGISTRATION - GENDER WISE



Key concerns of our students	Our response to our students
Recognition and employment prospects	<ul style="list-style-type: none"> Recognition by obtaining exemptions for AAT qualification from professional and educational bodies locally and internationally. IFAC & CAPA international memberships. Access to employers via AAT job bank.
Cost-effectiveness	<ul style="list-style-type: none"> AAT Sri Lanka did not pass down the entire inflationary impact to student. The fee structure remained affordable. Past papers, suggested answers, pilot papers, examiners' comments on low performance areas are available to refer / download free of charge from AATSL official website. E-study texts were made available online at concessionary rates.

STAKEHOLDER ENGAGEMENT

Key concerns of our students	Our response to our students
Knowledge enhancement & personal development	<ul style="list-style-type: none"> • Periodical updates to the curriculum and digitalisation drive. • Student newsletter covering emerging topics and latest updates. • Webinars in all 3 languages • Seminars & workshops
Easy and affordable access to study material in their preferred language	<ul style="list-style-type: none"> • Availability of e-study text in all three languages. Student guides, study texts, past papers and other publications are available in all three languages.
Access to quality tuition	<ul style="list-style-type: none"> • 125 AECs
Guidance on academic and career development	<ul style="list-style-type: none"> • Dedicated student service unit • A comprehensive student guide • AATSL official website in all 3 languages • YouTube channel, Instagram, Facebook page, SMS, emails & letters
Convenient access to AAT services	<ul style="list-style-type: none"> • Branch network of 7 covering the nation • Online student registration process • Study text couriering process • E-study text • E-admission process • Online payment process
Training and job placement	<ul style="list-style-type: none"> • Job bank and access to employers

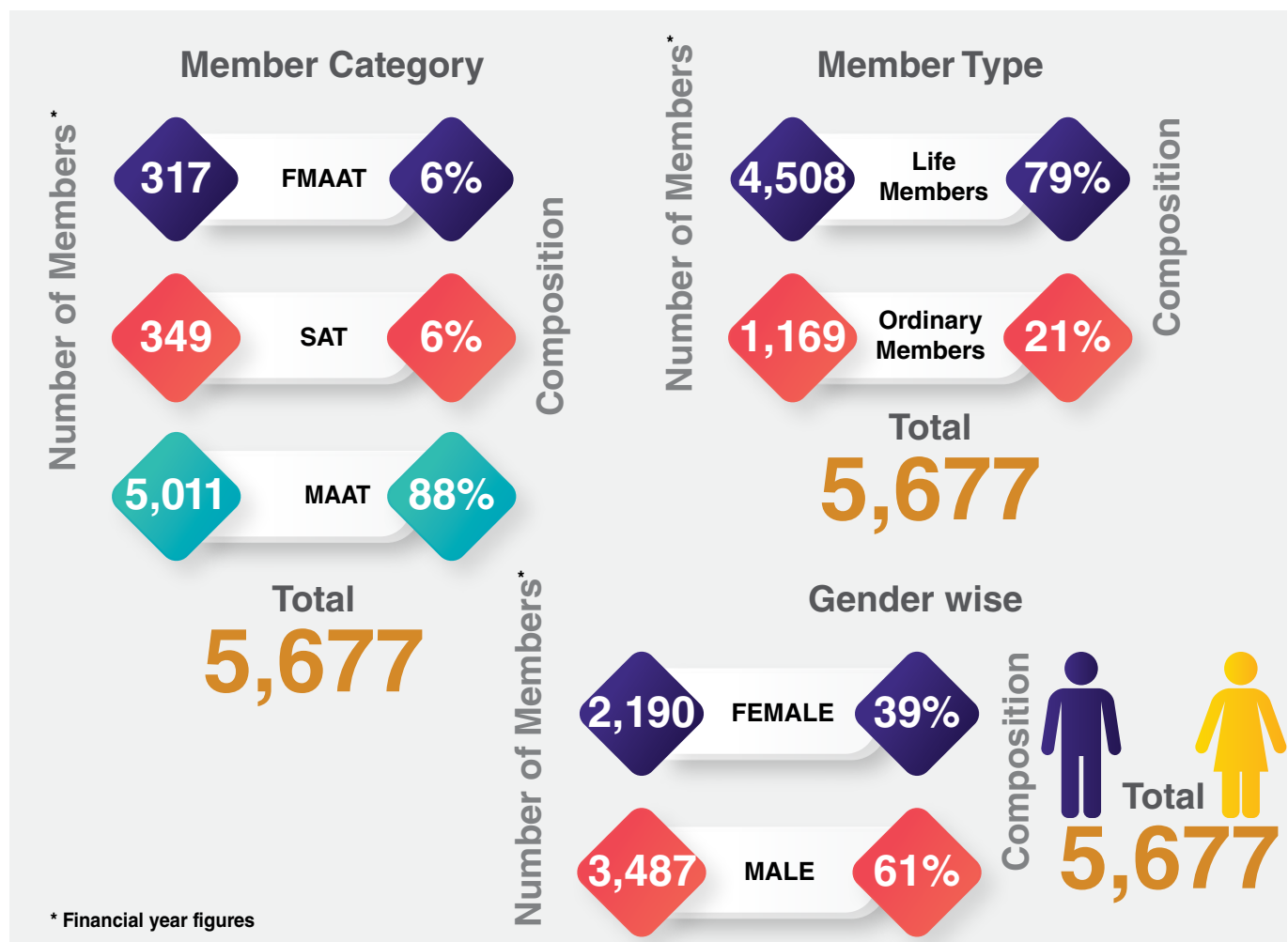
2. PASSED FINALISTS

Passed finalists belong to the category of stakeholders in between the transition from being students to becoming members. At present, there are over 40,000 non-member passed finalists attached to AAT Sri Lanka. This segment of stakeholders presents us with a considerable opportunity to conduct meaningful engagement strategies to raise awareness about the benefits of obtaining membership status. Our continuous effort is to develop a high calibre passed finalist fraternity that fits into the AATSL member profile.

Key concerns of our Passed Finalists	Our response to our Passed Finalists
Benefits of membership	<ul style="list-style-type: none"> • Networking and knowledge enhancement opportunities • Negotiated/discounted offers from banks, life style stores, hospitals etc
Recognition for the qualification	<ul style="list-style-type: none"> • Exemptions from number of Accounting bodies and Universities
Special schemes to get into membership	<ul style="list-style-type: none"> • 4 year service scheme for membership
Employment opportunities	<ul style="list-style-type: none"> • AAT Job Bank
Fulfilling training requirements	<ul style="list-style-type: none"> • PLS Workshops • Annual Conference • Monitored & non-monitored training schemes and training placements
Professional skills development	<ul style="list-style-type: none"> • Workshops and seminars
Higher education pathways	<ul style="list-style-type: none"> • AATSL Business School courses including a Higher Diploma and Degree pathways
Networking opportunities	<ul style="list-style-type: none"> • Achievers club and events for Achievers

3. MEMBERS

Our members are the brand ambassadors of AATSL. The values and qualifications of AATSL are represented at members' workplaces, which promotes demand for the AAT accreditation. Moreover, members play a vital role representing 32% of the Governing Council, which in turn sets the strategic direction of AATSL. Most members work on a voluntary basis within committees to steer the strategic direction of the Association.



Key concerns of our members	Our response to our members
Opportunities for professional development	<ul style="list-style-type: none"> Reciprocal arrangements with other professional bodies and universities for exemptions and memberships Business school programs. InSearch magazine
Increased employability of members	<ul style="list-style-type: none"> Opportunity to serve as members in AATSL Committees Job Bank, forums with employers and training partners
Opportunities for networking and knowledge sharing	<ul style="list-style-type: none"> Annual conferences and webinars
Continuous Professional Development	<ul style="list-style-type: none"> Seminars, Webinars, Workshops & other CPD activities

STAKEHOLDER ENGAGEMENT

Key concerns of our members	Our response to our members
Recognition for the practitioners (Members in Practice)	<ul style="list-style-type: none"> • MIP Scheme with a separate practicing certificate • Workshops to update MIPs
Early exposure to industry trends	<ul style="list-style-type: none"> • Frequent communications via digital forums • Annual perception survey
Benefits / offers from various service providers for AAT membership	<ul style="list-style-type: none"> • Negotiated/discounted offers from banks, life style stores, hospitals etc.
Relationship building	<ul style="list-style-type: none"> • Dedicated members service unit • CSR Activities
Proactive engagement	<ul style="list-style-type: none"> • Annual General Meeting, feedback forms enclosed with journals, events, social media etc.
Opportunities to play critical change agent roles	<ul style="list-style-type: none"> • Opportunities to serve in Governing Council • Opportunities to join as Marking examiner and Member supervisor of AATSL Examinations.
Developing leadership skills	<ul style="list-style-type: none"> • AATSL Toastmasters Club

4. ACCREDITED EDUCATION CENTRES

Accredited Education Centres are key stakeholders in the execution of our principal offering to students in delivering quality content. AECs are the vessel that facilitates AATSL's accounting education delivery in line with the curriculum to convert students into passed finalists. AECs contribute to the growth of the AAT brand and the recruitment process. The Association has partnered with 125 AECs spanning across the nation. The AECs collaborate with the Association to realise mutually beneficial objectives.

Key concerns of our AECs	Our response to our AECs
Provision of up-to-date information on syllabus revisions, fee structures and deadlines etc.	<ul style="list-style-type: none"> • Exam paper discussions • Training sessions on current updates
Discussion forums with the Association	<ul style="list-style-type: none"> • Regular meetings & visits • Online platforms • Written communications
Recognition / Appreciation	<ul style="list-style-type: none"> • Concept developed for the same
Dedicated contact point	<ul style="list-style-type: none"> • AEC coordination officers at head office and branches

5. ACCOUNTING BODIES AND UNIVERSITIES

AAT Sri Lanka enjoys robust partnerships with other accounting bodies and Universities, which play an important role in strengthening the academic aspirations and career goals of our students. The accounting bodies and Universities not only provide exemptions to our students but also contribute to the progression of the accounting profession through knowledge sharing. AAT members have consistently enjoyed memberships with IFAC & CAPA.

Key Concerns of Accounting bodies and Universities	Our response to Accounting bodies and Universities
Mutually Beneficial partnerships	<ul style="list-style-type: none"> • Representation on Member Development Committee & Accounting Technicians Task Force of CAPA. • Forming an International Affairs committee.
Industry advancement	<ul style="list-style-type: none"> • Reciprocal arrangements and knowledge enhancement
Adherence to agreed obligations	<ul style="list-style-type: none"> • Regular review of IFAC Statements of Member obligations
Knowledge sharing	<ul style="list-style-type: none"> • Meetings and regular communication

6. GOVERNMENT AND REGULATORS

Government and regulators determine the legal and regulatory environment for Corporates to operate effectively. As a professional accounting body AATSL remains mindful of directives and developments in the regulatory framework in view of our commitment to good governance.

Key concerns of Government and Regulators	Our response to Government and Regulators
Compliance and good governance	<ul style="list-style-type: none"> • Strict compliance with laws and regulations • Voluntary adoption of code of good governance • Strong governance framework
Timely remittances of statutory payments and returns	<ul style="list-style-type: none"> • Strict adherence to statutory deadlines which are monitored by the Governing Council on a monthly basis
Contribution in developing the SME sector	<ul style="list-style-type: none"> • Student and member skills and knowledge development • Periodical upgrading of the curriculum in tandem with industry trends • Provision of technical support • Promote entrepreneurship • Contributing towards policy discussions pertaining to the profession and its continuous growth
Prevention of corruption	<ul style="list-style-type: none"> • Transparent processes for all transactions

7. EMPLOYEES

Employees are the linchpin in ensuring that we are able to execute our strategies to achieve evolving goals and build our brand reputation.

Key concerns of our Employees	Our response to our Employees
Ample remuneration	<ul style="list-style-type: none"> • Periodical increments and bonuses in line with industry standards
Opportunities for professional development	<ul style="list-style-type: none"> • Career progression opportunities • Training and Development
Rewards and recognition	<ul style="list-style-type: none"> • Performance appraisal • Incentives and promotions
A positive work environment	<ul style="list-style-type: none"> • Effective conflict resolution, workplace health and safety and grievance handling policy
Welfare	<ul style="list-style-type: none"> • Staff welfare committee

8. EMPLOYERS

Employers create demand for the AAT qualification and play a key role in conversion of passed finalists into members through providing relevant supervised training.

Key concerns of Employers	Our response to Employers
Access to talented, qualified accounting professionals	<ul style="list-style-type: none"> • AAT Job Bank
Opportunities for further development of talent pools	<ul style="list-style-type: none"> • Seminars and Workshops • Comprehensive course catalogue developed by AAT Business School
Market-oriented curriculum	<ul style="list-style-type: none"> • Periodical upgrading of the curriculum

MATERIALITY ASSESSMENT

MATERIALITY DETERMINATION

Our material issues relate to how AAT Sri Lanka creates value for stakeholders, and how we meet our growth objectives by taking into account stakeholder input. These material issues form the basis of our strategy. In determining, the issues that matter to our Association growth, we have considered those that could potentially impact our ability to generate value. Our material themes encompass four key priorities:

- Sustainable growth ●
- Digitalisation ●
- Creating robust economic and social impact ●
- Developing our intellectual, human, social and relationship capital ●

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

Material theme	Strategic objectives	Stakeholder group impact	Opportunities for value creation	Materiality compared to last year	Relevance to strategy	Relevant SDG
Employability of students and members ● ● ●	Create brand value and stakeholder enrichment	Members Students Passed Finalists	Stronger partnership with corporates Student and Member competency development with AATSL Business School	No change	Members Students Transform	
Creating opportunities for growth ● ● ●	Nurturing partnership with professional entities and educational institutes Expanding the Business school	Students Passed Finalists Members	Networking events Alliances and agreements Degree programs	No change	Transform	
Delivery quality of Accredited Education Centres and knowledge sharing with them ● ● ●	Creating brand value	Students AECs	Strong AEC network	No change	Students	
International recognition ● ● ●	Creating brand value and enriching member experience	All stakeholders	Stronger ties with international accounting bodies	No change	Member	
Geographical reach & presence ● ● ●	Reach out to a larger audience	Students	Create opportunities for growth for youth across the nation	No change	Students Brand	
Opportunities for networking ● ● ●	Nurturing member engagement	Students Passed Finalists Members	Alliances and partnership Events	No change	Member	

Material theme	Strategic objectives	Stakeholder group impact	Opportunities for value creation	Materiality compared to last year	Relevance to strategy	Relevant SDG
IT platform 	Improved digitalisation and online delivery of knowledge to improve accessibility to a larger audience	Students Passed Finalist Members	Tri-lingual online platforms App development to increase engagement	Increased	Transform	
Economic crisis 	Risk Mitigation	All stakeholders	Contributing to the financial management and revival of the SME sector	Increased	Transform	
Financial stability 	Organisational stability and sustainability of operations	All stakeholders	Adopting prudent financial tools Financial risk management	No change	Team	
Process excellence 	Improve organisational processes and knowledge delivery	All stakeholders	Training and development	No change	Team	
Ethics, compliance & transparency 	Improving organisational culture	All stakeholders	Improved transparency Corporate Governance	No change	Team	
Staff training and development 	Improving intellectual capital and employee satisfaction and growth	All stakeholders	Online training Partnering other organisations for training	No change	Team	
Employment and labour practices 	Create a safe and growth conducive workplace	Employees	Develop brand equity through enhancing growth opportunities for employees	No change	Team	
Community engagement 	Creating brand value	All stakeholders	Expanding CSR projects in the education sector	No change	Brand	
Environmental impact 	Contribute to national environmental preservation goals	All Stakeholders	Energy and water management Waste management	No change	Brand	

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

ALIGNING WITH UNITED NATIONS SUSTAINABLE GOALS

Since inception, AAT Sri Lanka has been part of the nation's economic progress by supporting the corporate sector especially the SME sector by producing accounting professionals, who play an integral role in the financial management and other operational aspects. Moreover, AAT Sri Lanka provides affordable yet timely education pathways to students who are interested in the accounting profession. As such, our growth agenda aligns well with the United Nations Sustainability Development Goals for a more equitable world and sustainable economy.

The 2030 Agenda for Sustainable Development introduced and adopted by all United Nations Member States is a call to action geared to end poverty, inequality and deprivations by improving health and education to spur economic growth. The recent COVID-19 pandemic, the emergence of the fourth industrial revolution and the economic downturn within the nation have contributed to complicating our growth targets, prompting AAT Sri Lanka to look for a shift in service provision to contribute viably to economic growth, in our quest for social equality.

AATSL Business School carries out a gargantuan task in seeking to



promote proficiencies amongst our students and members. As such, we have been steadily changing our approach to education by incorporating digitalisation to improve resource and content accessibility for students across the nation. Meanwhile, we have been strengthening our alliances with

educational institutes and professional bodies, in addition to consistently improving our curriculum to remain relevant and futuristic. We have aligned our sustainable strategy with relevant sustainable development goals to create value for all our stakeholders.



SME sector remains the backbone of the nation's economy. AAT Sri Lanka's intellectual and social and relationship capital contributes to the growth of this sector by ensuring the integrity of financial management.

- Number of jobs created through AAT job bank - 308
- Number of new member registrations in 2021/22- 831



AAT Sri Lanka provides all employees comprehensive insurance policies and conducts periodical health camps to ensure their well-being. During the height of the COVID-19 pandemic department heads and the HR department frequently checked on the well-being of affected employees and provided relief packs.

- Comprehensive medical coverage offered to 53 employees
- COVID-19 relief packs to 27 employees

4 QUALITY EDUCATION



AAT Sri Lanka promotes knowledge acquisition and skills development by providing up-to-date and future-ready content as well as qualifications. AAT Sri Lanka qualification provides a robust stepping stone to middle level accountants to enter the workforce and thrive.

- Number of passed finalists during 2021/22 – 2,251
- Number of new student registrations in 2021/22 – 13,256

5 GENDER EQUALITY



AAT Sri Lanka is a non-discriminatory Association, where females are encouraged to pursue career growth and attain their true potential.

- Female staff employed - 49%
- Female members of senior management team - 60%
- Females in the Governing Council - 25%
- Number of females promoted in 2021 - 17%

6 CLEAN WATER AND SANITATION



AAT Sri Lanka's environmental sustainability approach strives to minimise the usage of water and pursues safe and responsible disposal of waste water.

- Water consumption reduced by 36% (2021/22 - 1.22Ltr Mn)

7 AFFORDABLE AND CLEAN ENERGY



While AAT Sri Lanka relies on the national grid to obtain energy needs, we have taken apt measures to reduce energy consumption within the Association. Further, the process of installing solar system is in progress.

- Energy consumption reduced by 5% (2021/22 – 195,343kWh)

8 DECENT WORK AND ECONOMIC GROWTH



AAT Sri Lanka's education delivery facilitates the twofold contribution of offering youth in the country, employment opportunities through knowledge development and opportunity creation for economic progress by supporting the SME sector.

- Number of seminars conducted focusing on the SME sector during 2021/22 - 17

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



As we face the dawn of the industrial revolution 4.0, AAT Sri Lanka has already laid the foundation to enhance our digital infrastructure and delivery of content via digital platforms.

- Total Investment on digital infrastructure - Rs. 19 Mn

UNITED NATIONS SUSTAINABLE GOALS



As an Association with a non-discriminatory policy, and an educational institute that provides quality yet affordable qualification, AAT Sri Lanka is at the forefront of building a more humane and equal society.

- Investment in developing curriculum – Rs. 8 Mn



A nation's SME sector spans across various sectors of the economy, empowering people and ensuring sustainable economic growth by reducing inequality. A healthy SME sector indicates a healthy economy and consistent progress. AAT Sri Lanka's contribution to the SME sector safeguards the financial integrity of the sector.

- AATSL has formed a separate committee to recognise SMEs who have demonstrated excellent performance and have done number of seminars / webinars focusing on SME sector.



Our commitment to sustainability of resources drives us to strive for reduced consumption.

- In 2021/22, AAT Sri Lanka introduced E-study texts, on-line examination application and admission issuing process to reduce paper consumption.



AAT Sri Lanka remains committed to ensuring the sustainable growth of the SME sector, which provides employment to a large number of Sri Lankans: And by empowering communities and reducing inequality, AAT Sri Lanka is facilitating peace, justice and strong institutions.

- Have strengthened public access to information by adding trilingual features to the website during 2021/22.



AAT Sri Lanka consistently remains at the forefront of the progress of the accounting profession and sector in the country. The Association makes and nurtures alliances with industry bodies to enhance knowledge sharing.

- AAT Sri Lanka has established reciprocal arrangements with 17 professional bodies and universities.

We will continue to lead by example, incorporating sustainability policies in our growth agenda, while inculcating best practices, innovation, knowledge enhancement and infrastructure development. Meanwhile, we will consistently communicate our core sustainable growth objectives with our stakeholders including students, members and employees to obtain their input and continue to create value, together. Ultimately, we expect that our commitment to sustainable development will translate into a robust social and economic impact.

CAPITAL APPROACH TO GROWTH

AAT Sri Lanka is a not-for-profit educational institute geared to support the country's economic and social progress through enriching the skills and competencies of mid-tier accountants to facilitate robust financial management in the Corporate sector specially Small and Medium Enterprise sector. As such, our approach to managing our overall economic, social and environmental impact hinges on an integrated methodology which combines the inputs, outputs and strategic drivers of our financial, social and relationship, manufactured, intellectual, human and to a lesser extent natural capital. We employ an insight-driven approach to pursuing growth through managing our capital input and output in a manner calculated to ensure sustainable growth.

STAKEHOLDER VALUE CREATION

As a professional body for accounting professionals in Sri Lanka, AATSL works through a unique value creation model. AATSL's value creation framework deploys value-driven activities to transform capital inputs into desired outcomes, which are imperative in delivering stakeholder value over time. In doing so, the Association maintains a clear focus on providing valuable post-secondary and professional education in accounting, while providing a solid foundation to prospective accounting professionals, and a life-long service to passed finalists across Sri Lanka.

AATSL's unique capital inputs are unlike that of any other SME organisation. At the heart of this capital base is our pool of employees, whose intellects, experiences and dedication helps build organisational knowledge, an unmatched quality in service delivery, while sustaining long-term viability as a financially independent organisation.

Nevertheless, each and every input from key capitals is carefully transformed in providing the AAT qualification that students and members seek. In this regard, financial capital, stakeholder relationships, intellectual capital, as well as manufactured capital is imperative for the AATSL team to create the ideal learning environment and member-benefits that are desired by key stakeholders. We are also mindful of nurturing a pool of value-based natural capital inputs, which will consequently enable us to make our carbon footprint as minuscule as possible.

Much as other fiscal years, in 2021/22, AATSL continued to transform inputs to deliver desired outcomes and to enhance the overall value of our financial and non-financial capital stocks – which will be carried forward to the next financial year on the horizon.

VALUE CREATION MODEL

Capital Inputs

Financial Capital

- Total Assets (Rs.981Mn)
- Accumulated Fund (Rs.805Mn)
- Investments (Rs.651Mn)
- Focus on cost & efficiency



Social and Relationship Capital

- Strategic alliances with other Professional bodies and Universities
- Accredited Education Centres (114 AECs)
- Relations with students, passed finalists and members
- Partnerships with Employers
- AAT job bank
- Responsible promotion and marketing
- Effective communication channels
- Transparent Procurement policy
- Relationship with international apex bodies, government and statutory bodies



Intellectual Capital

- AAT Qualification
- AAT Curriculum and technical knowledge
- Brand image
- Brand value
- Insights and experience
- Good governance framework
- Ethical business conduct
- Effective Internal Controls, Policies & Procedures



Human Capital

- Experienced, skilled, competent and committed team
- Performance driven culture
- Staff development & training
- Staff Welfare activities



Manufactured Capital

- Property and Equipment (Rs.135Mn)
- Investment Property (Rs.139Mn)
- IT & Digital infrastructure (Rs.6.4Mn)
- Branch (7) and AEC network (114)



Natural Capital

- Energy, water, paper and waste management strategies
- Increased focus on a paperless, digital delivery of course content



Value Driver Activities and Outputs

Fit for Purpose Qualification

Examination

- Paper Setting
- Paper Marking
- Results Releasing

Study Support

- Course Materials
- AECs

Syllabus

- Updating
- Benchmarking

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 programs

Talent Pipeline

Convert to Passed Finalists & Members

- Training
- People & Leadership Skills workshops

Student Recruitment & Retention

- School Programs
- Marketing & Promotions

VISION

MISSION

Gained Outcome

Financial Capital

- Growth in Total Asset - 8% (Rs.1,062Mn)
- Growth in Accumulated Fund - 14% - (Rs.914Mn)
- Growth in Investments - 13% (Rs.734Mn)
- Improved gross surplus ratio (from 51% to 53%)
- Taxes (16.7Mn)



Social and Relationship Capital

- Exemptions and better career pathways
- Partnership for mutual growth
- Cordial relationship with Accredited Education Centres (125 AECs)
- CPD programs, welfare and engagement events
- Growth in active member base (2%)
- Career growth, monitored training and job opportunities
- Building the talent pool
- Investment in community engagement (Rs.3.3Mn)
- Discounts and special offers
- Greater opportunities for networking and growth for students, passed finalists and members.
- Ability to obtain competitive rates and quality services.
- Local and international recognition of the qualification.
- Excellent rapport with regulators



Intellectual Capital

- Examinations
- Provision of relevant, futuristic course content and educational resources to students, passed finalists and members
- Knowledge and skills development to support business growth
- Learning support and resource enhancement
- Compliance with regulatory requirements
- Enhanced trust building processes



Human Capital

- Operational excellence and efficiency
- Promotions, performance bonus and salary increments
- Improved productivity



Manufactured Capital

- Income generation
- Facilitating wider presence and enhanced reach
- Growth in capacity and capability



Natural Capital

- Reduction in energy consumptions (5%)
- Waste paper recycled (1,787 Kgs)
- Responsible handling of waste and garbage
- Minimising the organisation's carbon footprint



Value Created for Stakeholders

Financial Capital

- Economic value
- Financial growth & stability to continue operations



Social and Relationship Capital

- Increased Brand value and reputation
- Empowering financial stability and financial literacy in the SME sector
- Career and higher educational opportunities for members and students globally
- Enhanced networking strength and opportunities
- 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
- Future ready talent pools
- Continuous knowledge upgrades and guidance in quality education



Intellectual Capital

- Brand value and reputation
- Employability
- Job status and social recognition
- Opportunities to become ethical professionals with skills required by employers
- Relevant and timely skills and attitude to become entrepreneurs



Human Capital

- Brand value
- Economic value
- Social value
- Employees' motivation



Manufactured Capital

- Economic value
- Social value



Natural Capital

- Environment value
- Contribution to environmental sustainability

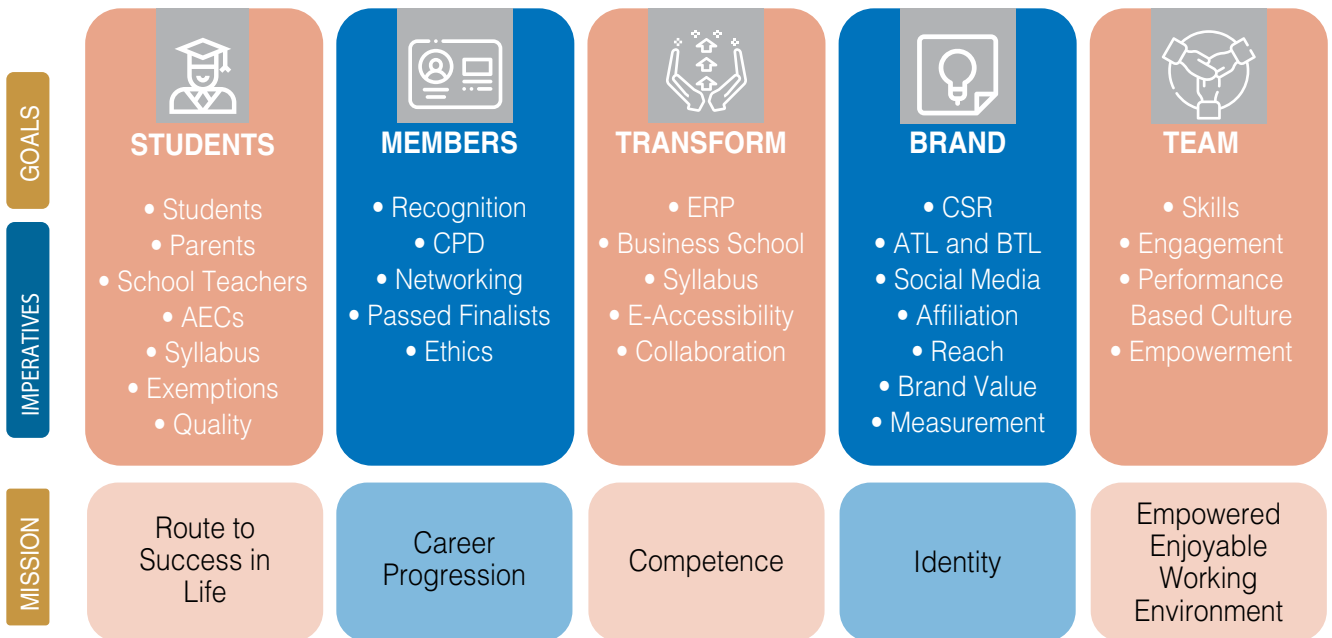


OUR STRATEGY

AAT Sri Lanka's Governing Council designs and sets the strategic direction of the Association once in every five years to evolve with the changing global and local requirements. In crafting our strategy, we consider the input we have received through stakeholder engagement as well as market insights. Once the Governing Council sets the strategy, the Strategic Plan Sub-Committee works together with the Senior Management to set the strategic steps in action and engage the Association's stakeholders in the process.

VISION

THE MOST RECOGNISED QUALIFICATION FOR MIDDLE LEVEL ACCOUNTING PROFESSIONALS



VALUES

PROFESSIONALISM, COLLABORATION, PASSION FOR EXCELLENCE, TEAMWORK, CUSTOMER FOCUS

In formulating our strategy, we take into consideration our Association's strengths, weaknesses, opportunities, and threats.

Strengths

- Strong student, PF & member base
- Eligibility for exemption / stepping stone to other qualifications
- Strong financial stability / Asset base / Head office located in prominence location
- Affordability
- Robust governance structure
- Well-experienced, focused and energetic staff
- Strong AEC & branch network covering all provinces
- Affiliation with the Professional bodies / Universities
- Full membership of IFAC & CAPA
- Exams conducted in all three languages covering all provinces
- Ability to gain a professional qualification while schooling
- Strong social media presence
- Brand trust

Weaknesses

- Relatively primitive IT Infrastructure
- Absence of online examinations infrastructure
- Inability to manage volumes during the peak period (staff / infrastructure)

Opportunities

- Greater demand for degree programs by the youth
- Expansion of Business School resources/capacity
- Larger pool of Passed Finalists
- Foreign qualification become increasingly expensive
- Larger market

Threats

- Political instability
- Economic crisis
- High competition
- Non-compliance with study plan by not registered AECs

Based on the findings of the above illustrated SWOT analysis, we create strategies to leverage on our strengths, address weaknesses, safeguard against threats and make greater use of opportunities to seek sustainable growth.

OUR STRATEGY

GOALS	OUR APPROACH TO SUCCESS	2021/22 DELIVERY	2022/23 TARGETS	SDG GOAL ALIGNMENT
1. Increase active student base		Active student base		
Increasing the active student base is vital to build a strong talent pipeline for membership of AAT Sri Lanka as it correlates directly with our ability to create a positive social and economic impact.	The Governing council is assisted by the Student Promotion & brand marketing committee to achieve this goal by engaging in Branding and Promotional activities.	28,501	31,500	Quality education
	Effective communication of the value of AAT qualification amongst prospective students, teachers and parents.			Decent work and economic growth
	Usage of social media platforms to spur interest in AAT qualification.			Reduced inequalities
	Education and training Committee ensures continuous update in curriculum as well as monitoring the quality of delivery by AECs and working on tiding up with other professional bodies and universities for exemptions for AAT qualification.			Sustainable cities and communities
				Gender equality
2. Increase the active member base		Active member base		
The membership activities that we carry out contribute to the progress of the Association and add value to our educational offering.	The Membership and Membership Welfare committees of AATSL has oversight responsibility for assisting the Governing Council in delivering this goal by enhancing value delivery to members and to create opportunities, foster leadership and entrepreneurship.	6,184	6,553	Quality education
	Activities to improve recognition of the qualification to encourage passed finalists to become members.			Decent work and economic growth
	Offer enhanced value added proficiency development and resources through CPD accredited courses, seminars and workshops.			Reduced inequalities
	Upgrade and maintain ethics			Sustainable cities and communities
	Increase networking opportunities			Gender equality
	Business school has a major role in conducting continuous professional development activities and offers many courses enhancing techno-managerial competencies.			

GOALS	OUR APPROACH TO SUCCESS	2021/22 DELIVERY	2022/23 TARGETS	SDG GOAL ALIGNMENT
3. Brand recognition and strengthen the market position		No. of organisations that recognise AAT for recruitment		
AAT Sri Lanka brand adds value to the growth prospects of our stakeholders including students, passed finalists and members and enhances our ability to create social and economic value.	Work of many Council committees are linked with this goal	310	350	No poverty
	Alliances with strategic partners			Decent work and economic growth
	Enhancing our education delivery			
	Intensify market communication efforts to increase awareness of the relevance of the qualification to employers, entrepreneurs and vocations			
	Implement and continue CSR activities to reach communities and enhance brand recognition			
	Conduct comprehensive and insight driven ATL and BTL campaigns to reach out to target audiences and enhance brand image			
4. High performing team		Staff retention rate		
Our human capital is a decisive factor in our growth and value proposition. Our efforts to increase the value of our employees and team directly impacts our ability to create sustainable value.	The Governing Council is assisted in management of human capital by the HR sub-committee who seek to attract, inspire, develop and retain sufficient talent pipeline facilitating sustainable growth	90%	92%	Reduced inequalities
	Training and development			Decent work and economic growth
	Investing in rewards and recognition			Good health & well-being
	Enriching a performance driven culture			Gender equality
	Employee engagement activities			
5. Transform value proposition		No. of training opportunities		
Transforming our value proposition runs parallel to innovation and futuristic thinking that will allow AAT Sri Lanka to thrive in the evolving world and create lasting change in the lives of our stakeholders while producing positive economic and social impact.	The Governing Council is assisted in the transformation of the value proposition through IT Development committee	172	190	Quality education
	Digitalisation			No poverty
	IT infrastructure development			

OUR STRATEGY

DELIVERING STRATEGY

Once crafted, our strategic impetus is put into action through an organisational framework that calls for the ready involvement of our senior management and employees under the able guidance of our Governing Council. At AAT Sri Lanka, we communicate our strategy clearly to our management and employees by using robust communication channels. Each responsible team and department are then set a series of action plans calculated to bring about positive outcomes and achieve set goals.

IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN

In our quest to achieve strategic goals, we make efficient use of our resources and continue to monitor progress at each stage of the action plan. The Governing Council and the management require periodic reports on progress from each team. The Finance & Administration committee holds monthly review meetings to evaluate progress, while the Governing Council receives quarterly reviews. This process is helpful in evaluating the effectiveness of the strategy and measuring progress. The Council and management make necessary amendments to action plans whenever necessary.

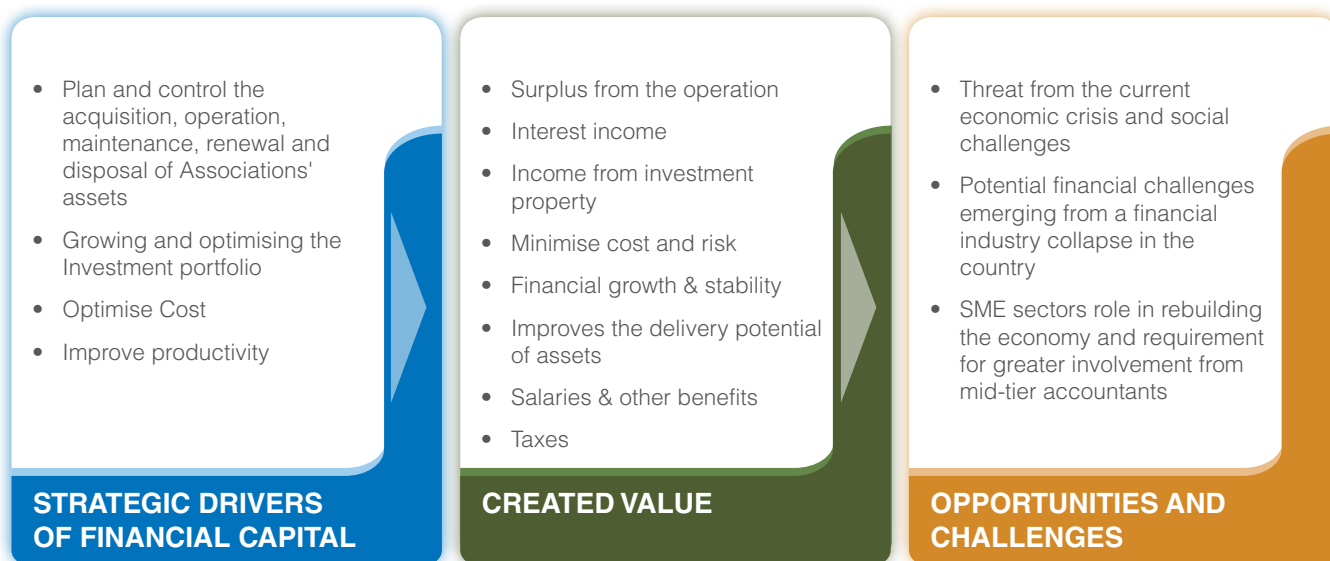
The background is a deep blue gradient. In the upper half, there are vertical streams of white binary digits (0s and 1s) that appear to be falling or floating. In the lower half, there are glowing, wavy lines that resemble a topographical map or a digital landscape, with a bright yellow-white glow on the left side. At the bottom, there are intricate, glowing blue circuit board patterns with various lines and dots.

CAPITAL REPORTS

68-72	Understanding Our Financial Stability
73-77	Investing in Our People
78-79	Expanding Our Presence
80-81	Enriching through Knowledge Enhancement
82-83	Our Efforts for a Quality Life
84-100	Contributing to Society's Wealth

UNDERSTANDING OUR FINANCIAL STABILITY

AAT Sri Lanka's financial capital management tools have consistently sought to empower financial stability of the Association to fuel the ability to better manage social and relationship as well as intellectual capital. As a not-for-profit accounting body, we seek to grow our asset base and effectively manage administrative costs in order to function in a sustainable manner.



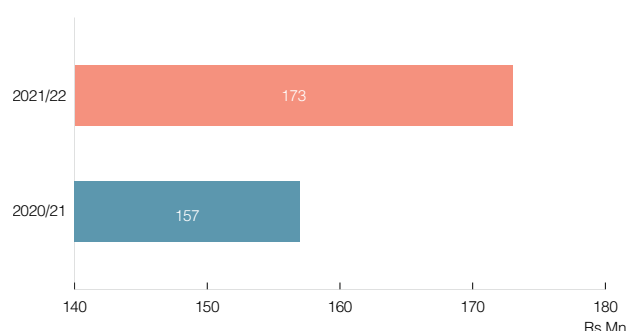
FINANCIAL PERFORMANCE

In spite of the prevalent macro-economic challenges that led to a decline in interest income, AAT Sri Lanka posted a commendable and steady financial performance for the financial year 2021/22. Fuelled mainly by operational efficiencies, AAT Sri Lanka recorded a surplus of Rs. 98 Mn (Rs. 88 Mn - FY2020/21) for the financial year under review illustrating an increase of 11% in comparison to the previous financial year. The Association's income grew by 12% during the financial year in spite of the challenges stemming from the pandemic while the accumulated fund grew by 14%. AAT Sri Lanka's financial capital pivots on the accumulated fund which included surpluses and deficits generated over the years that is utilised to fund the operations of the Association. Meanwhile, AAT Sri Lanka recorded an investment portfolio growth of 13% along with a total asset base growth of 8%. Meanwhile, interest income growth slowed down during the year under review as a result of interest rate decline in tandem with market volatility and the financial crisis.

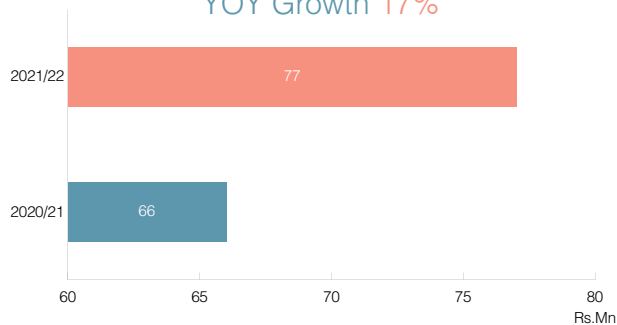
REVENUE

During the year under review, AAT Sri Lanka's top-line grew by 12% with an income generation of Rs. 318 Mn (Rs. 283 Mn - FY2020/21). In line with the trend that prevailed during the past few years, examination income remained the top contributor to revenue at 54%. Examination income for the year under review was Rs. 173 Mn (Rs. 157 Mn - FY2020/21) indicating a growth of 10%. As a result of the effective strategies conducted by AAT Sri Lanka to attract and retain students within the year, the number of students who applied for the examinations increased by 8%.

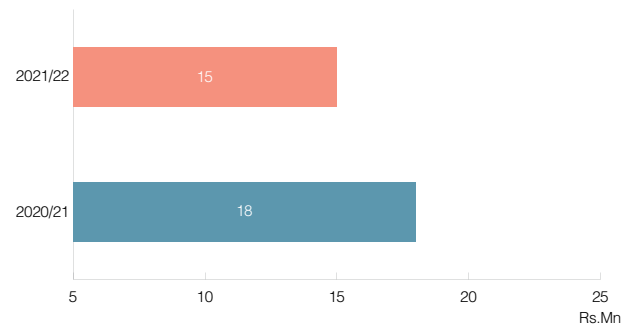
Examination Income YOY Growth 10%



Student Registration, Renewal and Exemption Fee Income YOY Growth 17%

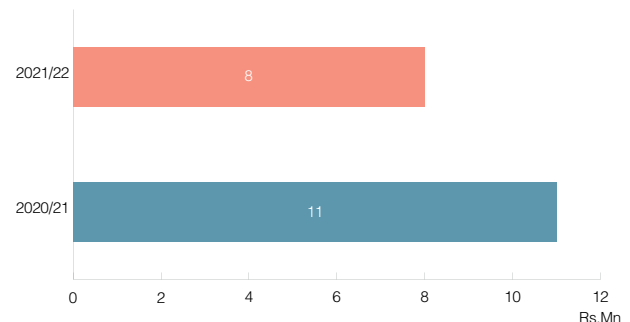


Education & Training Income YOY Degrowth 17%



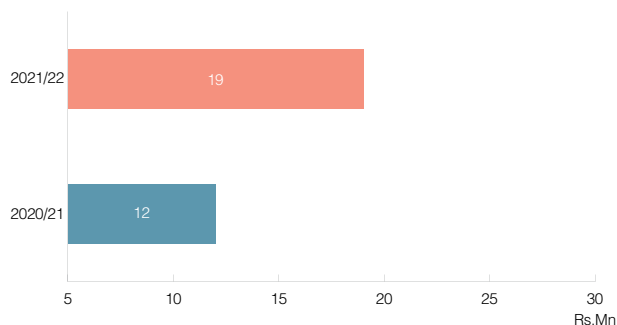
AAT Sri Lanka's efforts to enhance social and relationship capital which in turn improved brand value resulting in an increase in students who sought AAT qualifications. Number of Students who renewed their studentship grew by 13% impacting the student renewal income surged by 37% in FY 2021/22. However, new student registration number dropped by 13% impacting the overall drop in active student base by 9%. Student registration, renewal and exemption income grew by 17% which remains the second largest contributor to the overall income during the year under review.

Income from Branch Operations YOY Degrowth 27%



The pandemic restrictions, periodical lockdowns as well as availability of e-study text affected the physical study text and other publications sales. Therefore, income generated on Education and Training as well as branch operations decreased by 17% and 27%, respectively.

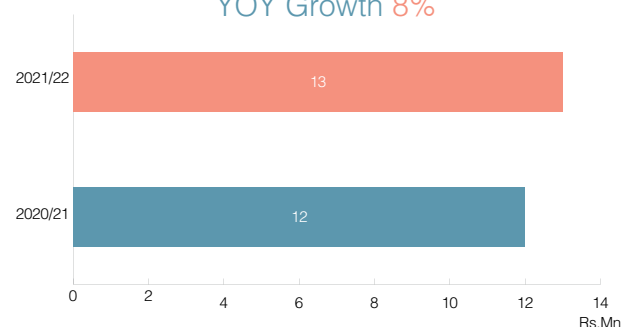
Business School Income YOY Growth 58%



Income from membership fees and subscriptions surged during the year under review indicating a growth of 8% as we welcomed 831 members to the membership base.

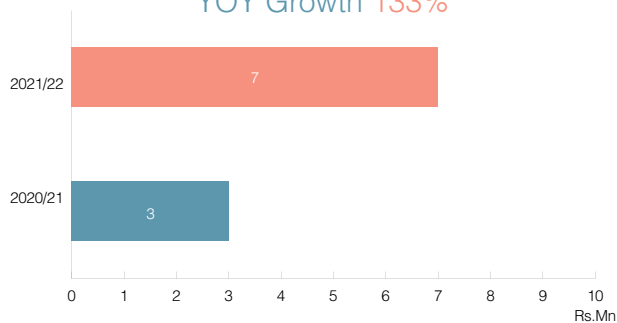
Meanwhile, AAT Business School posted the highest ever top-line and bottom-line contribution since inception during the year under review. Business school's top-line grew by 58% exceeding Rs. 19 Mn in the financial year 2021/22 (Rs. 12 Mn – FY2020/21). The revenue contribution from the Higher Diploma in Accounting & Finance program reached Rs. 8 Mn posting a 81% gross surplus.

Membership Subscriptions & Renewal Fee Income YOY Growth 8%



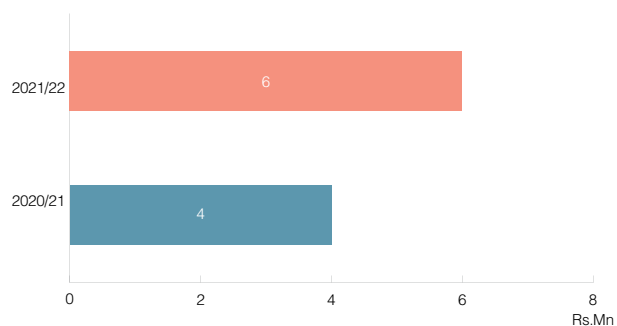
UNDERSTANDING OUR FINANCIAL STABILITY

Conference, PF Workshops & Seminars Income YOY Growth 133%



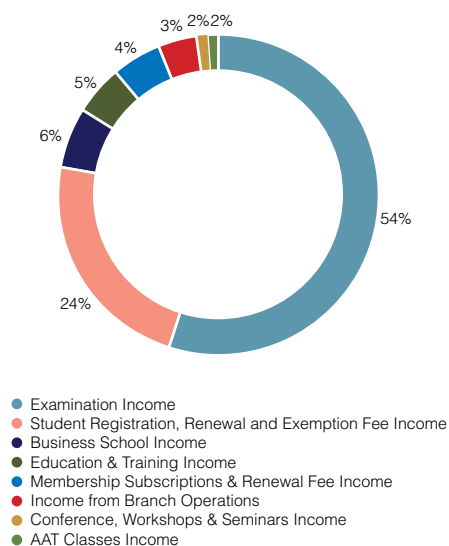
During the financial year 2021/22, in addition to the passed finalists workshop held to cover the January 2021 batch, AAT Sri Lanka held two photography events for the January 2020 as well as July 2020 batch in lieu of the previously cancelled events due to the mobility and social gathering restrictions imposed in view of the pandemic. This impacted the income growth by 133% compared to FY 2020/21.

AAT Classes Income YOY Growth 50%

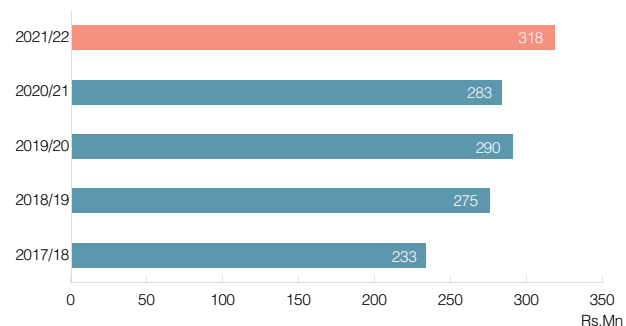


AAT converted its physical classes to online with social gathering restrictions and continued to have it online as the demand for online classes remain in the upward trend. During the year under review the income grew by 50%.

Income Composition



Income Growth - In Last Five Years



COST OF SERVICES

Even though our income grew by 12%, cost of services only accelerated by 7%, illustrating AATSL's effective cost management approach. Mindful of the burgeoning economic crisis, AAT Sri Lanka took a compassionate and strategic decision to not to pass down all cost increases and to spare students from the additional burden. The Association relied on efficient cost management strategies to mitigate inflationary impact.

	2021/22 Rs.	2020/21 Rs.	YoY Growth
Total Cost of Services	148,043,651	137,763,548	7%
Total Income	317,828,432	282,965,115	12%
Cost to income ratio	47%	49%	

Cost to Income Ratio	2021/22	2020/21	YoY Growth
Business School	75%	96%	Improved
AAT Classes	53%	94%	Improved
Education & Training	99%	107%	Improved
Student registrations, renewals and exemptions	15%	18%	Improved
Membership & subscriptions	43%	50%	Improved
Examination	48%	46%	Impacted
Branch operations	124%	102%	due to drastic cost increases
Conference, Workshops & Seminars	73%	52%	

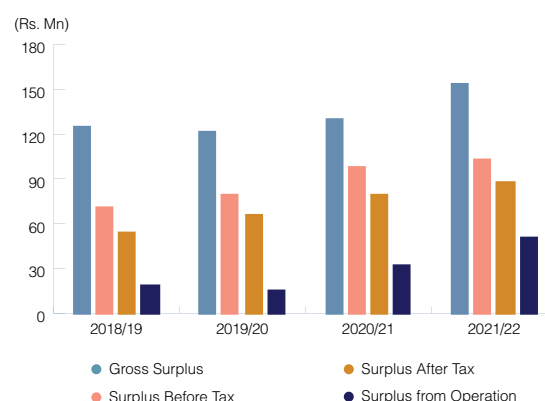
The combined contribution of AAT Business School, AAT Classes, Education and Training activities along with Student / member renewal and exemptions contributed to cost to income ratio drop to 47% (FY2020/21- 49%) – a commendable achievement. Continuation of online classes allowed AAT Sri Lanka to save rental expenses, while we succeeded in reducing printing cost through shifting to e-version of content such as the student newsletter. Nevertheless, conducting examinations triggered a surge in cost year on year given the prevalent shortage of raw material due to importing limitations while printing cost sky-rocketed rendering selling publications non-viable.

SURPLUS

Conducting examinations remain a key contributor to the overall Gross surplus followed by the student registration, renewal and exemption granting processes. AAT Sri Lanka's branch operations remain a service unit for the purposes of conducting examinations, student registration as well as education and training while the deficit represents only the net of gross profit from publication sales and branch overhead costs.

	Composition	Gross surplus		
		2021/22 Rs.	2020/21 Rs.	YoY Growth
Examination	53%	89,810,820	84,096,742	7%
Student registration, renewal and exemption	38%	65,098,163	54,503,635	19%
Business School	3%	4,667,778	420,463	1010%
Membership fees & subscriptions	4%	7,340,358	6,011,254	22%
AAT Classes	2%	2,719,364	252,354	978%
Conference, Workshops & Seminars	1%	2,036,947	1,412,283	44%
Education & Training	0%	135,876	(1,287,428)	111%
Branch operations	-1%	(2,024,525)	(207,736)	-875%
Total Gross Surplus		169,784,781	145,201,567	

SURPLUS GROWTH IN LAST FOUR YEARS



Surplus from operation grew by 54% during the year under review as a result of prudent management of Association's resources and decrease in the cost of promotional activities given the pandemic restrictions.

While income from investment property contributed to the growth of surplus before tax by 6%, Interest income from the fixed deposit base dwindled by 31% in FY 2021/22 due to the unfavourable fiscal conditions.

The Associations pays income tax at the rate of 14% on our profit from SME operations and 24% on interest income. Income tax expense reduced as results of reduction of interest income which is taxed at a higher rate. The period under review closed with a 11% growth in Surplus after tax.

UNDERSTANDING OUR FINANCIAL STABILITY

ANALYSIS OF FINANCIAL POSITION

Strong financial stability is the greatest strength of the Association, especially during an economic crisis. This favourable status quo has enabled AAT Sri Lanka to remain financially stable and extend support to its student base as well as the community – a fact that enriched our social and relationship capital during the year under review.

The Association continued its focus on increasing short term investments during the year under review, which primarily contributed to the growth in the asset base. Investments portfolio surged by 13% in FY2021/22 driven by the surge in profitability.

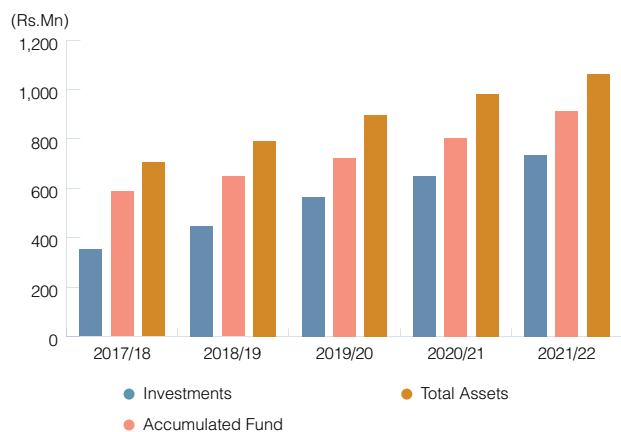
As AAT Sri Lanka is a not-for-profit Association sans the presence of shareholders to distribute the earnings - surplus generated is invested back into the Association. As a result, AAT Sri Lanka continues to be debt-free and our assets are predominantly funded by the accumulated fund which grew by 14% year on year. While the Accumulated Fund accounts for 86% of total assets, AAT Sri Lanka's total assets grew by 8% to Rs. 1,062 Mn (FY2020/21 – Rs. 981 Mn).

Assets Composition	2021/22 Rs.	2020/21 Rs.
Property and Equipment	129,588,162	135,241,056
Investment Property	136,144,470	138,873,364
Intangible Assets	4,366,649	6,393,832
Short Term Investments	734,378,272	651,297,682
Cash and Cash Equivalents	22,670,402	21,384,748
Other Assets	34,625,065	27,462,694
Total	1,061,773,020	980,653,376

THE WAY FORWARD

In view of the country's economic crisis and the volatility indicated in the financial market, growth prospects and the stability of our financial capital is at risk. While we are hopeful of a viable solution to the financial crisis, we will continue to adopt prudent operational and financial practices to protect AAT Sri Lanka's interest and sustain operational and financial integrity.

Financial Position - In Last Five Years

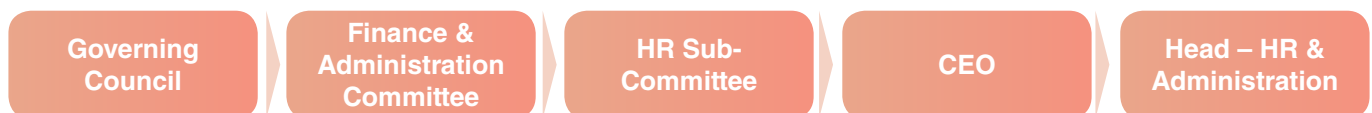


INVESTING IN OUR PEOPLE

AAT Sri Lanka's Human Capital is the linchpin that holds together our social and relationship capital as well as intellectual capital. The employees are key stakeholders in determining our ability to maintain a delicate balance in creating robust economic, social and environmental impact. Hence, our efforts to develop the Human Capital ultimately create value not only for our employees in terms of career growth and satisfaction but also for other stakeholders including students, members, employers and the SME sector.



AAT Sri Lanka's Governing Council is the legal body authorised to handle and maintain the integrity of HR governance through guiding and overseeing HR sub-committee to implement appropriate strategies at the workplace. The Human Resource department retains the overall responsibility of managing employee life cycle starting from recruitment, orientation, training and development and taking care of the administrative side of employee benefits.

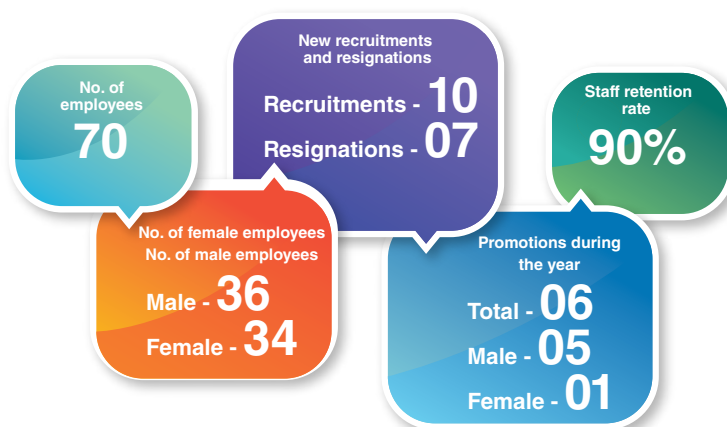


COMPOSITION OF THE HUMAN CAPITAL

AAT Sri Lanka is an equal opportunity employer. As such, our human capital management approach includes anti-discrimination standards calculated to prevent discrimination based on gender, ethnic background, geographical location or sexual orientation, as well as strategies to attract and retain talent from diverse backgrounds.

AAT Sri Lanka's human capital comprises a diverse team of 70 staff members that oversee the implementation and successful conclusion of set strategies.

INVESTING IN OUR PEOPLE

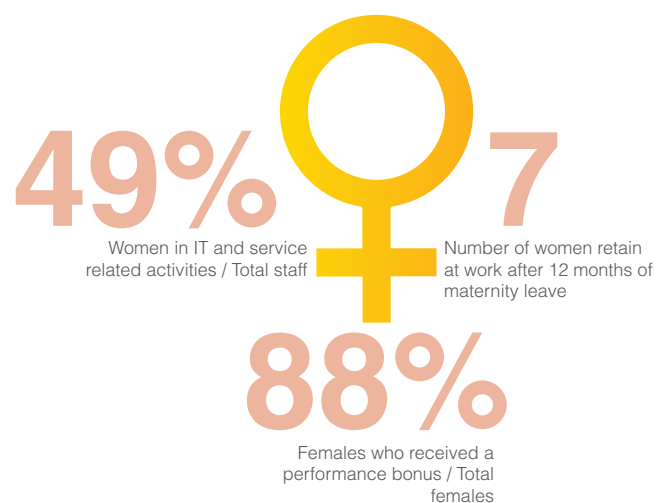


RECRUITMENT AND RESIGNATION

During the year under review, AATSL's employee turnover figures remained relatively stable. New recruitments for the year fell within the younger age category with eight new employees between the ages of 20 years to 30 years joining AATSL along with two new employees between the ages of 31 to 40 years. Meanwhile, six employees between the ages of 20 years to 30 years tendered their resignation during the year under review, while one employee between the ages of 41 years to 50 years resigned.

Recruitment & Resignation	Total	Male	Female
Recruitments	10	1	9
Resignations	7	1	6

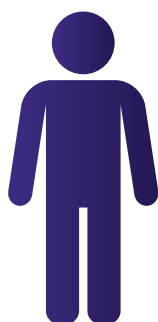
opportunities available to male employees. We provide ample career progression opportunities for women and offer them performance based increments, promotions and bonuses.



GENDER PARITY

AAT Sri Lanka is an equal opportunity employer. As such, we strive consistently to empower women at the workplace, providing them opportunities for growth and leadership. Our HR policies are designed to provide our female employees the same

EMPLOYEE BY MAJOR GEOGRAPHICAL LOCATION

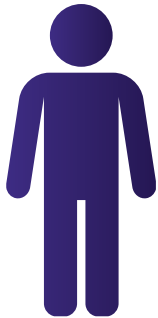


Western Province	26
Southern Province	2
Central Province	4
Sabaragamuwa Province	1
Northern Province	1
Northwest Province	1
North Central Province	1
Eastern Province	-



Western Province	26
Southern Province	3
Central Province	1
Sabaragamuwa Province	1
Northern Province	1
Northwest Province	1
North Central Province	-
Eastern Province	1

EMPLOYEE BY KEY DEPARTMENTS



Examinations	7
Registration & Membership	2
Education & Training	1
Business School	3
Marketing	6
Branch network	2
Finance, IT, Admin & HR	15



Examinations	4
Registration & Membership	7
Education & Training	2
Business School	3
Marketing	2
Branch network	5
Finance, IT, Admin & HR	11

OUR PEOPLE MANAGEMENT MODEL AND VALUE PROPOSITION

AAT Sri Lanka maintains a seasoned people management model that complies with best practices and labour laws and makes employee wellbeing a priority. Our people management strategy is benchmarked on globally accepted best practices. The team plays an integral role as brand ambassadors of AAT Sri Lanka. Hence, we make an extra effort into developing their competencies and leadership skills. We strive to facilitate an environment that assists our employees to enjoy professional success and feel fulfilled. Training and development is one of the key resources that we utilise in developing our human capital.



INVESTING IN OUR PEOPLE

TRAINING AND DEVELOPMENT

We aspire to shape and retain a talented and self-assured team of employees. As such, AAT Sri Lanka conducts training and development programs for employees following needs assessments. While the COVID-19 pandemic interrupted our training schedule, AAT Sri Lanka succeeded in conducting essential training for a number of employees.

	Total	Male	Female
Training hours	111	31	80
Training hours	Senior Managers and above	104	
	Executives	7	
	Average training hours per employee	2	

REWARDS AND RECOGNITION

Our rewards and recognition framework for employees' hinges on a performance review based approach. We conduct annual performance appraisals to gauge individual performance and provide rewards and recognition to match the performance. This fosters a performance driven culture. Heads of the departments appraise the performance level of each of their team members with the assistance of HR department by conducting face to face interviews. In addition to determining appropriate rewards and recognition, appraisals serve the purpose of identifying training needs. The HR sub-committee plays a key role in employee rewards, remuneration and recognition 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.

Number of staff promotions	Total	Male	Female
	6	5	1

GRIEVANCE HANDLING

Our grievance handling system is designed to provide ethical, fair and non-discriminatory services to employees. Our grievance handling process is well-equipped to support anyone who seeks counsel and guidance. The HR sub-committee plays a vital role in this process. The committee monitors and resolves employee grievances, whilst reporting major grievances to the Governing Council (if there is any).

CREATING A SAFE PLACE OF WORK

Employee safety and wellbeing are prominent on our list of priorities in developing human capital. During the last two years we implemented special COVID-19 prevention procedures at the workplace, and improved our workplace safety policies to create a conducive work environment. We educated our employees

about COVID-19 preventive measures to help them remain safe even outside the work premise, and provided all the necessary tools such as sanitizer and gloves to ensure their safety within the office premises.

TAKING CARE OF OUR EMPLOYEES

The staff welfare society took hand in hand with the Association to care for employees and their families, especially during the COVID-19 pandemic by providing each affected employee and their family with the essentials to survive during quarantine and isolation period.

HUMAN CAPITAL – CHALLENGES FACED DURING THE YEAR

The volatile external environment characterised by the pandemic and economic strife impacted our human capital management process during the year under review. The management and Human Resource department were forced to take decisions with regard to people management by considering each situation individually. Talent acquisition and retention proved to be challenging during the year under review while sustaining employee engagement level too became difficult, which in turn impacted interpersonal and inter department relationship building. Further, the Association had to postpone a number of training and development programs as a result of COVID-19 restrictions. Further, given the widespread COVID-19 infections, employee health and wellbeing was at risk.

HUMAN CAPITAL – NAVIGATING THE CHALLENGES

In response to the unique challenges that emerged during the year, we adopted a flexible and resourceful approach to human capital management and development. While we perfected the work from home status quo during the year using a plethora of tools, we were able to sustain employee engagement at optimal levels through relying on ongoing communication channels. We initiated regular follow up procedures and coordination amongst staff members to achieve goals of the Association. Meanwhile, we implemented comprehensive health and safety protocols within the premises of the Association to ensure employee wellbeing. Even though the country's economic situation worsened within the year, we took a strategic decision not to implement salary reductions and provided performance based rewards and remuneration increments.

FUTURE DIRECTION

As the world evolves to a post-pandemic era, on a more digitally driven direction, AAT Sri Lanka plans on developing human capital, by introducing an automated Performance Management System, which would be linked to training and development. We plan on implementing new employee engagement activities to enhance relations whilst also introducing a PABX system to improve our service offering.

WOMEN'S DAY CELEBRATION

AAT Sri Lanka celebrated women at the workplace on International Women's Day. The day's celebrations included a get together, followed by presenting each female employee with a customised notebook.

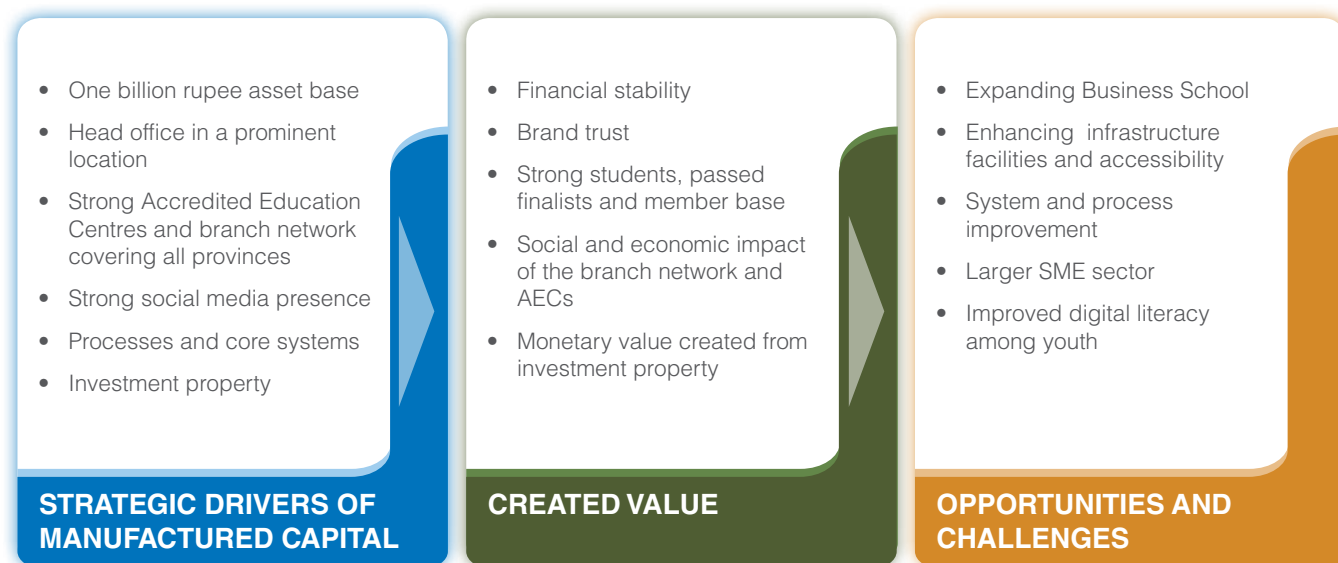


WOMEN'S DAY 8th March 2022



EXPANDING OUR PRESENCE

Our Manufactured Capital consists of our physical and digital infrastructure, which contribute to developing our social and relationship capital and managing our natural capital. AAT Sri Lanka's physical infrastructure, property and equipment contribute to facilitate a robust experience for our stakeholders including students, members, passed finalists and employees.

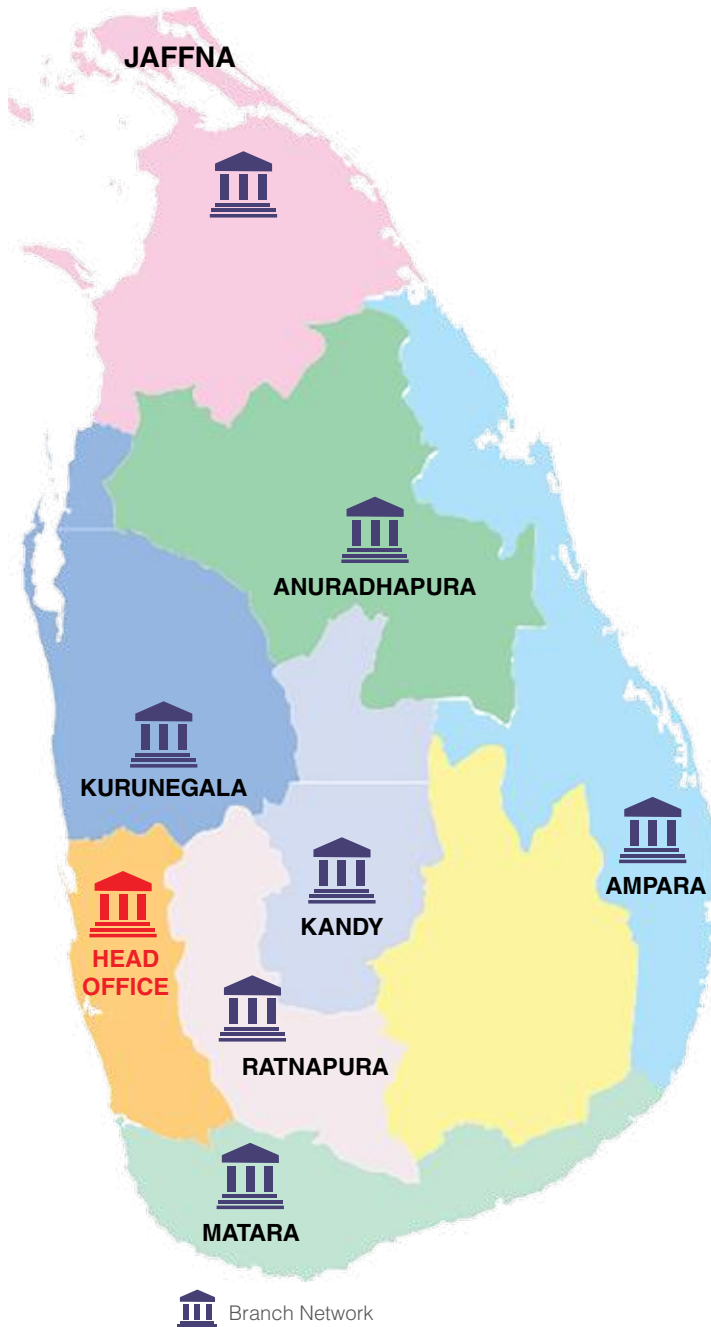


EXPANDING OUR PHYSICAL PRESENCE

During the year under review, AAT Sri Lanka didn't venture into branch expansion. However, we continued to monitor the performance of our branches and provided guidance to AECs on enhancing their education delivery. As part of our cost management strategy in response to hyperinflation, we signed service agreements with third parties to maintain our equipment and infrastructure in optimal conditions.

	Value Addition during the Financial Year (Rs.)	Net Book Value as at 31/03/2022 (Rs.)
Building – Head Office	-	42,848,972
Building – Maligawatte	-	13,644,470
Office Equipment & Name Board	1,007,472	3,552,835
Furniture & Fittings	130,899	2,841,660
Computers & Communication Equipment	1,680,110	4,908,896
Computer software and website	1,837,553	4,366,649

OUR PHYSICAL PRESENCE IN PROVINCES



Geographical footprint of our AEC network is referred on page 89.

AATSL focused on the expansion of its footprint island wide covering all provinces prioritising more accessibility to students.

STRENGTHENING OUR DIGITAL REACH

Mindful of the fact that digitalisation is intimately tied to the future of education, we are well on our way to strengthening our digital infrastructure. During the year under review, we continued to develop our social media capital in tandem with our digital reach objectives. In FY 2021/22, our effective social media strategies enabled us to increase our Facebook followers from 57,500 to 91,750 and currently enjoys an average post reach of over 1.3 Mn per week, while reaching 8,050 Instagram followers and 16,300 subscribers on our YouTube channel with over 716,000 total views. Currently, we have nearly 4,800 followers on LinkedIn and 2,750 followers on TikTok. During the year, we intensified our social media engagement and used platforms such as Whatsapp and Viber to communicate with potential students, which created a positive ripple effect in student reach with over 15,000 inquiries reaching AAT Sri Lanka on such platforms.

Meanwhile, we implemented trilingual features on our website and facilitated online exam application facility on the website to improve convenience and accessibility to a larger group of students. The E-Admission system that we implanted during the year proved to be a success with students availing themselves of the facility. In line with our efforts to assist our students and members during the crisis, we provided free Microsoft email facility for them including MS Office 365 online version. We provided remote network connections to our branches in order to streamline and improve work.

FUTURE OUTLOOK

The prevailing economic crisis and social unrest will continue to affect our ability to grow our manufactured capital. Nevertheless, we plan on taking proactive steps to sustain and nurture our manufactured capital in the near future through adopting necessary risk mitigation strategies. Meanwhile, we plan on conducting online exams and introducing a mobile app to improve stakeholder engagement. In addition, we plan on incorporating student and member portals to our website.

ENRICHING THROUGH KNOWLEDGE ENHANCEMENT

AAT Sri Lanka's Intellectual Capital steers our Association's growth and that of our students, passed finalists, members and by extension the progress of the SME sector. Our intellectual capital is the collective sum of our processes, expertise, experience and insights, which we consistently enrich through knowledge enhancement, seeking information driven input from various stakeholders and evolving our expertise in tandem with futuristic movements.



IMPROVING KNOWLEDGE AND PROCESSES

As a prominent education institute in the country, AAT Sri Lanka consistently works on improving its knowledge and processes. During the year under review, we ensured all the study texts are available online in Sinhala, Tamil and English languages, while students have ready access to pilot papers, past papers and model answers. We conduct periodical evaluations to enrich our knowledge base and upgrade our educational offerings to students, passed finalists and members.

OUR CULTURE

As a highly knowledge-intensive Association, AAT Sri Lanka's culture in its essence fosters growth through education, expertise and timely knowledge seeking. Our greatest asset in terms of intellectual capital is the highly skilled and knowledgeable Governing Council, management team and employee base. Meanwhile, we formed a separate council committee to conduct public seminars and professional development programs as part of our efforts to develop our intellectual capital and its delivery. The Governing Council is made up of accounting professionals of repute who have acquired relevant knowledge through their involvement with the Association and is passed down to ensure continuity of projects. Our employees and Management Team improve their expertise and insights through exposure to timely content and training.

Designation	Work Experience (Years)
Chief Executive Officer	32
Chief Financial Officer	24
Chief Academic Officer	20
Head of Student Registration & Membership	16
Head of Examinations	22
Head of Business School	14
Head of Human Resources & Administration	11
Head of Marketing	14
Manager - Information Technology	24
Manager - Education & Training	7
Senior Manager - Examinations	35
Senior Manager - Examinations	18
Secretary to CEO	28
Assistant Manager - Student Registration & Membership	11
Assistant Manager - IT	20
Financial Accountant	8
Assistant Manager - Examinations	8

Designation	Work Experience (Years)
Assistant Manager - Marketing	10
Assistant Manager - Corporate Communication	14

CONTINUOUS IMPROVEMENTS IN INFORMATION TECHNOLOGY PROCESS

During the year under review, we guided our Accredited Education Centres (AECs) on shaping and perfecting their delivery of content via online platforms. In the meantime, we introduced trilingual features to our website.

ENHANCING THE EXAMINATION PROCESS

During the year under review, we introduced E-study texts and enabled students to download the content at a subsidised price. Our continued efforts at improving the examination process include strengthening our qualified panel and reinforcing our paper setting and evaluation process in a timely manner. In spite of the status quo that proved to be daunting, we managed to retain our record of releasing examination results within 45 days in FY 2021/22.

STUDENT DEVELOPMENT PROCESS

In line with our efforts to improve processes that facilitate accessibility to quality education to students, AAT Sri Lanka conducts seminars at schools targeting G.C.E. Ordinary Level and G.C.E. Advanced Level students in Sinhala, Tamil and English mediums.

MEMBER DEVELOPMENT PROCESS

Conferences and webinars are integral to our member development approach. During the year under review, AAT Sri Lanka's Seminar and Professional Development Committee and AAT Business School conducted CPD accredited webinars. Meanwhile, we held the Annual Conference with the participation of 17 eminent educators and professionals covering comprehensive scopes on various fields and subject matter related to the accounting field.

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.

AATSL BUSINESS SCHOOL

AATSL Business School is a key component of our intellectual capital offering. The Business School steers the strategic function of identifying and fulfilling the gaps in our education and resource offering to students, passed finalists and members. AATSL Business School functions as the centre for fostering competencies of accounting professionals connected to our Association and helping them become fully-fledged accounting professionals. At present, AATSL Business School concentrates on four core areas of knowledge enhancement.

- Accounting and Finance Management
- Information Technology
- Taxation
- Business Communication and Leadership Skills

EXPANDING HORIZONS

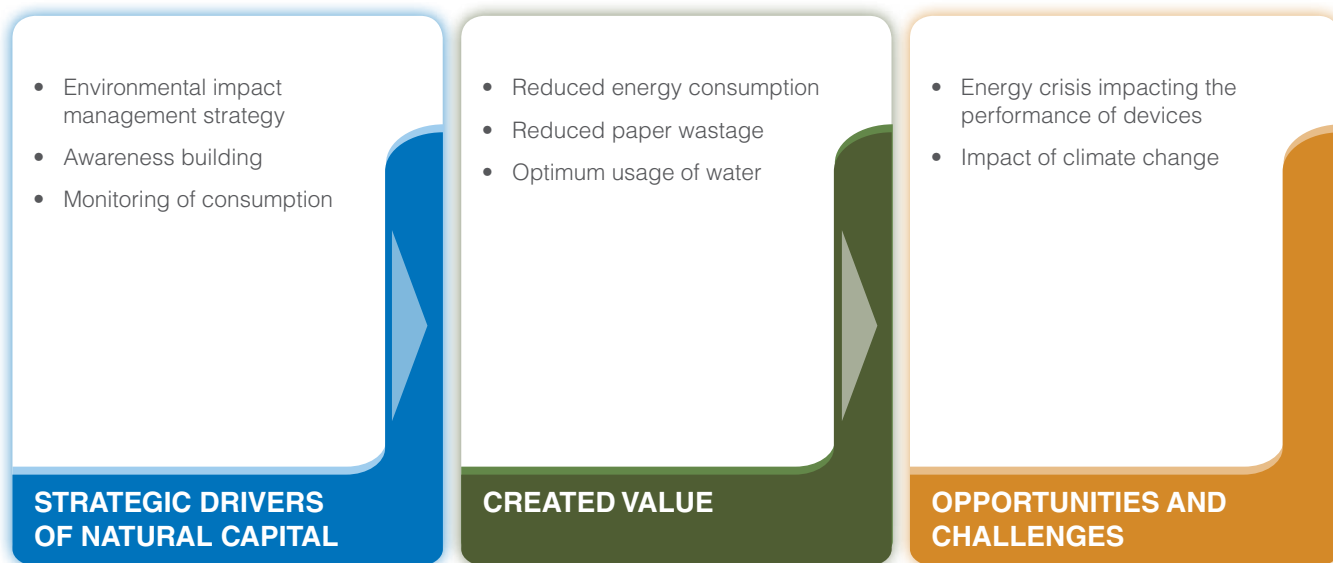
"The world is moving towards technology. Then why not Accounting?" The latest development in Accounting is connected with Cloud Accounting Software. As such, AAT Business School signed a memorandum of understanding (MoU) with PW Holdings and commenced the Sage Business Cloud Accounting Software education program to AAT members, passed finalists and other professionals to enhance practical knowledge on cloud accounting as well as competencies on par with the industry's future requirement. The program commenced in May 2021, providing in-depth knowledge in implementing and using Sage Business Cloud Accounting Software. The program delivery included a free license for 3 months as well as a user manual.

FUTURE OUTLOOK

AAT Sri Lanka is well-aware of the socioeconomic challenges that the prevailing status quo of the country presents. As such, we will continue to seek viable strategies to enrich our intellectual capital which in turn will help us improve our social and relationship capital as well as financial capital as we continue to contribute to the growth of our stakeholders as well as the SME sector.

OUR EFFORTS FOR A QUALITY LIFE

As the threat of climate change looms, AAT Sri Lanka remains committed to minimising our environmental impact. To this end we have adopted a concrete approach to reducing paper, energy and water consumption.



MANAGING OUR CARBON FOOTPRINT

In our efforts to reduce our carbon footprint and contribute to environmental sustainability, we have adopted the 3 R approach – Reduce, Recycle and Reuse. Our efforts mainly consist of reducing paper waste through minimising paperwork and educating our employees to reduce energy and water consumption. During the year under review, we implemented a few pragmatic approaches listed below to better manage our environmental impact:

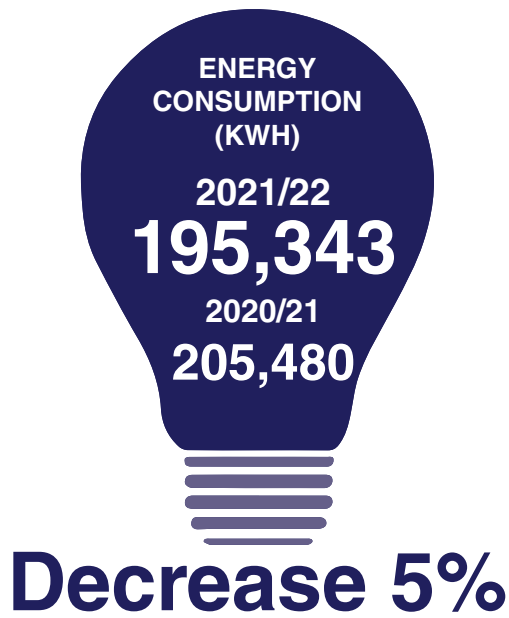
- Initiated E-study text – allowing students to download copies of study texts, which they can use offline
- Implemented online exam application and admission downloading process
- Widespread adoption of online teaching, teacher training, online meetings, digital events as well as remote working
- Publishing Student Guides, Student Newsletters, Past papers, suggested model answers and examiners' reports on the website and enabling free downloads
- Converted correspondences with stakeholders (Eg: AECs) from regular postal services to digital media
- Online student registration
- Recycling of examination answer scripts and other waste papers
- Proposing and encouraging employees to minimise print waste through printing on both sides of the paper

- Circulating council papers, reports and other relevant documents via a secure electronic system
- Automated systems and procedures have been implemented to reduce the physical printing requirements

PAPER RECYCLED



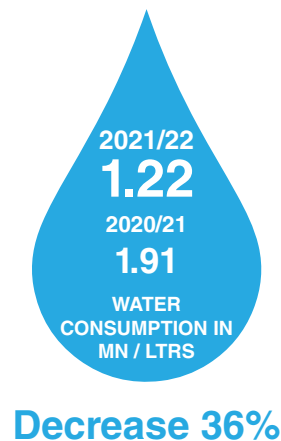
ENERGY MANAGEMENT



AAT Sri Lanka sources energy requirements from the national grid. During the year under review, our energy consumption amounted to 195,343kWh indicating a reduction of 5%. We rely on the following approaches to reduce our energy consumption:

- Installation of section wise separate meters to monitor electricity consumption closely in order to take immediate measures when there are abnormalities
- Usage of LED bulbs to reduce consumption
- Using inverter type air conditioners
- Programming all computers to revert to standby mode after a five-minute idling period
- Educating employees on discreet energy usage

WATER MANAGEMENT



AAT Sri Lanka's main source of water is supplied through the national water supply and drainage board. During the year under review, our water consumption amounted to 1.22 Mn liters indicating a reduction of 36%. We rely on the following approaches to reduce our water consumption:

- Monitoring monthly usage of water and conducting periodical reviews to reduce wastage of water and rectify leaks
- Raising awareness amongst employees about water conservation

WASTE MANAGEMENT

AAT Sri Lanka uses a waste segregation method to separate waste categories and dispose of each category in a responsible and environmentally friendly manner. The waste segregation system at AAT Sri Lanka and our branches are colour-coded. While we rely on the municipal council facilities to dispose of our waste, our employees consistently strive to minimise wastage and use minimal waste generating approaches.

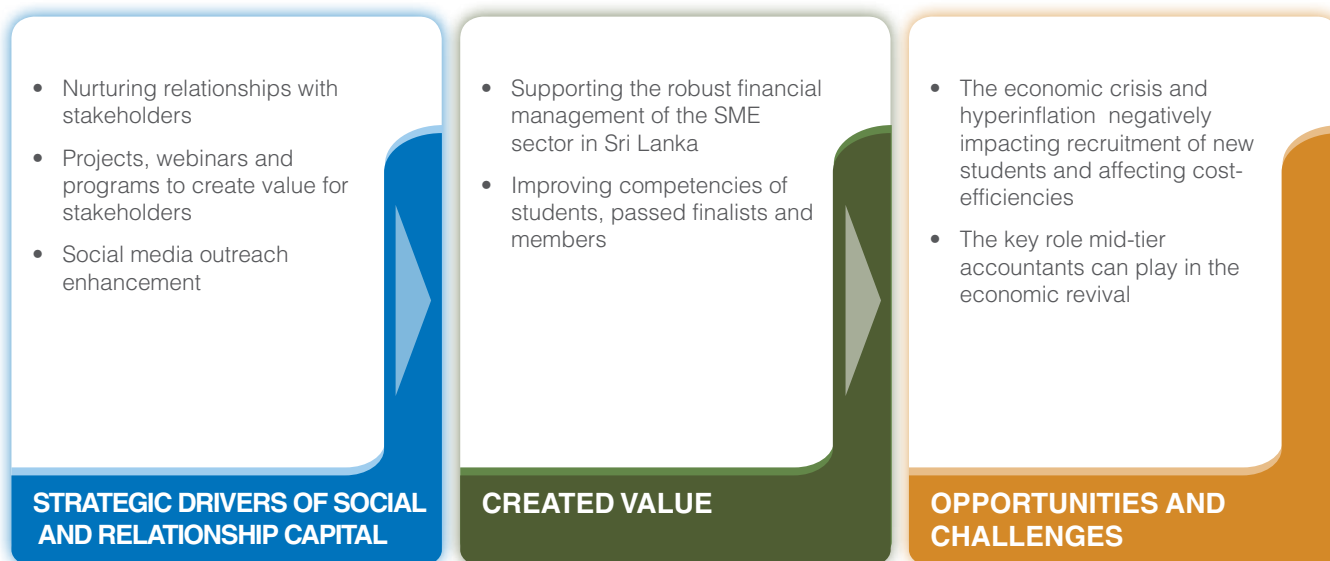
MANAGING ENVIRONMENTAL IMPACTS

As an education institute, our impact on the natural environment remains within the scope of day to day consumption of resources such as energy, water, paper and waste generation. Nevertheless, our actions against climate change align well with the United Nations' Sustainability Development Goals. As such, we consistently strive to contribute to addressing global environmental challenges through adopting suitable measures to ensure environmental sustainability.

As discussed earlier, we have designed specific strategies to reduce our water consumption, energy usage, dispose of waste in a safe manner and introduce a paperless operational process. Accordingly, our operational model aspires to promote responsible consumption of natural resources to contribute to the sustainable development goal of climate action.

CONTRIBUTING TO SOCIETY'S WEALTH

Our social and relationship capital is strongly connected to our ability to create value through our intellectual capital and impact the lives of our stakeholders including students, members, and communities. We consistently strategise and carry out programs designed to enrich our social and relationship capital. At the same time, we rely on our robust stakeholder engagement framework to ensure mutually beneficial interactions with our stakeholders to nurture our social and relationship capital.



Core Stakeholders of Our Social and Relationship Capital

STUDENTS

- Fast-track employment opportunities
- Provide knowledge and skills to become qualified accounting professionals
- Improve employability and assist with developing their personal brand

PASSED FINALISTS

- Improve practical skills and competencies
- Convert passed finalists into members

MEMBERS

- Enhance knowledge, skills and competencies
- Facilitate networking opportunities
- Provide career development assistance
- CPD accredited programs

ACCREDITED EDUCATION CENTRES

- Improve the quality of education and guidance offered
- Improve mutually beneficial relations

PROFESSIONAL ACCOUNTING BODIES AND UNIVERSITIES

- Strengthen relations and build networks
- Enable knowledge sharing

EMPLOYERS

- Build rapport to enhance employment opportunities for passed finalists
- Engage frequently for knowledge sharing

EMPLOYEES

- Provide skill advancement opportunities
- Ample rewards and recognition and remuneration

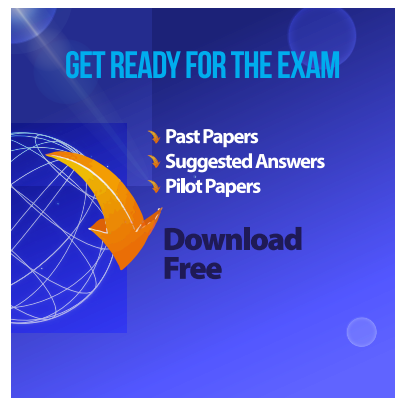
GOVERNMENT AND REGULATORS

- Regulatory compliance
- Advocacy

CREATING VALUE FOR STUDENTS

The largest group of stakeholders of AAT Sri Lanka, students form the basis of our Association and contribute to our ability to grow our member base. In fact, the primary and founding purpose of AAT Sri Lanka was to facilitate knowledge and skills development of students to enable them to embark on empowering career paths that match their innate abilities. As we offer qualification and conduct examinations in Sinhala, Tamil and English mediums, AAT remains one of the most relevant, accessible and affordable professional qualification in Sri Lanka.

During the year under review, we faced a confluence of challenges in recruiting, retaining and delivering knowledge to our students due to the COVID-19 pandemic and the economic crisis that followed. Nevertheless, we continued our efforts to create value to students through adopting appropriate mitigating measures and marketing efforts both online and offline.



Knowledge and Skill Development

Currently, AAT Sri Lanka is delivering the curriculum designed for the years 2020-2025, following extensive research and data driven insights. Themed 'The Employment Fast-Track' the new curriculum is aimed at improving industrial and technological adherence of middle level accounting technicians in Sri Lanka. As the Association enters a new phase of academic knowledge and professional insights, the new curriculum includes new trends in technology including E-commerce, Blockchain and AI. The course content has been designed to empower students to become dynamic professionals capable of steering the organisation on the right path of financial management.

CONTRIBUTING TO SOCIETY'S WEALTH

Student Newsletter



The AATSL Student Newsletter provides students with useful information, latest updates, Frequently Asked Questions (FAQs) and study resources related to AAT qualification. With respect to 2021/22 Financial year, the Student Newsletter was published in AATSL Website as an electronic copy in December, 2021. Students can access the Newsletter through Resource centre for students in AATSL Website. The focus areas for the AATSL Student Newsletter December 2021 were:

- How to maintain an active studentship
- Advantages of using AATSL E-Study texts
- Discussion on Low Performed Areas of January 2021 examination
- Frequently Asked Questions related to AAT Qualification
- Updates and Notices

Webinars for G.C.E. Ordinary Level Students – Creating and Preserving Value



The periodical lockdowns, school closures and mobility restrictions negatively impacted G.C.E. Ordinary Level students' ability to acquire knowledge. As such, AAT Sri Lanka conducted nearly 20 online webinars for over 15,000 O/L students. As some of the webinars reached the maximum number of participants, we extended the access to the content through live streaming sessions on YouTube.

In addition, we conducted a number of webinars for all the subjects in the O/L examination targeting the examination papers. Prominent O/L tutors conducted the webinars while we partnered with Y-FM to air some of the sessions.

Webinars for G.C.E. Advanced Level Students

AAT Sri Lanka conducted 12 webinars on behalf of G.C.E. Advanced Level commerce stream students to compensate for the lack of physical sessions. Over 12,000 students (2,500 – 3,000 in each session) took part in the online sessions conducted by prominent tutors in Sri Lanka, which were live streamed on YouTube as well. The webinars discussed revision papers for students.

AAT Registration Drive – Creating Value

During the year under review, AAT Sri Lanka conducted a special registration drive for 2 days at the head office to enrol new students for the first time in AATSL history. Prior to the event, we conducted a social media awareness campaign to create awareness about the registration drive. We registered over 50 students during the drive. The students were only required to bring original copies of their documents, and the entire enrolment process including photography lasted less than 30 minutes.

Virtual Meet for New Registration Inquiries

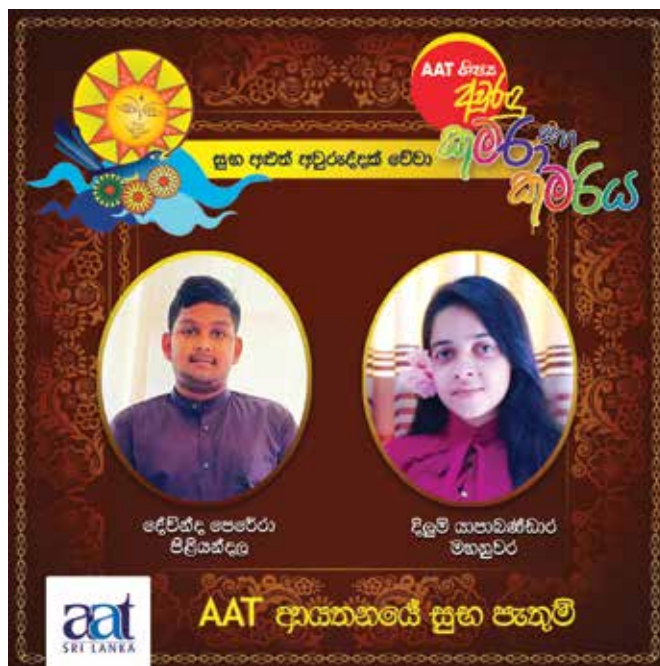
In line with our new student enrolment drive, AAT Sri Lanka conducted a “Virtual Meet” event for the first time in AATSL history to connect with potential students and provide them answers to their inquiries about AAT registration and benefits. We announced the ‘Virtual Meet’ on Facebook, Instagram and YouTube inviting students to take part in the initiative. The campaign proved to be a success and we received over 150 direct inquiries in a single day, following which we allocated time slots for each student and conducted virtual calls on platforms such as Zoom/ WhatsApp video and Viber. This method proved to be a convenient way for students to engage with AAT Sri Lanka.

School Seminars for A/L and O/L Students

AAT Sri Lanka conducted physical seminars at schools island-wide for both G.C.E. Advanced Level and G.C.E. Ordinary Level students during the year under review. We conducted 30 school seminars in English, Sinhala and Tamil mediums during the year, and discussed the value that AAT qualification can provide to students that seek a competitive advantage.



AATSL Digital Awurudu Kumara & Kumariya



Delivering light-hearted entertainment and networking opportunities to students, AAT Sri Lanka conducted the AAT digital Awurudu Kumara and Kumariya competition for the second time. Over 100 students took part in the online competition. Mr. Devinda Perera from Piliyandala was selected as the AAT Digital Awurudu Kumara and Ms. Dilumi Yapabandara from Kandy was chosen as the AAT Digital Awurudu Kumariya based on the number of likes they received for the presented photographs.

CONTRIBUTING TO SOCIETY'S WEALTH

AATSL Vesak lantern competition 2021



AAT Sri Lanka celebrated the Vesak festival with a student engagement activity, featuring a virtual lantern competition. Over 100 students participated in the event, and most of them used reusable and green materials to create their lanterns. The most 'liked' (on Facebook) vesak decoration was created by Tharindi Wijekoon from Balangoda who emerged the winner of the competition.

AATSL Street Promotion campaigns

Navigating the challenges of delivering BTL promotions in 2021 due to the pandemic restrictions, we conducted a series of street promotional campaigns in Galle, Matara, Hambantota, Anuradhapura, Ratnapura, Badulla and Monaragala districts covering all cities for more than 3 weeks. The promotional campaign involved announcements conducted through a PA system, delivering the core message about AAT qualification as well as AAT TV (conducted in partnership with SIYATHA TV).

Online Teacher Training – Creating Value

AAT Sri Lanka conducted an online teacher training program for teachers delivering G.C.E. Advanced Level content. A distinguished professional trainer conducted the sessions which witnessed the participation of over 8,000 teachers. The webinar focused on strategies and trends of online education delivery, and discussed challenges that teachers face in doing so.

Personal Grooming Session

Personal grooming is an essential part of developing one's personal brand. As such, we consistently facilitate our students

to improve their personal grooming in order to penetrate the workforce effectively and build their own brand. AAT Sri Lanka facilitated a personal grooming session conducted by Joel Outschoon on a live Zoom platform. Joel's friendly delivery of his content and reference to practical everyday scenarios added value to the session. The participants were happy with the interactive session and they engaged in responding to sample questions from potential job interviews.

Participation in Islandwide Education Exhibitions

As part of the student enrolment drive, AAT Sri Lanka participated in five large scale education and career fairs across the island.

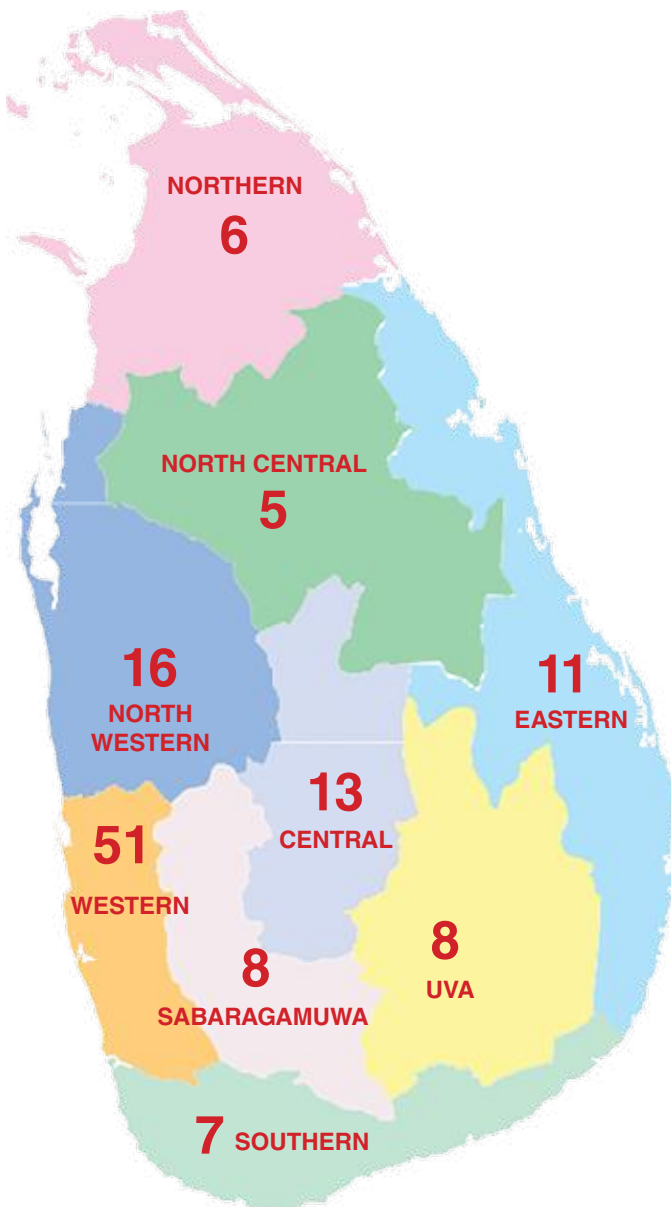
- EduFirst Educational Fair at Kandy City Centre
- Edex Education exhibition conducted at Royal College, Colombo
- Jaffna Education Exhibition
- Wayamba EXPO education exhibition conducted in Kurunegala
- Colombo Education Fair held at the BMICH



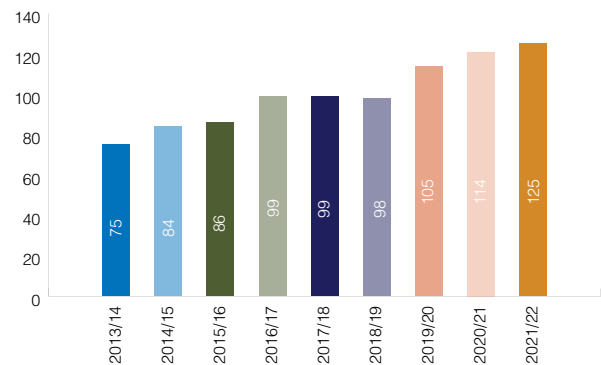
PARTNERED ACCREDITED EDUCATION CENTERS TO ENHANCE DELIVERY COMPETENCY

As part of our education delivery, AAT Sri Lanka has partnered with private education providers covering the nation by providing each center the status of Accredited Education Centers. We consistently work with AECs to enhance their quality of education delivery. In addition, we conduct online classes to cater to a section of students whilst as a model education institute among all other AECs. As at the end of the year 2021/22 we had ongoing partnerships with 125 AECs.

AEC Provincial Break-up



Number of AECs



CREATING VALUE FOR PASSED FINALISTS

Passed finalists provide us with the opportunity to enlarge our member base. As our passed finalists enter the workforce, they become brand ambassadors of AATSL. Moreover, we use our cordial rapport with employers to provide employment opportunities to passed finalists.

Practical Training Session

In line with our onus on guiding our students and passed finalists on their journey to become well-equipped middle level accountants, the new curriculum include practical training which is revised periodically to build crucial 'work floor' competencies. The training component includes a year of practical training, designed to assist participants to learn to conduct themselves effectively in corporate environments and develop leadership skills.

AAT Sri Lanka Job Bank

AAT Sri Lanka is also engaged in facilitating placement for practical training as well as employment opportunities for students, passed finalists and members. This program is well-designed to cater to the needs of both job seekers and corporates.

Job opportunities provided during the year 2021/22:

Training placements

1. Monitored: 126
2. Non-monitored: 46

Job placements: 308

CONTRIBUTING TO SOCIETY'S WEALTH

Passed finalists' Certificate Awarding Ceremony



AAT Sri Lanka held its Passed Finalists' certificate awarding ceremony on 7th March 2022 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Colombo. 1,143 passed finalists who have completed the final examination in January 2021 from across the island joined the event, while Prof. Kapila Perera, Secretary to the Ministry of Education graced the morning session of the ceremony as Chief Guest while Mr. Sujeewa Rajapaksha, Chairman, People's Bank was the Chief Guest during the evening ceremony. Mr. Tishan Subhasinghe, a Member of the Governing Council of CA Sri Lanka joined as the Guest of Honour. President of AAT Sri Lanka Mr. Naleen De Silva, members of the Governing Council and the CEO of AATSL and parents and well-wishers of the Passed Finalists also attended the occasion. The event line-up included comprehensive guidelines delivery by Chief Guests and Guests of Honour to passed finalists to complete their training requirements, prepare for the corporate world, obtain membership and pursue their academic interests with AATSL Business School.

Photography Event for Passed Finalists

As the COVID-19 pandemic prevented AAT Sri Lanka from hosting passed finalist ceremonies in time, we conducted a special ceremony on the 21st of January 2022 for passed finalists for those who have completed the final examination in January 2020 and July 2020. The ceremony facilitated passed finalists to receive their certificates from Members of the Governing Council while being photographed formally. The event was held at the Mihilaka Medura premises of the BMICH, Colombo.

AATSL Job Fair 2022



AAT Sri Lanka conducted a job fair targeting students who completed their Advanced Level examination, in collaboration with leading corporates of the country. We used digital media platforms to reach out to students with the announcement of the job fair. A number of leading corporates in the country including Ernst and Young, Stafford Motor Co. (Pvt.) Ltd., B.R. De Silva & Company, Cargills Ceylon PLC, Orient Finance PLC, Deloitte, Associated Motorways (Pvt.) Ltd, Infomate (Pvt.) Ltd., Central Finance PLC, Singer Sri Lanka and, Seylan Bank PLC representatives took part in the event and facilitated walk-in-interviews. Over 300 candidates walked in for the opportunity. A number of candidates obtained employment opportunities on the day itself not only in the financial sector but also in various other sectors. Moving forward, we plan on organising similar events at provincial levels to reach out to a larger audience.

STUDENT TESTIMONIAL

Our student testimonials can be viewed thorough following link.

<https://www.aatsl.lk/index.php/en/new-to-aat/student-testimonial>

AATSL Business School – Knowledge Enhancement

AATSL Business School was first established to provide students, passed finalist and members with access to further opportunities for growth, in particular skills and competencies that the modern employment market requires from accounting professionals.



The AATSL Business School conducts the following programs in line with the core onus of developing fully-fledged accounting professionals.

- Higher Diploma in Accounting & Finance
- Diploma in Accounting & Finance
- Diploma in Applied Taxation
- Certificate course in Taxation
- Certificate course in Computerised Accounting for SMEs.
- Certificate course in Microsoft office Applications
- Advanced Microsoft Excel for Data Analysis
- People and Leadership Skill workshop

CONTRIBUTING TO SOCIETY'S WEALTH

AATSL Business School was no exception to the challenges brought forth by the pandemic and the economic crisis. During the year under review, we faced a multitude of challenges including examination postponement, fewer student enrollments due to late result delivery of G.C.E. Ordinary Levels as well as economic hardships which discouraged students. A number of students dropped out while we also experienced student absenteeism due to the prevalent crisis. Meanwhile, we faced the daunting task of conducting programs such as Microsoft Office Application program, Computerised Accounting Program as well as Advanced Excel for Data Analysis program via online platforms. Cost escalation as a result of price inflation impacted our ability to effectively manage costs. In the meantime, corporate clients were reluctant to offer sponsorships to their employees as businesses were forced to implement cost cutting measures. The cost of maintaining physical infrastructure (lecture halls, projectors etc) of AATSL Business School, while they were not in use contributed to escalating cost inefficiencies.

Nevertheless, AATSL Business School culminated the year under review on a positive note with 1,473 paid students for the year and record breaking revenue generation and the highest bottom-line contribution since inception.

Meanwhile, during the year under review AAT Business School conducted 8 workshops out of which 6 were conducted free of charge. The workshops aimed to build and nurture relationships with the potential student base, whilst providing comprehensive knowledge and insights.

Webinar	Conducted by	Number of Registrants
Fundamentals of Taxation in Sri Lanka	Mr. Saman Dissanayaka Senior Deputy Commissioner, Department of Inland Revenue of Sri Lanka	322
Career Guidance Session	Mr. Tharindu Weerasinghe Senior Lecturer, Department of Human Resource Management, Faculty of Commerce & Management Studies, University of Kelaniya	132
Corporate Income Tax computation and filling of return 2020/2021	Mr. Pradeep Silva Commissioner / Large Taxpayer Unit 3, Department of Inland Revenue of Sri Lanka	100
Analysis of the Inland Revenue Act No. 10 of 2021.	Mr. Pradeep Silva Commissioner / Large Taxpayer Unit 3, Department of Inland Revenue of Sri Lanka	778
New Functions of MS Excel 2019	Mr. Kavinda Kotuwegedara Author, MCT, MCSD, ACA Office master, Blogger & Vlogger	483
A B C 's of Taxation in Sri Lanka	Mr. Velauthapillai Shakthivel, Senior Director, Tax Services, Ernst & Young	419
Importance of Digitalisation	Mr. Ama Silva Senior Manager, Isobar	250
Work Ethics for Business Success	Mr. Thairindu Weerasingha Senior Lecturer, Department of Human Resource Management, Faculty of Commerce & Management Studies, University of Kelaniya	10

AATSL Business School will continue to build on this positive momentum in the near future to create value for students, members and the community. Future plans of progress include curriculum revamps on Higher Diploma in Accounting & Finance, Diploma in Accounting & Finance, Certificate course in Taxation and Diploma in Applied Taxation establishing quality assurance and forming an advisory Board for the Business School chaired by Senior. Prof. Sampath Amaratunga.

Meanwhile, we will establish two faculties within AATSL Business School – Faculty of IT and Faculty of Accounting and Finance. We are also looking into new program development such as offering a Diploma in Data Analysis. We will enhance our collaboration with Private, Government and foreign Universities and commence a monthly Biztalk workshop series.

CREATING VALUE FOR MEMBERS

Members remain a key stakeholder group for AAT Sri Lanka's collective ability to sustain growth and create value for all stakeholders. During the year under review, AAT Sri Lanka enrolled 831 members, which increased the total membership base to 6,184 out of which 79% are life members. Our membership base comprises 88% MAAT members, 6% SAT members and 6% FMAAT members.

External factors that restricted mobility negatively impacted our ability to conduct the usual number of programs on behalf of members. However, we succeeded in finding alternative methods to continue our membership drive. As such, we conducted membership interviews for students virtually, involving the students from across the globe.

AAT Sri Lanka continued to extend support to members through creating opportunities for professional development and crafting a stable platform for networking. In return the Association derives subscriptions from members and fees for activities they choose to participate in. Many of the courses, seminars, and conferences are offered at concessionary rates for members. Additionally, they have access to preferential offers structured for AAT Sri Lanka members by banks, hotels and retail businesses.

AATSL TOASTMASTERS CLUB

AATSL 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 financial year 2021/22 proved to be a milestone year to the Toastmasters Club as it bags 7 awards including most prestigious Golden club award, Triple star award and Publicity star gold award.

AATSL 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.

AATSL MEMBERS' WELFARE FUND

In an attempt to assist members during difficult times, the Association formed the welfare fund during the latter part of year 2021. The welfare fund is created for all active members of AAT. The fund charges a nominal fee for registration, subject to annual renewal.

CONTRIBUTING TO SOCIETY'S WEALTH

InSearch Magazine

InSearch is the signature magazine particularly aimed at AATSL members' readership which is published by-annually containing the insights of industry experts and peer members of the Association. InSearch is instrumental in elevating the knowledge and exposure of the members in technical and non-technical fields while updating them with local and global current affairs which are relevant and impactful. It also contains a comprehensive update of AATSL news.

The first issue of the InSearch 2021 was released in the month of May 2021 on the theme "Stay Updated and Upskilled". The final issue of 2021 was released in December 2021 with "Empowering SMEs" being the key focus.



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

Seminars and Professional Development Activities



The Seminar and Professional Development Committee is a key committee of AATSL, which oversees the organisation of seminars for members and the public to facilitate knowledge enhancement and build brand visibility. During the year under review, the committee organised webinars as well as seminars facilitated by experts in the field covering a myriad of topics to cater to AATSL members across the globe. The following is a list of events organised by the committee:

Meanwhile, the committee organised the following major webinars to enhance the knowledge and skill of members and students;

- Obtain cutting-edge skills for Business Development
- Employment adjustment well-being in the Era of COVID-19
- Latest Tax Amendments
- An overview of the Colombo Port City Project and its benefits to the Nation
- Documentation when performing Assurance and Other Engagements
- Annual Budget Proposals
- Digital Payments to Navigate the Post Pandemic Era
- New SGST & VAT Amendment
- How to Demand Yourself for the Better Opportunity

AAT SRI LANKA ACHIEVERS' NETWORK

With a view to continuing the relationship of AAT Sri Lanka Passed Finalists with the Association until they eventually obtain professional membership (MAAT) on completion of practical training etc., the Governing Council of AAT Sri Lanka has established "AAT Sri Lanka Achievers' Network" - the network of Passed Finalists.

There is a gap at present from the time a student passes the final examination and obtains professional membership. Neither the student nor the Association benefits much by the students' "achievement". AAT Sri Lanka therefore wishes to recognise the "Achiever" and opens up avenues for their career development.

CONTRIBUTING TO SOCIETY'S WEALTH

The 28th Annual Convocation



The 28th Annual Convocation of the Association of Accounting Technicians of Sri Lanka was held on 1st February 2022 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH). Dr. Senaka Kelum Gamage, Director, Postgraduate Institute of Management (PIM) added glamour to the ceremonial event as the Chief Guest while Mr. Sanjaya Bandara, President of CA Sri Lanka participated as the Guest of Honour. AATSL members who enrolled in to their respective membership categories in 2020 officially received their status at the ceremony. The induction ceremony welcomed 506 members in their respective categories including 474 as members (MAAT), 8 members as Senior Members (SAT) and 24 members as Fellow Members (FMAAT).

Obtaining AAT membership requires accounting professionals to complete the comprehensive AAT curriculum, obtain required professional experience in accounting and finance, and gain leadership and communication skills and competencies to work locally and globally.

The 29th Annual Convocation

AATSL held our 29th Annual Convocation to induct members on 22nd February 2022 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH). Prof. P.M.C. Thilakarathne, Vice-Chancellor of the Open University of Sri Lanka added glamour to the ceremonial event as the Chief Guest while Mr. Sanjaya Bandara, President of CA Sri Lanka participated as the Guest of Honour. AATSL enrolled 325 professional members including 23 Fellow Members, 09 Senior Members and 293 Members at the event.



AATSL Members' Night 2021



AATSL Members' night was a dynamic event organised by AATSL Members' Welfare Committee. Held on December 21, 2021 at the AAT Center Narahenpita, the event featured entertainment and year-end celebrations.

AATSL Poson Bathi Gee & Decorations Competition 2021



AAT Sri Lanka held the AATSL Poson Bathi Gee and Decorations competition 2021, virtually, given the pandemic restrictions. The 'Bathi Gee' competition was held in individual and group categories, and Ms. Nimesha Maduwanthi won the individual category while AATSL Toastmasters' Group emerged as the winner of the Group Category. Mr. Udeshe Weerasinghe won the Poson Decoration segment.

AATSL Virtual Debate Competition

AATSL debate competition featured 8 teams competing for the champion title. The preliminary rounds of the competition were held on 3 October 2021 while the semi-finals were conducted on 9 October 2021. The grand finale as well as the competition for the third place were held on 17 October 2021. Team Vision emerged as the overall champions while Team ASCEND-A and ASCEND-C won the second and third place, respectively. AATSL Members' Welfare Committee organised and conducted the debate championship.

AATSL Virtual Quiz Competition 2021

AATSL Members' Welfare Committee organised the AATSL Virtual Quiz Competition 2021, which attracted a lot of interest from members. The competition was held on 17 July, 2021 via zoom platform. The overall winner of the quiz competition was Mr. H. L. P. D. Abhayasinghe while Mr. M. U. M. Manzoor and Mr. L. C. Elakanda won the second and third places, respectively.

CONTRIBUTING TO SOCIETY'S WEALTH

AATSL Annual Conference 2021– “Leadership-Roar beyond Resilience



AATSL held our 19th annual conference on December 6, 2021 at the Galadari Hotel. While we were obliged to limit the number of attendees due to the COVID-19 restrictions, we facilitated virtual participation of members. Hon. (Dr.) Susil Premajayantha, State Minister of Education Reforms, Open Universities and Distance Learning Promotion inaugurated the conference as the Chief Guest while Mr. Rohan Pallewatta Executive Chairman of Lanka Harness Co. (Pvt.) Ltd was the keynote speaker of the occasion. The conference facilitated exchange of profound expertise of 17 resource personnel in chosen fields and added value to knowledge on many aspects demanded by both the profession and personality of the participants. Themed - Leadership-Roar beyond Resilience discussed a number of dynamic topics from 'the Game Changer - Taking a Journey to Excellence', 'the Transformer - Yielding on the Versatility' and 'the Advisor - Guiding to a Better Tomorrow.'

The opening session was commenced with a motivational lecture by Mr. Dian Gomes, Honorary Consul of Georgia on how true leaders motivate followers to achieve their objectives. The second session was chaired by Mr. Jehan Perinpanayagam CEO of Infomate (Pvt.) Ltd / John Keells - Vice President under the title "The Transformer- Yielding on the Versatility". The keynote in the session was discussed on how cultural shift requires an organisation to continually challenge the status quo and how digital transformation of a company alter processes and add value to its stakeholders. The concluding session was held under the topic "The Adviser - Guiding to a Better Tomorrow" focusing on taxation and was presided over by Mr. Prasad Dassanayake Partner and Head of Tax and Regulatory at Dasanayaka Associates. The session came to an end with a presentation on recent tax revisions, tax amnesty and repatriation of export proceeds.

NURTURING RELATIONS WITH PROFESSIONAL ACCOUNTING BODIES AND UNIVERSITIES

AAT Sri Lanka continued to foster cordial relations with professional accounting bodies and universities during the year under review. Our strong rapport with professional accounting bodies and universities enable our stakeholders to enrich their individual journeys and collectively create value on behalf of each other.



Free professional accounting talk series were organised with the collaboration of ACCA, CA, CIMA & CMA as joint effort seeking solutions for challenges faced by the SME sector. Fruitful discussions about how individuals and businesses can be agile and make the best use of technology. Further, AATSL members including 3 Governing Council members voluntarily joined hands with CA SME Taskforce and actively participated by sharing knowledge with SMEs as mentors.

CREATING VALUE FOR GOVERNMENT AND REGULATORS

We maintain professional and cordial relationships with government and regulators whilst following compliance requirements. Our rapport with government and regulators enable us to get involved in advocacy to change the course of the accounting profession in tandem with evolving market trends.

Creating Value for Employers

Employers are integral to our ability to create value for stakeholders. Our mutually beneficial relationships allow employers to find talent that they require, and AATSL to offer employment opportunities to passed finalists.

Public Sector Coordination Committee

During the year under review, AATSL established the Public Sector Coordination committee to work with public sector organisations and offer employment opportunities to passed finalists.

Upgrading the curriculum to meet market requirements

AATSL reviews and redesigns the curriculum every five years. However, we consistently conduct market research to stay ahead of the curve and make necessary upgrades to the curriculum in a timely manner. As such, our students, passed finalists and members are exposed to the latest developments and tools in the accounting profession, which in turn creates value for employers.

AATSL lectures on Siyatha TV

In view of the restrictions on mobility due to the pandemic, and in response to poor internet connectivity that most students had to experience, AAT Sri Lanka partnered with Siyatha TV to telecast lectures via a more accessible electronic channel for students. We conducted this project to cater to students in rural areas who do not enjoy easy access to online facilities, such as internet and devices.

The project commenced in October 2021 for level 1 and level 2 Sinhala students. Prominent lecturers from AAT weekend classes conducted 120 hours of subject material for all 8 subjects dedicating 15 hours each per subject. We conducted recording and editing in-house, and Siyatha TV aired the programs from 5am to 6am from October 2021 to March 2022.



AATSL Celebrates World Humanitarian Day

Celebrating World Humanitarian Day AAT Sri Lanka reached out to a number of vulnerable individuals with cash donations, who were struggling to support their families. The gesture reached over 2 million organic views on social media, carrying with it the message of compassion and humanity.

World Food Day

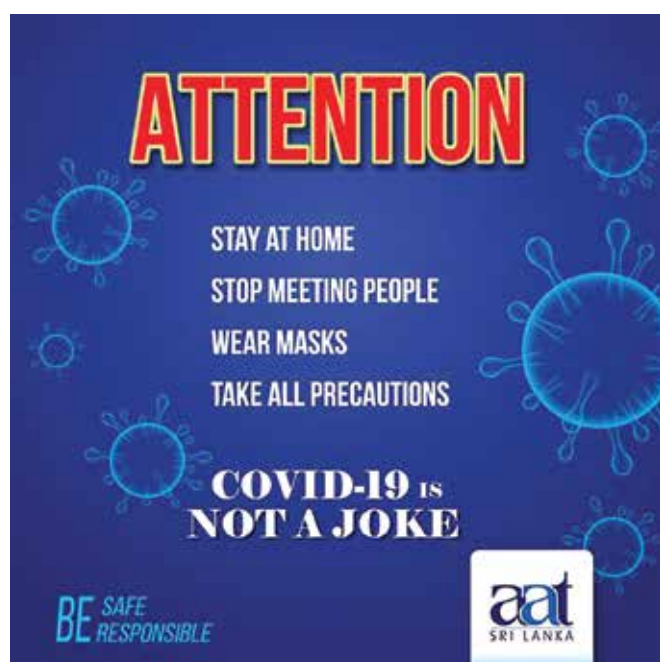
On World Food Day, AAT Sri Lanka selected number of people from vulnerable communities and provided them with surprise meals of hamburgers. The gesture was received with happiness and gratitude.

CONTRIBUTING TO SOCIETY'S WEALTH

SCHOLARSHIPS

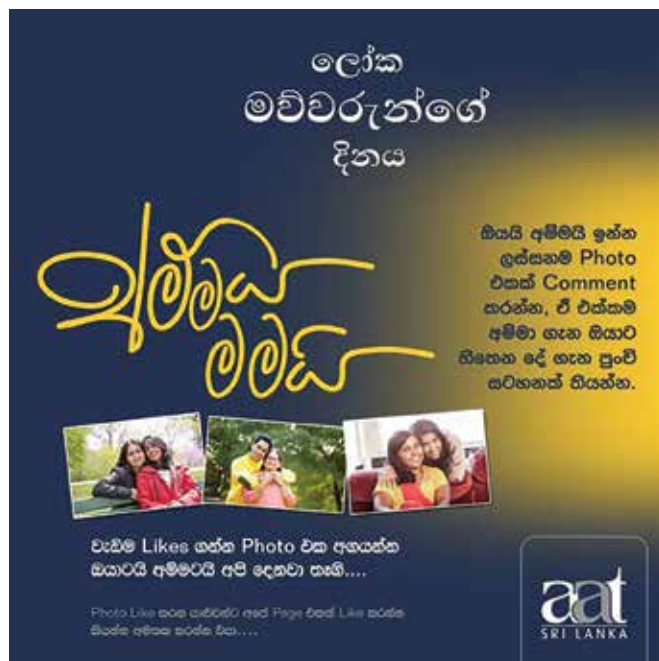
The Association's scholarship program intends to improve access to education of economically underprivileged students. We grant both financial and non-financial scholarships to deserving students. Non-financial scholarships enable students to complete AAT qualifications free of charge, thus helping them to pursue career opportunities in the accounting field.

COVID-19 Prevention Campaigns

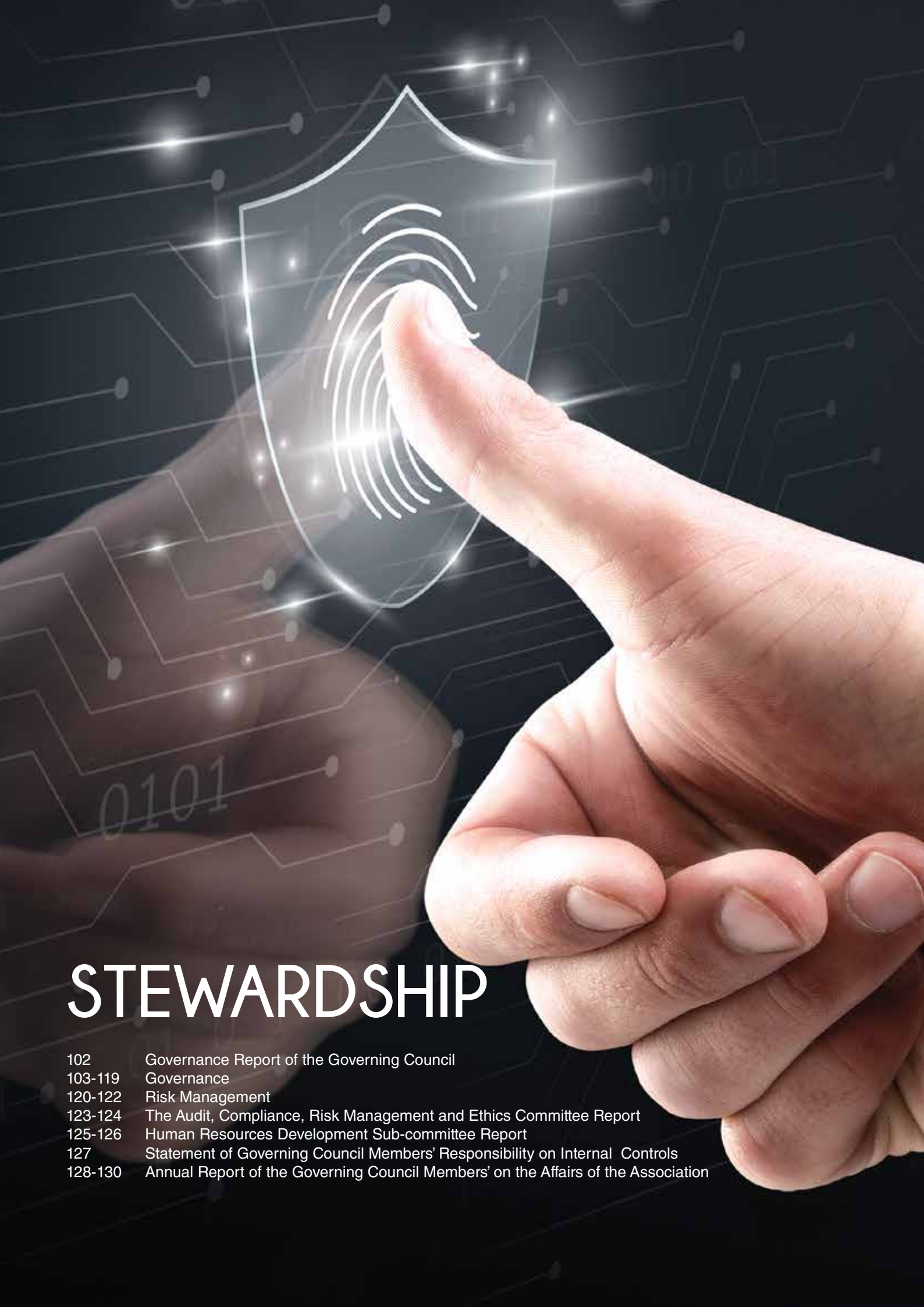


AATSL successfully carried out a Facebook campaign for COVID-19 to create awareness for the general public.

Mother's Day Campaign



In commemoration of Mother's Day, AATSL organised a Facebook competition to share an image along with a message. The winner was selected based on the most likes received and was awarded a gift.



STEWARDSHIP

102	Governance Report of the Governing Council
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123-124	The Audit, Compliance, Risk Management and Ethics Committee Report
125-126	Human Resources Development Sub-committee Report
127	Statement of Governing Council Members' Responsibility on Internal Controls
128-130	Annual Report of the Governing Council Members' on the Affairs of the Association

GOVERNANCE REPORT OF THE GOVERNING COUNCIL

Dear Stakeholders,

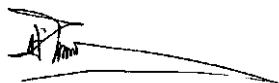
The year 2021/22 presented multiple challenges including the pandemic and the economic crisis that followed during the latter part of the financial year. The Governing Council had to urgently reconsider modes and methods while implementing rapid actions to navigate the crises. AAT Sri Lanka would not have been able to respond in an effective manner to the status quo had it not been for the robust governance framework in place. As such, I am honoured to present the Governance report for 2021/22 on behalf of the Governing Council.

This report discusses the Governance principles adopted, applied and put into practice by the Governing Council in administering and managing day to day affairs of the Association. In line with our commitment to good governance, AAT Sri Lanka consistently strives for and achieves transparency, accountability and integrity in the pursuit of short, medium and long term growth.

AAT Sri Lanka's governance report voluntarily complies 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. The Governing Council for year 2022 – 2023 was appointed in year 2022 and continued to operate during the latter part of the year under review, with the aim of bringing about stability, operational integrity, sustainability and long-term growth through establishing a robust governance approach within the Association. The Governing Council comprises a team of diverse individuals with exceptional business acumen and experience. The governing council is at present taking far-reaching steps to determine the Association's growth strategy.

The values that the Governing Council adopts shape the Association's culture and approach.

I hereby declare that all members of the Governing Council and employees of AAT Sri Lanka acted in compliance with all applicable laws and regulations, and discharged duties in accordance with the policies, procedures and standards agreed upon collectively as an Association.



Mr. A. Naleen Dhammika De Silva - President
Association of Accounting Technicians of Sri Lanka
26 May 2022

GOVERNANCE

Good 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 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 Sri Lanka is 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 operational activities. AAT Sri Lanka 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 best practices, rules, processes and procedures that enable consistent improvements in performance monitoring, accountability and transparency.

AAT SRI LANKA'S COMPLIANCE WITH CODE OF BEST PRACTICES ON GOVERNANCE

We, at AAT Sri Lanka have adopted the best practices in line with 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 as stated below:

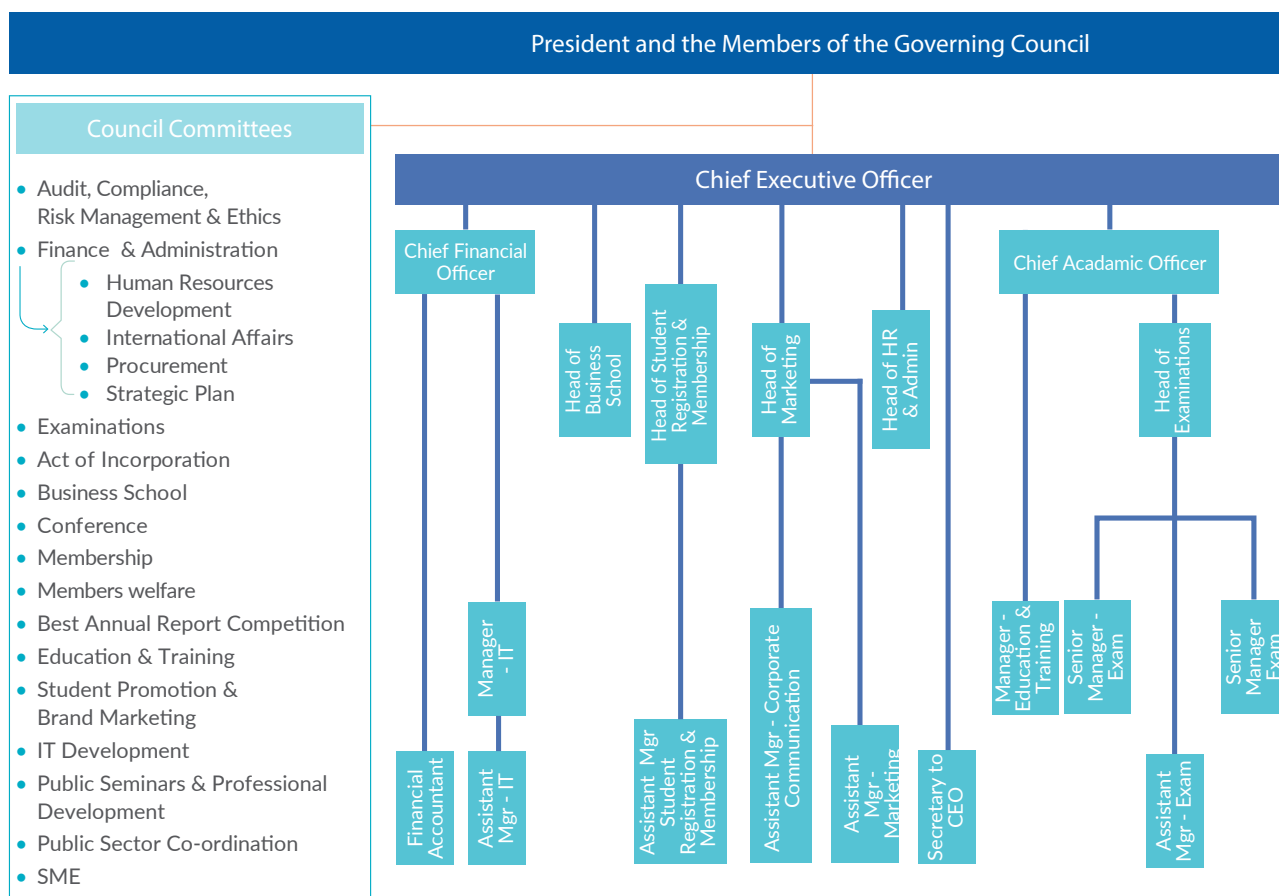
SECTION 1 : THE ASSOCIATION				
A Governing Council Members				
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1	The Board	Every public company should be headed by an effective board, which should direct, lead and control the Company.	<p>The Governing Council (the Board) comprises sixteen eminent professionals who serve in the capacity of non-executives. 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.</p> <p>The President of the Governing Council is elected through a majority vote of the council members. An election is conducted among AAT member base in every other year to elect 5 members to the Governing Council. Following the election, an orientation for the new appointees to ensure smooth transition and continuity.</p> <p>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.</p> <p>The governance structure of AAT Sri Lanka comprise 15 committees backed by 4 sub-committees with well-defined roles and responsibilities as described below. Each Governing Council member is required to serve as either a Chairperson or an Alternate Chairperson in a committee. Chairpersons of each committee are required to ensure the following:</p> <ul style="list-style-type: none"> • Work according to the terms of reference assigned to the committee • Supporting progress in line with strategic plans • Periodical reporting of the progress of set plans to the Governing Council 	

GOVERNANCE

Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
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While the Governing Council sets the tone for the governance approach of AAT Sri Lanka, the respective committees and the management team led by the CEO oversees day to day operations of the Association and execute pre-approved corporate strategies within the approved budget. An overview of the Association's governance structure which depicts clear reporting lines as well as the list of the Committees together with their respective roles that elaborate greater accountability are shown below.


Overview of the Association's governance structure;



Committees of the Association	Role of the committee
Audit, Compliance, Risk Management & Ethics	<p>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.</p> <p>Independent appraisal of all financial and non-financial interests of the Association.</p>
Finance & Administration	<p>Overall planning of operations, control of financial and administration activities of the Association.</p> <p>Overseeing the Association's Financial Reporting Process.</p> <p>Monitoring the following subcommittees.</p> <ul style="list-style-type: none"> • Strategic Plan • Procurement • HR Development • International Affairs
Examinations	Planning and controlling all activities for conducting examinations island-wide in all the provinces twice a year and attending to all matters relating to the conduct of examinations and releasing of results.
Act of Incorporation	Incorporation of AAT Sri Lanka by an Act of Parliament and compliance with the provisions of the Act.
Business School	<p>Formulating business school strategy, direction and control of the programs conducted by the business school.</p> <p>Promote and conduct Diploma programs for the membership and the general public with a view to enhancing knowledge to facilitate employability and career advancement.</p>
Conference	Organise the Annual Accounting Technicians' conference with a view to updating the membership with changes in technology, legal and regulatory matters, current trends and developments in the local and global economy which have a bearing on the accounting profession and to promote AAT amongst society and corporate community.
Membership	<p>Regulate enrolment, upgrading and renewal of membership while maintaining a satisfactory level of active membership and maintaining a membership policy of AAT Sri Lanka.</p> <p>Enhance competencies of members through communications and promoting them to actively participate in programs conducted by AAT Sri Lanka and its Business School such as seminars, conferences, workshops and higher study programs.</p> <p>Foster leadership, entrepreneurship and intrapreneurship among members and contribute to national development efforts by building human resource capabilities.</p>
Members Welfare	Sustain a motivated and active membership.
Best Annual Report Competition	Image building of AAT in the school community by recognition of their talents in discharging accountability and reporting and also providing technical support to enhance quality of financial reporting.
Education and Training	Ensure that proper education and training facilities are available for registered students.
Student Promotion & Brand Marketing	Establish AAT qualification as the most sought-after career path among prospective student population, teachers, parents and the general public in order to maintain a sustainable growth in the active student base.


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Committees of the Association	Role of the committee
IT Development	Smooth operation of IT functions at AAT.
Public Seminars & Professional Development	Organise seminars for both members and the public to facilitate enhancement of knowledge and project the image of the association amongst society. Continued development of AAT membership in technical, professional and social skills and standards of ethics to face the future challenges in their profession and advancement of their careers ensuring a higher position for the members in the corporate world and a high recognition in the society.
Public Sector Co-ordination	Attention on the most significant field utilising skills of the middle level accountants - the SME sector and public sector- to enhance their professional skills.
SME	To recognise SMEs who have demonstrated excellent performance and contributed significantly in the country's economy. Helping SMEs to streamline their financial literacy.

Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1.1	Board Meetings	The Board should meet regularly. Board meetings should be held at least once in every quarter of a financial year in order to effectively execute the Board's responsibilities, while providing information to the Board on a structured and regular basis; ideally monthly, or as agreed by the Board. The regularity of Board meetings and the structure and process of submitting information should be agreed to and documented by the Board.	<p>The Association has a policy for the frequency and the need for meetings which is a minimum of 12 meetings for a year. Despite lock downs and gathering restrictions the Council met 15 times during the financial year under review either physically or virtually depending on the convenience of the Governing Council members.</p> <p>Agenda and the Council papers were uploaded to Google drive well in advance which ensures confidentiality of the information. Urgent council papers are submitted at short notice on an exceptional basis. Integrated Management Systems (Pvt.) Ltd acted as the secretaries to the Association and proper record of the minutes were maintained in sufficient details and circulated for review and discussion.</p> <p>Financial and operational results compared to previous periods and budgets are tabled on a quarterly basis.</p> <p>Compliance report to update on compliance with laws and regulations tabled on a monthly basis.</p> <p>Internal audit reports were tabled to Audit, Compliance, Risk Management and Ethics committee with the corrective actions of the Management and significant matters were tabled to Governing Council through minutes.</p> <p>Members of the management team were invited for Governing Council meetings on a need basis. All matters the Governing Council should be aware of were tabled through CEO's report on monthly basis.</p>	

Number of meetings held during 2021/22

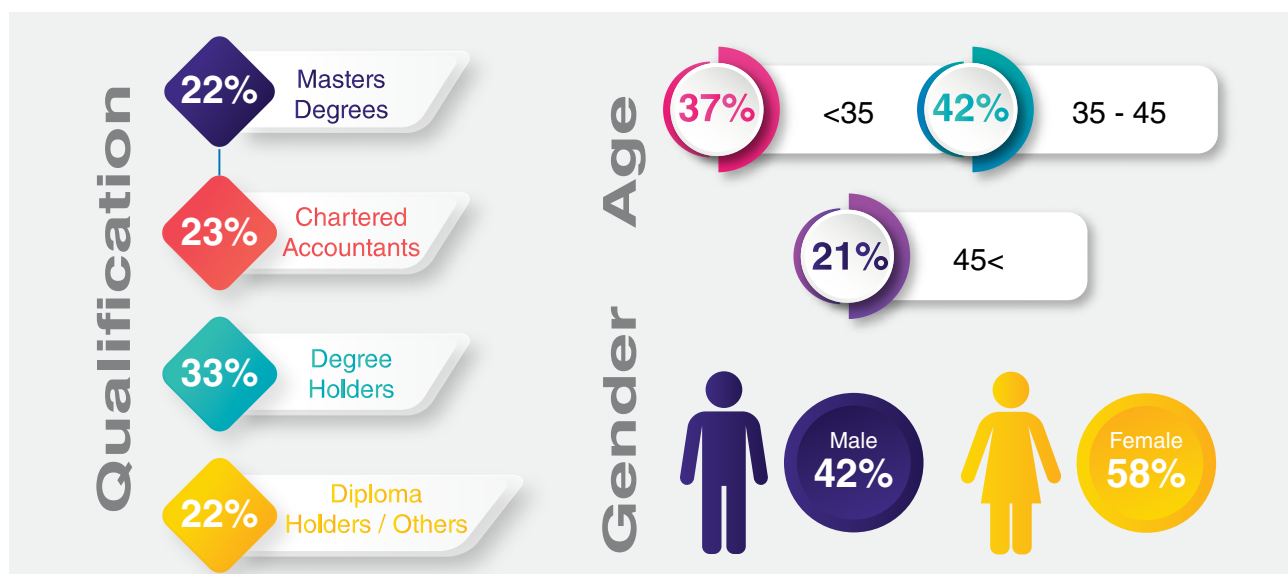
Governing Council / Council Committee		No. of meetings held
1	Governing Council	15
2	Audit, Compliance, Risk Management & Ethics	5
3	Finance & Administration	12
4	Examinations	10
5	Act of Incorporation	3
6	Business School	5
7	Conference	22
8	Membership	8
9	Members Welfare	11
10	Best Annual Report Competition	8
11	Education & Training	5
12	Students Promotion & Brand Marketing	10
13	IT Development	6
14	Public Seminars & Professional Development	9
15	Public Sector Co-ordination	9
16	SME	Committee formed on 10/02/2022




Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1.2	The Board's role and responsibilities	The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed.	<p>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 while remaining accountable for their statutory and fiduciary responsibilities, as individuals as well as collectively. Its primary responsibilities are as follows.</p> <ul style="list-style-type: none"> - Set the strategic direction for the Association, and map out goals for the management. - Analyse and approve strategic plans, annual budget, financial statements and oversee the progress of the said plans. - 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. 	

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Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
			<p>The Governing Council maps the strategic direction of the Association in tandem with emerging economic and industry trends as well as stakeholder requirements. Strategic Planning sub-committee is formed under the Finance and Administration committee to carryout quarterly reviews of strategic plan and advice the council of suitable action if necessary. All the other committees are responsible for the timely execution of set strategies and progress monitoring to ensure the effective implementation of the strategies.</p> <p>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 instil 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.</p> <p>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. Monthly 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.</p> <p>All members of the senior management team are well-qualified and/or have the required experience to perform the functions delegated through the CEO.</p>	

Senior Management



Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1.3	Compliance with the Laws and access to independent professional advice	The Board collectively and Directors individually, must act in accordance with the laws of Sri Lanka.	<p>Provisions are made for the Governing Council members (Directors) to seek independent professional advice, in furtherance of their duties, if required where necessary.</p> <p>The Association has a Code of Ethics for its members and all members of the Governing Council are members of the Association. All members of the staff also have to ensure compliance.</p> <p>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.</p> <p>During the financial year requirement of professional advice was not aroused.</p> <p>Monthly statutory compliance statement is tabled for Governing Council review.</p>	
A.1.4	Access to the advice and services of the Company Secretary and removal of the secretary	All Directors should have access to the advice and services of secretary.	<p>The Governing Council members have 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 advises the Governing Council and ensures all matters concerning the Companies Act, Governing Council procedures and other applicable rules and regulations are complied with.</p> <p>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 Governing Council.</p> <p>The secretary maintains attendance register and makes information available for reference.</p> <p>The appointment and removal of the Company Secretary rests with the Governing Council as a whole.</p>	
A.1.5	Independent judgment of Directors	All Directors should bring independent judgment to bear, in discharging their duties and responsibilities on matters relating to the Board.	<p>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.</p> <p>All Governing Council members have submitted the declaration of independence or non-independence against specified criteria as per the code.</p> <p>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.</p>	

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Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1.6	Dedicate adequate time and effort to matters of the Board and the Company	Every Director should dedicate adequate time and effort to matters of the Board and the Company.	The President and the members of the Governing Council have dedicated adequate time for the fulfilment of their duties as Governing Council members of the Association. In addition to attending Governing Council meetings, they have attended sub-committee meetings and also have made decisions via circulars where necessary.	✓

Attendance of the Members of the Governing Council at the Meetings – FY 2021/22

Council member	Period served	No. of meetings attended / No. of meetings scheduled
Mr. A. Naleen Dhammika De Silva - President	From 01/04/2021 to 31/03/2022	15/15
Mr. K. L. Jagath Nandana Perera - Vice President	From 01/04/2021 to 31/03/2022	14/15
Mr. Indraka P. Liyanage - Secretary	From 01/04/2021 to 31/03/2022	14/15
Mr. W. P. Russel P. H. Fonseka - Immediate Past President	From 01/04/2021 to 31/03/2022	14/15
Mr. Sunil Wanigabadu	From 01/04/2021 to 31/03/2022	14/15
Mr. M. J. Magdon Ismail	From 01/04/2021 to 31/12/2021	9/11
Mr. H. L. P. Dayal Abhayasinghe	From 01/04/2021 to 31/12/2021	11/11
Dr. D. B. S. Chamara Bandara	From 01/04/2021 to 31/03/2022	11/15
Mr. S. M. S. Sanjaya Bandara	From 01/04/2021 to 31/12/2021	7/11
Ms. W. Chamila N. Cooray	From 01/04/2021 to 31/03/2022	10/15
Mr. R. Thilak Dharmarathne	From 01/04/2021 to 31/03/2022	14/15
Mr. Sarathchandra Ilayperuma	From 01/04/2021 to 31/12/2021	1/11
Mr. P. D. Wasantha Kumara	From 01/04/2021 to 31/03/2022	15/15
Ms. F. S. Naayila Marikkar	From 01/04/2021 to 31/03/2022	14/15
Ms. G. M. Iresha U. Bandara	From 01/04/2021 to 31/03/2022	3/13
Mr. Damith Gangodawilage	From 01/02/2022 to 31/03/2022	3/4
Mr. Lahiru Jayasinghe	From 01/02/2022 to 31/03/2022	4/4
Mr. Heshana Kuruppu	From 01/02/2022 to 31/03/2022	2/4
Mr. B. Kapila Ranasinghe	From 01/02/2022 to 31/03/2022	4/4
Mr. W. M. N. J. Pushpakumara	From 01/04/2021 to 31/12/2021	0/11
Ms. Neelamani Malawiarachchi	From 01/02/2022 to 31/03/2022	0/1

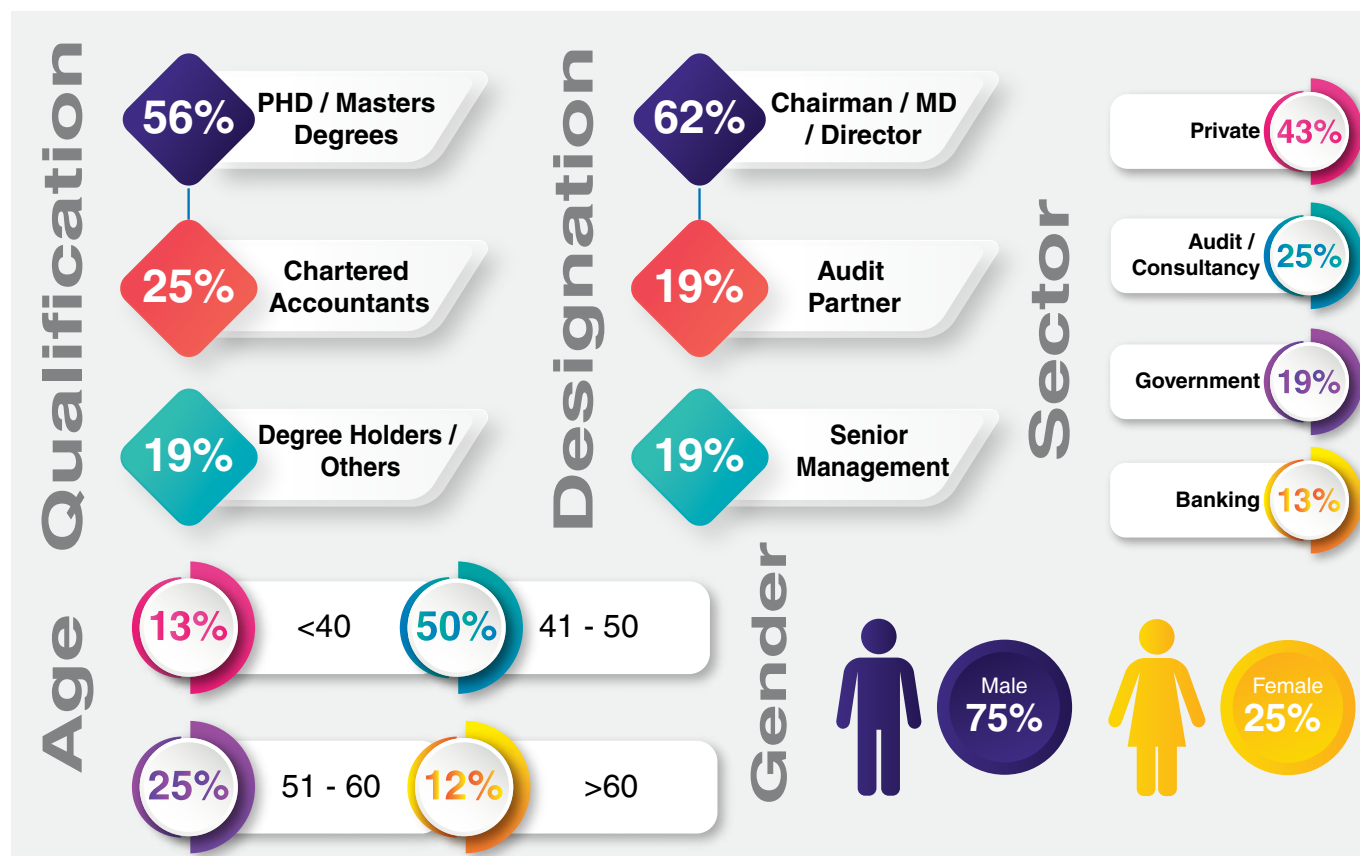
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1.7	Resolutions	One third of the Directors can call for a resolution to be presented to the Board where they feel it is in the best interest of the Company.	No such requirements had arisen during the year under review.	N/A

Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.1.8	Succession	Every Director should get an appropriate training.	<p>The President is responsible to ensure the Governing Council members possess sound knowledge to carry out their duties in an effective manner.</p> <p>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> <p>All new appointees (other than the re-elected members) go through an orientation process. The learning environment of the Association itself facilitates the Governing Council members to enhance their knowledge by attending continuous professional development programs and international conferences.</p>	✓
A.2 & A.2.1	Chairman and Chief Executive Officer (CEO)	<p>There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure the balance of power and authority.</p> <p>Decision to combine the posts of Chairman and CEO in one person should be justified and highlighted in the annual report.</p>	<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 Committee meetings.</p> <p>The roles of the President and the Chief Executive Officer have been segregated, ensuring an appropriate balance of power.</p>	<p>✓</p> <p>N/A</p>
A.3	Chairman's Role	The Chairman should conduct Board proceedings in a proper manner and ensure an effective discharge of the Board functions.	<p>The President leads the Governing Council in discharging its duties effectively and enhances the Association's standards of governance. 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>The President demonstrates leadership in the Association's long-term strategy and growth which is fit for purpose in the current operating context and his 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> <p>The President leads the Governing Council ensuring effectiveness in all aspects of its role.</p> <p>The President is responsible for determining and preparation of the agenda for the meetings in consultation with the Chief Executive Officer. Governing Council members also can request items to be included in the agenda for discussion.</p> <p>The agenda and council papers are circulated to the Governing Council members well in advance to ensure adequate time to study, call for additional information if required and be prepared for productive deliberations.</p>	✓

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Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
			Proper record of the minutes is maintained by independent Company Secretaries.	
			Evaluate the Association's Strategy on a quarterly basis against the plan, performance, risk profile and compliance with Governance. Recording of dissent at meeting in minutes.	
A.4	Financial Acumen	The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	<p>The nominees of CA Sri Lanka are all Chartered Accountants and chosen from practicing firms of Accountants and leading large private sector enterprises.</p> <p>All Governing Council members possess financial acumen and knowledge through experience gained.</p>	✓
A.5	Board Balance	It is preferable for the Board to have balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board decision-taking	<p>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 AATSL in a far-seeing, prudent and accountable manner.</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>Five out of sixteen members are elected by members' vote.</p> <p>Two out of sixteen members are appointed by the Ministry of Education and Ministry of Finance & Planning.</p> <p>Eight out of sixteen members are nominated by CA Sri Lanka.</p> <p>The Immediate Past President shall be a member of the Governing Council.</p> <p>Four out of sixteen members are females contributing to the gender balance.</p>	✓



Composition of the Governing Council

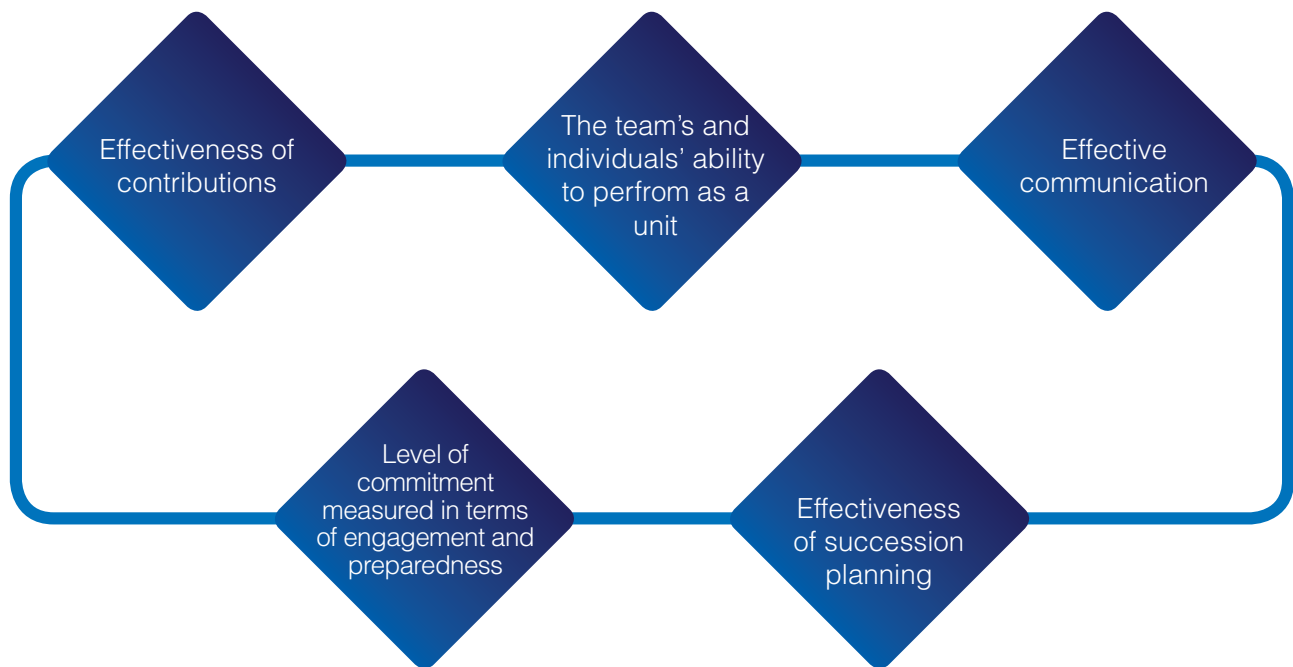


Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.6	Supply of Information	The Board should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	<p>The Governing Council was provided with timely and appropriate information by way of council papers and proposals. 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. Members of the senior management made presentations on issues of importance whenever clarification was sought by the Governing Council.</p> <p>The President ensured that all Governing Council members were briefed on issues arising at the Governing Council meetings.</p>	✓
A.7	Appointments to the Board	There should be a formal and transparent procedure for the appointment of new Director to the Board.	<p>The appointment of new Governing Council members to the Governing Council is carried out in a transparent manner as mentioned below.</p> <p>Governing Council for the year 2022-2023 was appointed as per the laid down procedure.</p>	✓

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Method of Appointment to the Governing Council	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%

Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.8	Re-Election	All Directors 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 elected through members election, 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> <p>There were no resignations during the year under review.</p>	
A.9	Appraisal of the Board Performance	The Board should periodically appraise its own performance against the targets in order to ensure that the Board responsibilities are satisfactorily discharged.	<p>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.</p> <p>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.</p> <p>The Governing Council measures its own performance in the following areas;</p>	





Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
A.10	Disclosure of Information in respect of Directors	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.	<p>Profiles of each Governing Council member, including their name, qualifications, designation, expertise and other appointments hold in other companies are disclosed in the Annual Report under Leadership section.</p> <p>Number of Governing Council meetings of the Association attended during the year is presented in this report under rule number A1.6.</p> <p>Details of the related party transactions of the Governing Council members are also presented under note number 29 of the Notes to the Financial Statements.</p>	✓
A.11	Appraisal of Chief Executive Officer (CEO)	The Directors should at least annually assess the performance of the Chief Executive Officer.	<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>	✓

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B Governing Council Members' Remuneration				
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
B.1	Remuneration Procedure	Company should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.	As per the Articles of the Association, no Governing Council member shall be entitled to any remuneration. Therefore, requirement of forming a separate remuneration committee to fix Governing Council members' remuneration, level & make up remuneration and disclosure of remuneration are not applicable.	
B.2	The level and make up of remuneration			
B.3	Disclosure of remuneration		HR sub-committee functions as the remuneration committee of the management team and the staff. The committee is appointed by the Governing Council which is headed by the Vice President. HR sub-committee report is presented in this annual report in which the chairman and members of the sub-committee is listed.	
C Relations with Shareholders				
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
C.1	Constructive use of the Annual General Meeting and Conduct of General Meetings	Board should use the AGM to communicate with Shareholders	<p>In its desire to maintain good relationships with Members, the Governing Council at AAT Sri Lanka 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 the 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 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> <p>There is no process for proxy votes and the mechanism of voting is indicated in the Memorandum and Articles of Association of AAT Sri Lanka.</p>	
C.2	Communication with Shareholders	The Board should implement effective communication with shareholders.	<p>The notice of AGM including the link to the Audited Financial statements is circulated to Members well in advance of the AGM to enable the members to study.</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 or emails too.</p>	

C				
Relations with Shareholders				
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
C.3	Major and Material Transactions	The Board should disclose to its shareholders all proposed material transactions which have material impacts to the net assets of the Company.	This section is not applicable as the Association do not have any shareholders.	N/A
D				
Accountability and Audit				
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
D.1	Financial and Business Reporting (The Annual Report)	The Board should present a balanced and understandable assessment of the Company's financial position and performance.	<p>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 SME's) and the Companies Act No. 07 of 2007 and the generally accepted accounting principles.</p> <p>The Association has reported a true and fair view of its financial position and performance for the year ended 31st March 2022.</p>	✓
D.2	Risk Management and Internal Control	The Board should have a sound system of internal controls to safeguard the Company's investments and assets.	<p>The Association's Audit, Compliance, Risk Management and Ethics committee ensures that there is an effective internal control and financial reporting system.</p> <p>In addition to the annual financial audit it is the desire of the Association to ensure compliance with the relevant directions.</p> <p>The Association has established a comprehensive framework of policies and procedures for risk management and internal control which are regularly reviewed and updated.</p> <p>Association has an internal audit function carried out by KPMG (Chartered Accountants) who are reporting to the Audit, Compliance, Risk Management and Ethics committee.</p>	✓
D.3	Audit Committee	The Board 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 Company's auditors.	<p>The Association has embodied written terms of reference for the Audit, Compliance, Risk Management and Ethics committee.</p> <p>Internal auditors carry out reviews on the processes, effectiveness of the risk management, internal controls and report.</p> <p>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.</p> <p>Report of the Audit, Compliance, Risk Management and Ethics Committee is part of this annual report where composition of the committee is set out.</p>	✓

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Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
D.4	Related Party Transactions Review Committee	The Board shall establish a procedure to ensure that the Company does not engage in transactions with related parties in a manner that would grant such parties more favourable treatment.	<p>The Governing Council is of the view that a separate related party committee is not required at the Association due to the following reasons.</p> <p>a) All Governing Council members are independent and serve the Association in non-executive capacity.</p> <p>b) All Governing Council members are required to issue a declaration of independence at the year-end audit.</p> <p>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.</p> <p>Related party disclosure is made under note number 29 of the Notes to the financial statements.</p> <p>All the Governing Council members have issued a declaration of independence.</p> <p>All financial and non- financial decisions are taken by the Governing Council through the related committees.</p>	N/A
D.5	Code of Business Conduct and Ethics	The Company should develop a Code of Business Conduct and Ethics for Directors and members of the senior management team.	<p>The Association has developed a Code of Ethics and professional standards for all its members.</p> <p>Compliance of the code of ethics is monitored by the committees.</p>	
D.6	Governance Disclosure	The Company should disclose the extent of adoption of best practice in governance.	<p>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.</p> <p>This requirement is met, by, including the corporate governance report in this Annual Report.</p>	

SECTION 2 : SHAREHOLDERS				
Code ref.	Governance principle	Description of the requirement as per the code	Manner of Implementation in AATSL	Compliance
E	Shareholders	Shareholders are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.	<p>Annual General Meeting is used to have an effective dialogue with the members on matters which are relevant and are of concern.</p> <p>The Association maintains a good relationship with the Members.</p> <p>Members' concerns are addressed as and when raised.</p>	
F	Other Investors	<p>Individual shareholders, investing directly in shares should be encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions.</p> <p>Individual shareholders should be encouraged to participate in General meetings and exercise their voting rights.</p>	<p>Association has no shareholders therefore this section is not applicable.</p> <p>Members are encouraged to participate in AGM, however, there is no process for voting as indicated in the Memorandum and Articles of Association of AAT Sri Lanka.</p>	N/A
G	Internet of Things & Cybersecurity	The Board should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance.	<p>The Governing Council ensures the effectiveness of the cybersecurity risk management through IT Development committee.</p> <p>Risk relating to IT matters including those arising from cybersecurity are discussed at the IT Development committee and outcome is tabled at the Governing Council meeting.</p> <p>IT Development committee is chaired by Doctor Prasad Samarasinghe, an IT sector veteran who is the only member chairing a council committee without being a council member. The committee meets regularly for periodic review and assurance.</p>	
H	Environment, Society and Governance	Company should establish a governance structure to support its ability to create value and manage risks in the short, medium and long term.	<p>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.</p> <p>The Capital reports of this Annual Report is a reflection of how the Association has performed and achieved long-term economic value, assumed corporate responsibility and contributed sustainable development.</p>	

RISK MANAGEMENT

In view of the economic crisis that unfolded during the latter part of the financial year, Risk Management has become a key tool in maintaining the operational integrity and sustainability of the Association. We consistently revisit our established risk management strategy to reinforce it and ensure that the tools in place are sufficient to safeguard the interests of the Association. Our risk management strategy uses risk identification, measuring and mitigation to comprehend and effectively manage external and internal risks. Meanwhile, our risk management framework is made up of a robust governance structures, comprehensive policy framework and documented procedures for risk identification and management.

As the year unfolded, AAT Sri Lanka implemented risk management tools to steer ahead amidst turbulent economic challenges as well as spillover effects of the pandemic. The stringent application of our risk framework allowed us to continue our operations effectively.

RISK GOVERNANCE

AATSL's Governing Council is the apex body which sets the tone for the overall risk management of the Association. The Audit, Compliance, 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 AATSL's risk performance on a consistent basis.



RISK MANAGEMENT APPROACH

We rely on a well-defined and comprehensive risk management approach that identify, assess, measure, mitigate and effectively communicate risks as well as risk alleviating tools to relevant entities within the Association.



The Association relies on a frequently updated list of risks to identify the possible impacts and likelihood. The Governing Council and relevant committees oversee the prioritisation of risks based on potential outcome and impact. The Audit, Compliance, Risk Management and Ethics Committee is responsible for overseeing the process of implementing strategies calculated to mitigate risk. The Governing Council in turn oversees the risk review process on an on-going basis.

AAT Sri Lanka's 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, Compliance, Risk Management and Ethics Committee for necessary action and to be tabled at the Governing Council meetings.

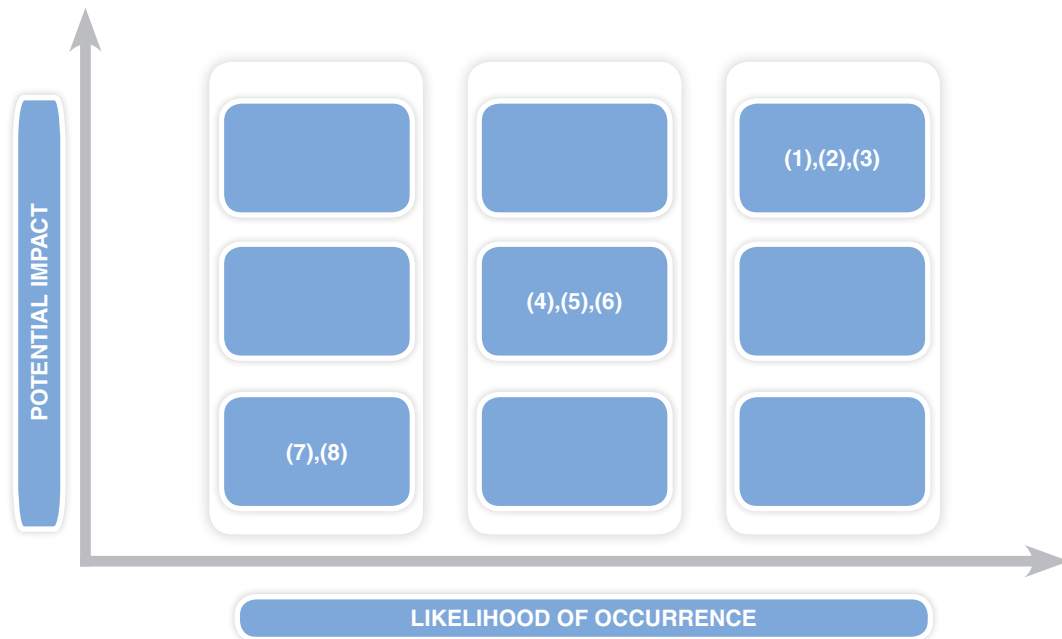
RISK MITIGATING MEASURES

During the year under review, AAT Sri Lanka implemented a set of risk mitigation measures to face the specific challenges presented by COVID-19 pandemic as well as the economic crisis. As such, we took preventive measures to safeguard against potential stock shortage by increasing the stock holding of critical items such as material necessary to conduct examinations. Accordingly, we were able to take preventive measures against operational risk.

Meanwhile, AAT Sri Lanka obtained comprehensive insurance policies to safeguard against potential risks on fixed assets, investment properties, money and employees. We periodically monitor each insurance policy to review the status, and each cover is currently in active status. In addition, we monitor interest rate movements in order to identify optimal rate benefit levels to increase our return on investment.

PRINCIPLE RISKS AND UNCERTAINTIES

The following risk matrix demonstrates AAT Sri Lanka'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. ECONOMIC CRISIS	<ul style="list-style-type: none"> - Adopting prudent financial measures - Obtaining insurance coverage to prevent loss of investment 	High
02. POLITICAL INSTABILITY	<ul style="list-style-type: none"> - Insight-driven timely responses to developments 	High
03. INCREASING COMPETITION FROM OTHER INSTITUTES Ever-growing competition from numerous overseas academic institutes, distance learning programs 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 AATSL's syllabus 	High
04. 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 such as firewall - Investing in systems and processes to counter cybersecurity risks and to ensure data security - Strengthening the IT Development committee 	Moderate

RISK MANAGEMENT

Risk factors and impact	Mitigating actions	Grading
05. 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 programs, seminars and conferences aimed at Passed Finalists and professional development programs for members 	Moderate
06. 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
07. 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 AATSL's concerns 	Low
08. 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, COMPLIANCE, RISK MANAGEMENT AND ETHICS COMMITTEE REPORT

The fundamental role of the Audit, Compliance, Risk Management and Ethics Committee is to oversee the financial reporting process, internal control, the audit process and the monitoring process of compliance with laws and regulations. The Committee executes its responsibilities in accordance with the Terms of Reference approved by the Governing Council. The scope of the Committee is reviewed and updated regularly incorporating the provisions of regulatory requirements, standards and Acts.

MANDATE AND RESPONSIBILITIES

The Audit, Compliance, Risk Management and Ethics Committee is responsible for assisting the Governing Council to oversee the quality and integrity of the Accounting, Auditing and Reporting practices of the Association as well as compliance with legal and regulatory requirements. In addition, the Committee is responsible for the appraisal of all financial and non-financial interests of the Association.

COMPOSITION OF AUDIT, COMPLIANCE, RISK MANAGEMENT AND ETHICS COMMITTEE

The Committee is chaired by Ms. Naayila Marikkar - 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 other three members of the Committee bring in a wide range of experience and expertise well-suited to execute relevant duties. The Secretary of the Governing Council functions as the Secretary to the Audit, Compliance, Risk Management and Ethics Committee too.

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

Committee Members	Period	Meetings attended / Meetings eligible to attend
Ms. F. S. Naayila Marikkar – Chairperson	01/04/2021 - 31/03/2022	5 / 5
Ms. G. M. Iresha U. Bandara - Alt. Chairperson	01/04/2021 - 31/03/2022	1 / 4
Mr. A. Naleen Dhammika De Silva	01/04/2021 - 31/12/2021	3 / 4
Mr. P. D. Wasantha Kumara	01/04/2021 - 31/12/2021	4 / 4
Mr. Kapila Ranasinghe	01/02/2022 - 31/03/2022	1/1

MEETINGS

The Audit, Compliance, Risk Management and Ethics Committee met five times during the year under review. The proceedings of the committee are reported regularly 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 Messrs. Ernst & Young (Chartered Accountants), 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.

SUMMARY OF ACTIVITIES FOR THE YEAR 2021/22

- 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.

THE AUDIT, COMPLIANCE, RISK MANAGEMENT AND ETHICS COMMITTEE REPORT

FINANCIAL REPORTING

The Audit, Compliance, Risk Management and Ethics 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 obtained confirmation that they were prepared in line with the Sri Lanka Financial Reporting Standards for SME's 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 2022. 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 Audit, Compliance, Risk Management and Ethics Committee reviewed and monitored the independence of the external auditor and the objectivity and the effectiveness of the audit process. External audit functions were carried out by Messrs. Ernst & Young (Chartered Accountants).

INTERNAL AUDIT

During the year under review, two internal audit reports were released and the Committee reviewed the findings. This review 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).

CONCLUSION

Based on the reports submitted by the External Auditor and the Internal Auditor, the Committee identified matters which required action or improvement and made recommendations as to the steps to be undertaken and reported accordingly to the Governing Council.

The Audit, Compliance, Risk Management and Ethics Committee is satisfied that internal controls of the Association of Accounting Technicians of Sri Lanka which provide a reasonable assurance that the affairs of the Association 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, Compliance, Risk Management and Ethics Committee,



Ms. F. S. Naayila Marikkar

Chairperson
Audit, Compliance, Risk Management and Ethics Committee
26 May 2022

HUMAN RESOURCES DEVELOPMENT SUB-COMMITTEE REPORT

The Human Resources Development Sub-Committee was formed under the Finance and Administration Committee by the Governing Council to ensure smooth functioning of the management and development of human resources function of AAT Sri Lanka. Its primary responsibility is to review, monitor and make recommendations to the Governing Council on AATSL's human resources strategy and policies.

The Human Resources Sub-Committee is a source of feedback, expertise and guidance for the Human Resources Department in the discharge of its program development, implementation and operational responsibilities. The members of the sub-committee will be appointed by the Governing Council for the Council tenure which is two years. If a member of the sub-committee ceases to be a member of the Council, a replacement will be appointed for the remaining term of the sub-committee.

RESPONSIBILITIES

The sub-committee will be expected to satisfy itself that AATSL's human resources management activities are adequate and effective. In this regard, the specific responsibilities that the sub-committee will carry out on behalf of the Governing Council are as follows:

- Optimised HR at all levels
- Review performance appraisals of staff
- Review overtime payments
- Remedial action for adverse comments at exit interviews
- Suggest remedial action for staff grievances and suitable action on violation of discipline
- Maintenance of utility services and infrastructure development
- Review current organisational structure, identify structural requirements and determine cadre
- Recommend best HR practices and benchmarks
- Ensure that all staff of the association are given KPIs and divisional targets
- Set performance standards and reward system based on performance
- Ensure employee welfare, health and safety
- Ensure that proper authorisation and empowerment grid is maintained by the Association
- Develop a retention strategy and succession plan

OVERSIGHT AND ADVISORY

- Oversee the implementation of AATSL's strategy on Human Resources arising from the AATSL's Strategic Plan
- Monitor and review the implementation of policies for the provision and delivery of Human Resources services
- To develop, implement and monitor a Performance Management Development System in the context of the strategic objectives of the Association
- Continuously review HR practices against the industry benchmark and make recommendation if required

MEETINGS

Sub-Committee Member	Meetings attended / Meetings eligible to attend
Mr. S. Illeyprema - Chairman (01/04/2021- 31/12/2021)	4/4
Mr. Sunil Wanigabadu - Alternate Chairman (01/04/2021- 31/12/2021)	4/4
Mr. Jagath Perera - Member (01/04/2021-31/01/2022)	4/4
Mr. Jagath Perera - Chairman (01/02/2022-31/03/2022)	1/1
Mr. Indraka Liyanage - Member (01/02/2022-31/03/2022)	1/1

- The sub-committee meetings will be held at AATSL head office physically or virtually. 5 sub-committee meetings were held during the financial year under review.
- The chairman of the sub-committee will head the sub-committee meetings and if the chairman is not present, the alternate chairman will preside over that meeting.
- All other sub-committee members may attend meetings. CEO and Head of Human Resources & Administration may attend the meetings of the committee except as otherwise advised by the chairman of the sub-committee.

HUMAN RESOURCES DEVELOPMENT SUB COMMITTEE REPORT

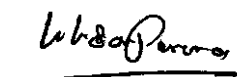
ACTIVITIES DONE DURING THE YEAR

1. The sub-committee reviewed and ensured that all the statutory payments were paid on time without any delays
2. The sub-committee ensured payment of salaries and incentives on time even during the pandemic without any deduction
3. Introduced staff insurance plans with life insurance plus critical illness cover
4. Further approval was given for personal accident cover with a 24-hour coverage for all staff members
5. Celebrated female associate on International Women's Day
6. The sub-committee made recommendations for the salary increments and staff promotions
7. Ensured opening up of online EPF Accounts for all staff members
8. Sub-committee also reviewed the effectiveness of training programs which were conducted to enhance the Covid-19 safety measures
9. Employee retention rate has remained at 90% with the total staff strength at 70 staff members
10. Reviewed and supported to ensure that the employee engagement level towards work improved specially during the period of pandemic and the lockdown

The sub-committee concentrates on the overarching human resource issues facing the sector and addressing the human resources related proposals outlined in key policy documents / action plans while also focusing on 'day-to-day' operational human resources issues.

The sub-committee aims to provide a forum through which issues can be discussed, information shared and positions developed in relation to key human resource matters. We are always working towards to promote a positive work culture and we always appreciate our staff for their greater commitment.

On behalf of the Human Resources Development Sub-committee,



Mr. K. L. Jagath N. Perera

Chairman - Human Resources Development Sub-committee
26 May 2022

STATEMENT OF GOVERNING COUNCIL MEMBERS' RESPONSIBILITY ON INTERNAL CONTROLS

Governing Council members are the ultimate guardians of ensuring the adequacy and effectiveness of the Internal Control mechanism in place at the Association. The internal controls in place have been designed with the specific aim of managing Association's risk. As such, the Governing Council employs all applicable and necessary actions to minimise risk, optimise opportunities and create value in the short, medium and long term. As such, 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 employs well-established processes to identify, evaluate and manage potential risks to the Association. A robust System of Internal Controls make up the risk management process which looks into changing financial reporting parallel to the developments in the operating environment. The Committee periodically reviews the process guided by the Governing Council.

The Governing Council is confident that to the best of their knowledge the current Systems of Internal Control is 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:

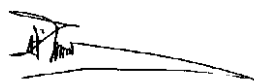
- The Governing Council appoints Committees to oversee matters when and where necessary to ensure the sustainability of operations of the Association.
- The appointed Committees are responsible for ensuring that the Association's operations are in accordance with the Association's objectives, strategies and the annual budget as well as the policies and directions that have been approved.
- The Audit, Compliance, 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 the internal auditing process which is planned to carry out on a quarterly basis.
- The Audit, Compliance, Risk Management and Ethics Committee holds the responsibility to review and approve the Annual Internal Audit Plan and to review Internal Audit reports presented with management comments.
- The Audit, Compliance, Risk Management and Ethics Committee reviews internal control issues identified by the Internal Auditors and External Auditors and ensures that appropriate steps have been taken to rectify them.
- The Secretary of the Association records the minutes of the Audit, Compliance, Risk Management and Ethics Committee meetings.

- Meeting minutes of the Audit, Compliance, Risk Management and Ethics Committee are tabled for Governing Council's information / review, which consist of major findings of the internal audits as well (if there is any).
- A compliance statement is tabled on monthly basis by the CEO for Governing Council review to ensure there are no non-compliances.

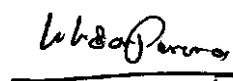
CONFIRMATION

The Governing Council is confident that based on the above processes the Financial Reporting System of the Association provides reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes. The Governing Council is confident that the preparation of Financial Statements for external purposes has been conducted in accordance with Sri Lanka Financial Reporting Standards for SME's.


By Order of the Governing Council,
Association of Accounting Technicians of Sri Lanka



Mr. A. Naleen Dhammika De Silva
President



Mr. K. L. Jagath Nandana Perera
Chairman
Finance & Administration Committee



Ms. Naayila Marikkar
Chairperson
Audit, Compliance, Risk Management and Ethics Committee

26 May 2022

ANNUAL REPORT OF THE GOVERNING COUNCIL MEMBERS' ON THE AFFAIRS OF THE ASSOCIATION

The Governing Council of the Association of Accounting Technicians of Sri Lanka has pleasure in presenting the Annual Report of the Governing Council on the affairs of the Association together with the Financial Statements of the Company. The report includes Audited Financial Statements, President's Message, Statement of Responsibility, Auditors' Report, Governance Report, Capital Reports and all other relevant information for the year ended 31st March 2022, which conform to the relevant statutory requirements as stated in 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 Governing Council of AATSL is committed to perpetuating a culture of integrity, professionalism and respect for all as well as unity within the Association. As such, the innate values of the organisation steer the Association to achieve the vision "to be the most recognised qualification for middle level accounting professionals".

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The key reports presented in the Annual Report details the important financial and non-financial details that occurred during the year under review. These reports form an integral part of the Annual Report of the Governing Council members on the affairs of the Association.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

Financial Statements of the Association for the year ended 31st March 2022 have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SME's), issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with requirements of the Companies Act No. 07 of 2007. The President and Vice President of the Governing Council signed the Financial Statement for the year ended 31st March 2022 on behalf of the Governing Council and the Auditor's Report on the Financial Statements are provided on pages 132 to 133.

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 net surplus which is income over its expenditure after tax 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.

	2021/22 (Rs.)	2020/21 (Rs.)
Income	317,828,432	282,965,115
Surplus After Tax	97,993,473	88,068,973
Accumulated Fund	913,908,764	804,716,356
Total Assets	1,061,773,020	980,653,376

ACCOUNTING POLICIES

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, Compliance, 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 31st March 2022 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 Sri Lanka, a new Governing Council was appointed for the year 2022-2023 during the year under review.

REMUNERATION TO GOVERNING COUNCIL MEMBERS

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

RELATED PARTY TRANSACTIONS

Both direct and indirect relationships of the Governing Council Members who are aligned through contracts or proposed contracts with the Association, are disclosed under note number 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 endeavours 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 endeavours to ensure that all members are treated equitably.

DONATIONS

No donation was done 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 pay 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 2022, based on available information, the Governing Council assessed the existing and anticipated effects of economic crisis 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, Compliance, 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.

ANNUAL REPORT OF THE GOVERNING COUNCIL MEMBERS' ON THE AFFAIRS OF THE ASSOCIATION

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 could be detrimental to the environment.

CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

No contingent liabilities and capital commitments were made as at 31st March 2022.

EVENTS AFTER THE REPORTING PERIOD

The Association is committed to monitor the macro economic conditions ensuring proper back up plans are in place for key activities relating to employees, students, Members and other stakeholders.

Comprehensive action plans were made to mitigate the future risk associated with economic crisis as well as political instability 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

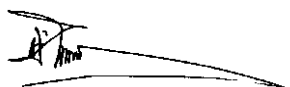
The members of the Governing Council approved the financial statements on 26 May 2022.

NOTICE OF MEETING

The Annual General Meeting will be held at the AAT Centre, No. 540, Ven. Muruththettuwa Ananda Nahimi Mawatha, Colombo 05, on 31st August 2022, 5:00 pm onwards.

The Notice of the Annual General Meeting appears on page 170.

For and on behalf of the Governing Council



Mr. A. Naleen Dhammika De Silva

President

Association of Accounting Technicians of Sri Lanka
26 May 2022

A close-up photograph of a person's hand holding a black smartphone over a laptop keyboard. The hand is positioned as if about to tap the screen. The laptop keyboard is visible in the lower half of the frame, with keys like 'Z', 'X', 'C', 'V', 'B', 'N', 'M', 'S', 'D', 'F', 'G', 'H', 'J', 'K', 'L', 'Q', 'W', 'E', 'R', 'T', 'Y', 'U', 'I', 'O', 'P' clearly visible. The background is a wooden surface.

FINANCIAL REPORTS

132-133	Independent Auditors' Report
134	Statement of Comprehensive Income
135	Statement of Financial Position
136	Statement of Changes in Funds
137	Statement of Cash Flows
138-158	Notes to the Financial Statements

INDEPENDENT AUDITORS' REPORT



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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 2022, 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 of Accounting technicians as at 31 March 2022 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 of Accounting Technicians of Sri Lanka 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.

Partners: H M A Jayasinghe FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, W R H De Silva FCA ACMA, Ms. Y A De Silva FCA, Ms. K R M Fernando FCA ACMA, IN Y R L Fernando ACA, W K B S P Fernando FCA FCMA, Ms. L K H L Fonseka FCA, D N Gamage ACA ACMA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Hulangamawwa FCA FCMA LLB (London), Ms. A A Ludowyke FCA FCMA, Ms. G G S Manalunga FCA, A A J R Perera ACA ACMA, Ms. P V K N Sajeewani FCA, IN M Sulasman ACA ACMA, B E Wijesuriya FCA FCMA, C A Yalagala ACA ACMA

Principals: G B Goudan ACMA, Ms. P S Paranavitane ACMA LLB (Colombo), T P M Ruberu FCMA FCCA

A member firm of Ernst & Young Global Limited

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

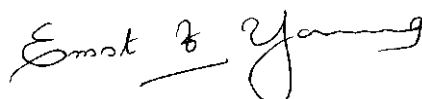
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.



26 May 2022
Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March

		2022	2021
	Note	Rs.	Rs.
Income	3	317,828,432	282,965,115
Cost of Services	4	(148,043,651)	(137,763,548)
Gross Surplus		169,784,781	145,201,567
Other Operating Income		950,000	1,775,000
Administration and Establishment including Best Annual Report Competition Expenses		(92,401,758)	(85,390,581)
Student Promotion and Awareness Expenses		(21,453,310)	(24,619,968)
Surplus from Operation		56,879,713	36,966,018
Finance Income	7	36,421,638	51,797,932
Net Income from Investment Property	6	16,000,154	14,683,497
Other Income	5	5,388,728	4,994,833
Surplus for the Year before Tax		114,690,233	108,442,280
Income Tax Expense	9	(16,696,760)	(20,373,307)
Surplus for the Year after Tax		97,993,473	88,068,973
Other Comprehensive Income			
Gain / (Loss) Arising from Changes in Assumptions in Retirement Benefit Obligations (Net of Taxes)	19.2	11,198,935	(5,061,030)
Total Comprehensive Income for the Year		109,192,408	83,007,943

The Accounting policies and Notes on pages 138 through 158 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

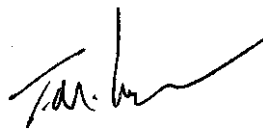
As at 31st March

		2022	2021
	Note	Rs.	Rs.
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	10	129,588,162	135,241,056
Investment Property	11	136,144,470	138,873,364
Intangible Assets	12	4,366,649	6,393,832
Total Non-Current Assets		270,099,281	280,508,252
CURRENT ASSETS			
Inventories	13	12,867,553	9,366,040
Trade and Other Receivables	14	9,787,066	5,192,987
Short Term Investments	15	734,378,272	651,297,682
Deposits, Prepayments and Advances	16	11,970,446	12,903,667
Cash and Cash Equivalents	17.1	22,670,402	21,384,748
Total Current Assets		791,673,739	700,145,124
Total Assets		1,061,773,020	980,653,376
FUNDS AND LIABILITIES			
Accumulated Fund		913,908,764	804,716,356
Other Funds	18	33,994,847	31,795,167
Total Funds		947,903,611	836,511,523
NON-CURRENT LIABILITIES			
Retirement Benefit Obligation	19	18,328,313	27,547,517
Rent Received in Advance	20	-	17,067,748
Deferred Tax Liabilities	21	4,966,158	3,625,243
Total Non-Current Liabilities		23,294,471	48,240,508
CURRENT LIABILITIES			
Trade and Other Payables	22	41,869,610	45,012,875
Advances and Deposits Received	23	34,412,452	36,709,126
Rent Received in Advance	20	3,209,098	-
Income Tax Payable	24	8,046,943	10,100,361
Bank Overdraft	25	3,036,835	4,078,983
Total Current Liabilities		90,574,938	95,901,345
Total Funds and Liabilities		1,061,773,020	980,653,376

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

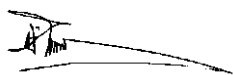


Ms. N. M. K. Ranasinghe
Chief Financial Officer

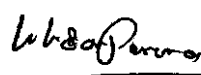


Mr. Tishanga Kumarasinghe
Chief Executive Officer

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



Mr. A. Naleen Dhammika De Silva
President



Mr. K. L. Jagath Nandana Perera
Vice President

The Accounting policies and Notes on pages 138 through 158 form an integral part of the Financial Statements.

26th May 2022
Colombo

STATEMENT OF CHANGES IN FUNDS

Year ended 31st March

Accumulated
FundOther
Funds

Total

	Rs.	Rs.	Rs.
Balance as at 01st April 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 31st March 2021	804,716,356	31,795,167	836,511,523
Surplus for the Year after Tax	97,993,473	-	97,993,473
Other Comprehensive Income (Net of Taxes)	11,198,935	-	11,198,935
Net Movement in Other Funds	-	2,199,680	2,199,680
Balance as at 31st March 2022	913,908,764	33,994,847	947,903,611

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

The Accounting policies and Notes on pages 138 through 158 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31st March

		2022	2021
	Notes	Rs.	Rs.
Cash Flows from / (used in) Operating Activities			
Net Surplus before Tax		114,690,233	108,442,280
Adjustments for			
Depreciation - Property and Equipment	10	8,406,204	9,906,251
Depreciation - Investment Property	11	2,728,894	2,728,894
Amortisation - Intangible Assets	12	2,699,986	2,881,177
Gain on Disposal of Property and Equipment	5	(68,286)	(85,400)
Provision for Gratuity	19	5,402,813	4,238,998
Interest Income	7	(36,421,638)	(51,797,932)
Net Income from Investment Property-before charging depreciation	6	(18,729,048)	(17,412,391)
Operating Surplus before Changes in Working Capital		78,709,158	58,901,877
Changes in Working Capital			
Increase in Inventories		(3,501,513)	(4,149,078)
Increase in Trade and Other Receivables, Prepayments and Deposits		(3,660,858)	(4,074,942)
(Decrease) / Increase in Trade and Other Payables		(3,143,265)	5,480,168
Decrease in Advances and Deposits Received		(16,155,325)	(18,727,221)
Cash Generated from Operations		52,248,197	37,430,804
Tax Paid		(19,232,345)	(14,639,859)
Gratuity Paid		(1,600,000)	(1,459,000)
Net Cash from Operating Activities		31,415,852	21,331,945
Cash Flows from/ (used in) Investing Activities			
Acquisition of Property and Equipment	10	(2,818,481)	(4,977,991)
Acquisition of Intangible Assets	12	(1,837,553)	(859,369)
Movement in Capital Working Progress - Intangible Assets	12	1,164,750	(500,070)
Interest Income	7	36,421,638	51,797,932
Net Income from Investment Property	6	18,729,048	17,412,391
Net Movement in Short-term Investments		(83,080,590)	(86,783,087)
Sales Proceeds on Disposal of Property and Equipment		133,458	85,441
Net Cash used in Investing Activities		(31,287,730)	(23,824,753)
Cash Flows from / (used in) Financing Activities			
Net Movement in Other Funds		2,199,680	(1,276,840)
Net Cash Flows from / (used in) Financing Activities		2,199,680	(1,276,840)
Net Increase/(Decrease) in Cash and Cash Equivalents		2,327,802	(3,769,649)
Cash and Cash Equivalents at the Beginning of the Period (Note A)		17,305,765	21,075,413
Cash and Cash Equivalents at the End of the Period (Note B)		19,633,567	17,305,765
Note A			
Cash and Cash Equivalents at the Beginning of the Period			
Cash and Bank Balances		21,384,748	23,281,879
Bank Overdraft		(4,078,983)	(2,206,466)
		17,305,765	21,075,413
Note B			
Cash and Cash Equivalents at the End of the Period			
Cash and Bank Balances	17	22,670,402	21,384,748
Bank Overdraft	25	(3,036,835)	(4,078,983)
		19,633,567	17,305,765

The Accounting policies and Notes on pages 138 through 158 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") ("AATSL") 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

- Enrolment 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 31st March 2022 were authorised for issue by the Council on 26th May 2022.

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 31st March 2022, 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 is 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 Judgements

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 Judgements, 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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
Multimedia	04
Telephone Installations	04
Library Books	05
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 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 Statement of Comprehensive Income 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 SME's.

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.

Costs relating to development of software are carried in capital work in progress until the software, is ready for use.

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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

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 Statement of Comprehensive Income.

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

The inventories of the Association include study packs, study material, publications, stationery and consumables

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 Statement of Comprehensive Income

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

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 (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

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

The Association's financial assets are subsequently measured at amortised cost upon satisfaction of both of the following conditions:

- a) The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

NOTES TO THE FINANCIAL STATEMENTS

- b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Accordingly, financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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.

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 does not have financial liabilities other than payables for the year ended 31st March 2022.

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 cash at bank.

Bank over drafts 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 of general funds accumulated over the years which are available for 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 Comprehensive Statement of 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.

Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. The Association's accounting policy for gratuity is to recognise actuarial gains and losses in the period in which they occur in full in the statement of other comprehensive income.

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 Other Taxes

The Association is not liable for Value Added Tax, Economic Service Charge or Nation Building Tax. Therefore, no provision has been made for any other taxes.

2.2.19.3 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.

NOTES TO THE 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 Fee and Subscriptions

Fee received in connection with enrolment 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

Fees on Examinations are recognised as income 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. Income from courses relate to future periods are shown in the Statement of Financial Position as Fees received in Advance under current liabilities.

e) Income from Sale of Publications

Sale of educational and other materials are recognised as income at the time of sale or dispatch.

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 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.

2.3.7 Risk Management

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March		2022	2021
		Rs.	Rs.
3.	INCOME		
	AAT Classes	5,824,200	4,106,030
	Annual Conference	2,561,450	2,459,500
	Branch operations	8,304,589	10,658,825
	Business School	19,000,331	11,921,300
	Education & Training	14,948,140	18,156,738
	Examination Fees	172,533,945	156,931,005
	Membership Fees & Subscriptions	12,839,221	12,133,377
	Passed Finalists' Workshops	4,822,600	260,000
	Public Lectures & Seminars	74,250	219,200
	Student Registration, Renewal and Exemption Fees	76,919,706	66,119,140
		317,828,432	282,965,115
4.	COST OF SERVICES		
	AAT Classes	3,104,836	3,853,676
	Annual Conference	2,057,946	1,259,282
	Branch Operations	10,329,114	10,866,561
	Business School	14,332,553	11,500,837
	Education & Training	14,812,264	19,444,166
	Examination	82,723,125	72,834,263
	Membership & Subscriptions	5,498,863	6,122,123
	Passed Finalists' Workshops	3,098,422	-
	Public Lectures & Seminars	264,985	267,135
	Student Registrations, Renewals and Exemptions	11,821,543	11,615,505
		148,043,651	137,763,548
5.	OTHER INCOME		
	Rental Income	4,049,603	3,869,283
	Hire of Auditorium / Lecture Halls	46,500	84,865
	Other Miscellaneous Income	1,224,339	955,285
	Gain on Disposal of Fixed Assets	68,286	85,400
		5,388,728	4,994,833
6.	NET INCOME FROM INVESTMENT PROPERTY		
	Rental Income	18,886,890	17,569,200
	Less : Rates & Taxes	(70,840)	(70,840)
	Depreciation - Building	(2,728,894)	(2,728,894)
	Insurance	(87,002)	(85,969)
		16,000,154	14,683,497
7.	FINANCE INCOME		
	Interest on Term Deposits	35,083,924	50,629,412
	Interest on Savings / Money Market Account	1,069,390	1,164,653
	Interest Received from Staff Loans	268,324	3,867
		36,421,638	51,797,932

Year ended 31st March

2022

2021

Rs.

Rs.

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	199,584	147,168
Depreciation	8,406,204	9,906,251
Amortisation	2,699,986	2,881,177
Donations	-	1,000,000
Staff Costs		
Salaries and Allowances	59,681,580	54,552,157
Defined contribution plan (EPF and ETF)	8,952,237	8,182,824
Other Staff expenses	22,318,717	20,741,268
Defined benefit plan (Gratuity)	5,402,813	4,238,998

9. INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31st March 2022 are as follows:

Current Income Tax

Current income tax charge (9.1)	17,178,927	20,258,440
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Deferred Tax

Deferred tax (Reversal) / Charge	(482,167)	114,867
	16,696,760	20,373,307

9.1 Reconciliation between Income Tax and the Accounting Surplus**Trade Income**

Accounting profit before tax	114,690,233	108,442,280
Net aggregate allowable items	(17,999,074)	601,643
	96,691,159	109,043,923
Less :		
Other income	(36,421,638)	(51,797,932)
Trade income	60,269,521	57,245,991

Other Statutory Income

Interest income	36,421,638	51,797,932
Total other statutory income	36,421,638	51,797,932

Taxable Income

Trade income	60,269,521	57,245,991
Other statutory income	36,421,638	51,797,932
Total Assessable Income	96,691,159	109,043,922
Less : Qualifying Payments	-	(1,000,000)
Taxable Income	96,691,159	108,043,922

Tax on taxable income from Business Income at 14%	8,437,733	7,940,941
Tax on taxable income from Investment Income at 24%	8,741,194	12,317,499
Tax expense	17,178,927	20,258,440

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY AND EQUIPMENT

	Freehold Land	Building	Office Equipment and Name Board	Furniture and Fittings	Computers and Communication	Library Books	Motor Vehicle	Generator	Elevator	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
At Cost										
Balance as at 01st April 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 31st 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
Additions	-	-	1,007,472	130,899	1,680,110	-	-	-	-	2,818,481
Disposals	-	-	(124,339)	-	(142,145)	-	-	-	-	(266,484)
Balance as at 31st March 2022	75,435,799	94,379,958	27,187,282	28,472,670	28,340,119	416,841	9,131,040	5,069,500	2,027,221	270,460,430
Depreciation										
Balance as at 01st April 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 31st 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
Charge for the year	-	1,418,850	1,790,039	2,050,991	1,884,867	-	1,261,458	-	-	8,406,204
Disposals	-	-	(74,606)	-	(126,708)	-	-	-	-	(201,313)
Balance as at 31st March 2022	-	51,530,986	23,634,447	25,631,010	23,431,223	416,841	9,131,040	5,069,500	2,027,221	140,872,268
Written Down Value										
As at 31st March 2021	75,435,799	44,267,822	4,385,135	4,761,752	5,129,090	-	1,261,458	-	-	135,241,056
Written Down Value										
As at 31st March 2022	75,435,799	42,848,972	3,552,835	2,841,660	4,908,896	-	-	-	-	129,588,162

- 10.1** During the financial year, the association acquired property and equipment to the aggregate value of Rs.2,818,481/- (2021 Rs. 4,977,991/-), Cash payments amounting to Rs. 2,818,481/- (2021 Rs. 4,977,991/-) 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 31st March 2022 was Rs.67,186,497/- (2021 - Rs. 58,730,484/-)
- 10.3** Based on the assessment of potential impairment carried out internally as at 31st March 2022 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, Thimbrigasyaya Road, Narahenpita.	28.5	01 (Six Storied)	33,098
No. 508, Thimbrigasyaya Road, Narahenpita	14.85	-	-

11. INVESTMENT PROPERTY

	Land	Building	Total
	Rs.	Rs.	Rs.
Cost			
As at 01st April 2020	122,500,000	66,303,202	188,803,202
Additions	-	-	-
As at 01st April 2021	122,500,000	66,303,202	188,803,202
Additions	-	-	-
Balance as at 31st March 2022	122,500,000	66,303,202	188,803,202
Depreciation			
As at 01st April 2020	-	47,200,944	47,200,944
Charge for the year	-	2,728,894	2,728,894
As at 01st April 2021	-	49,929,838	49,929,838
Charge for the year	-	2,728,894	2,728,894
Balance as at 31st March 2022	-	52,658,732	52,658,732
Carrying Value			
As at 31st March 2021	122,500,000	16,373,364	138,873,364
Carrying Value			
As at 31st March 2022	122,500,000	13,644,470	136,144,470

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, which 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 01.04.2021	Additions	Disposals / Transfers	Balance as at 31.03.2022
	Rs.	Rs.	Rs.	Rs.
Computer Software	16,782,728	1,837,553	-	18,620,281
	16,782,728	1,837,553	-	18,620,281
Capital Work-in-Progress				
Website and Other Software Development	1,532,050	-	(1,164,750)	367,300
	1,532,050	-	(1,164,750)	367,300
Total Value of Intangible Assets	18,314,778	1,837,553	(1,164,750)	18,987,581

12.2 Amortisation

	Balance as at 01.04.2021	Additions	Disposals / Transfers	Balance as at 31.03.2022
	Rs.	Rs.	Rs.	Rs.
Computer Software	11,920,946	2,699,986	-	14,620,932
Total Amortisation	11,920,946	2,699,986	-	14,620,932

12.3 Net Book Values

	2022	2021
	Rs.	Rs.
Computer Software	3,999,349	4,861,782
Capital work-in-progress	367,300	1,532,050
Total Carrying Amount of Intangible Assets	4,366,649	6,393,832

12.4 During the financial year, the association acquired Intangible Assets to the aggregate value of Rs. 1,837,553/- for cash.
(2021 Rs. 859,369/-)

12.5 The gross carrying amount of fully depreciated Intangible Assets that are still in use as at 31st March 2022 was
Rs. 8,696,984/- (2021 - Rs. 5,865,109/-)

12.6 Based on the assessment of potential impairment carried out internally as at 31st March 2022 no provision was required to
be made in the financial statements as at the reporting date.

	2022	2021
	Rs.	Rs.
13. INVENTORIES		
Practical training books	131,346	150,880
Suggested answers and other publications	497,340	190,685
Student guides	509,680	479,494
Study texts	5,468,419	6,239,737
Stationery items	3,159,040	957,063
Answer Booklets / Supplementary and others	3,101,728	1,348,181
	12,867,553	9,366,040

	2022	2021
	Rs.	Rs.
14. TRADE AND OTHER RECEIVABLES		
Trade Debtors	3,209,224	1,265,920
Other receivables	1,587,966	365,540
Staff Loans (Note 14.1)	4,989,876	3,561,527
	9,787,066	5,192,987

	2022	2021
	Rs.	Rs.
14.1 Staff Loans		
Staff loans	4,340,791	3,063,552
Pre paid staff expenses	649,085	497,975
	4,989,876	3,561,527

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.

	2022	2021
	Rs.	Rs.
15. SHORT TERM INVESTMENTS		
Term deposits - Bank of Ceylon	402,297,445	257,083,143
- People's Bank	226,248,024	181,123,087
- DFCC Bank	67,676,173	63,922,972
- Sampath Bank	-	20,700,240
- NDB Bank	38,156,630	128,468,240
	734,378,272	651,297,682

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.

	2022	2021
	Rs.	Rs.
16. DEPOSITS, PREPAYMENTS AND ADVANCES		
Prepayments / Advances	9,317,346	10,900,167
Deposits (Note 16.1)	2,653,100	2,003,500
	11,970,446	12,903,667

	2022	2021
	Rs.	Rs.
16.1 Deposits		
Refundable deposits	812,500	812,500
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	663,100	13,500
Rent deposit - Parking area	60,000	60,000
	2,653,100	2,003,500

NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	Rs.	Rs.
17. CASH AND CASH EQUIVALENTS		
17.1 Favourable Balances		
Cash at bank	22,517,141	21,215,910
Stamps	25,985	37,060
Cash-in-hand	127,276	131,778
	22,670,402	21,384,748
17.2 Unfavourable Balances		
Hatton National Bank	(1,090,273)	(2,120,914)
Bank Of Ceylon	(1,946,562)	(1,958,069)
	(3,036,835)	(4,078,983)
Total cash and cash equivalents for the purpose of Statement of Cash Flow	19,633,567	17,305,765

18. OTHER FUNDS

	Balance as at 01.04.2021	Contribution	Distribution	Balance as at 31.03.2022
	Rs.	Rs.	Rs.	Rs.
Scholarship fund	340,510	44,000	152,000	232,510
Member's benevolence fund	25,000	3,400	-	28,400
Education and training fund	6,000	-	-	6,000
Toastmasters club fund	10,100	-	-	10,100
Prize fund	932,020	317,886	797,500	452,406
Achievers network fund	2,089,608	557,600	60	2,647,148
Life membership fund				
MAAT	26,034,452	7,641,725	6,265,890	27,410,287
SAT	1,399,080	370,000	358,898	1,410,182
FMAAT	958,397	1,206,000	366,583	1,797,814
	31,795,167	10,140,611	7,940,931	33,994,847

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 lifetime 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

	2022	2021
	Rs.	Rs.
Balance at the beginning of the year	27,547,517	18,882,600
Current service cost	1,701,035	3,036,874
Interest cost	3,701,778	1,202,124
	32,950,330	23,121,598
Payments made during the year	(1,600,000)	(1,459,000)
(Profit) / Loss arising from changes in assumptions	(13,022,017)	5,884,919
Balance at the end of the year	18,328,313	27,547,517

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 SMEs.

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

	2022	2021
Discount interest rate	14%	7%
Salary increment rate	10%	10%
Staff turnover rate	5%	5%
Retirement age (years)	60	55

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

	2022	2021
	Rs.	Rs.
19.1 Expenses recognised during the year in Income Statement		
Current service cost	1,701,035	3,036,874
Interest cost	3,701,778	1,202,124
Actuarial (Gain) / Loss recognised in other comprehensive income	(13,022,017)	5,884,919
19.2 Retirement Benefit Obligations (Net of Taxes)		
(Gain) / Loss arising from changes in assumptions	(13,022,017)	5,884,919
Tax at 14 % p.a	1,823,082	(823,889)
	(11,198,935)	5,061,030

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	(1,509,315)	1,676,360	16,818,998	20,004,673
Salary Increment rate	1,731,529	(1,580,881)	20,059,843	16,747,432

	2022	2021
	Rs.	Rs.
20. RENT RECEIVED IN ADVANCE		
Bharti Airtel Lanka (Pvt) Ltd.	3,188,280	17,046,930
Mobitel (Pvt) Ltd.	20,818	20,818
	3,209,098	17,067,748

NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	Rs.	Rs.
21. DEFERRED TAX LIABILITIES		
Balance at the beginning of the year	3,625,243	4,334,265
Amount originated/(reversed) during the year		
(Reversed) /Charged to profit or loss	(482,167)	114,867
Charge / (Reversed) to other comprehensive income	1,823,082	(823,889)
Balance at the end of the year	4,966,158	3,625,243

	2022		2021	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Arising from				
Accelerated depreciation for tax purpose	53,800,867	7,532,122	53,442,117	7,481,896
Post - employment retirement benefit	(18,328,313)	(2,565,964)	(27,547,517)	(3,856,653)
	35,472,554	4,966,158	25,894,600	3,625,243

21.1 Reconciliation of net deferred tax liability

	Statement of Financial Position		Statement of Comprehensive Income		Other Comprehensive Income	
	2022	2021	2022	2021	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Accelerated depreciation for tax purposes	7,532,122	7,481,896	50,226	504,067	-	-
Defined benefit plans	(2,565,964)	(3,856,653)	(532,393)	(389,200)	-	-
Tax effect on actuarial gains/ (losses) on defined benefit plans	-	-	-	-	1,823,082	(823,889)
Deferred tax effect on profit or loss and other comprehensive income	-	-	(482,167)	114,867	1,823,082	(823,889)
Net deferred tax liability as at 31st March	4,966,158	3,625,243	-	-	-	-

	2022	2021
	Rs.	Rs.
22. TRADE AND OTHER PAYABLES		
Trade Payables	8,362,919	18,271,405
Other Payables	33,502,016	26,732,720
Stamp Duty Payable	4,675	8,750
	41,869,610	45,012,875
	2022	2021
	Rs.	Rs.
23. ADVANCES AND DEPOSITS RECEIVED		
Fees received in advance	30,967,452	33,264,126
Refundable deposits	25,000	25,000
Refundable rent deposits	3,420,000	3,420,000
	34,412,452	36,709,126
24. INCOME TAX PAYABLE		
Balance at the beginning of the year	10,100,361	4,481,779
Charge for the year	17,178,927	20,258,440
	27,279,288	24,740,220
Less: Payments made during the year	(19,232,345)	(14,639,859)
Payable at the end of the year	8,046,943	10,100,361
	2022	2021
	Rs.	Rs.
25. BANK OVERDRAFT		
Bank of Ceylon	1,946,562	1,958,069
Hatton National Bank	1,090,273	2,120,914
	3,036,835	4,078,983

26. EVENTS AFTER THE REPORTING PERIOD

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

NOTES TO THE FINANCIAL STATEMENTS

27. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments and contingent liabilities as at the date of the Statements of Financial Position, which require adjustments to or disclosures in the Financial Statements.

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.

As at 31st March	2022	2021
	Rs.	Rs.
Term Deposits	734,378,272	651,297,682
Receivables & Deposits	21,757,512	18,096,654
Cash at Bank	19,480,306	17,136,927
Total credit risk exposure	775,616,090	686,531,263

Balances with banks

Fitch Rating	2022	2021
	Rs.	Rs.
AAA	374,305	-
AA+	-	439,913,461
AA-	647,514,323	79,150,069
A+	105,832,803	149,312,323
A	137,147	-
A-	-	58,756
	753,858,578	668,434,609

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	4,797,190	-	-	-	4,797,190
Staff Loan	-	359,182	1,553,847	2,427,762	4,340,791
Short Term Investments	-	734,378,272	-	-	734,378,272
Refundable Deposits	-	663,100	-	1,990,000	2,653,100
Cash and Cash Equivalents	22,670,402	-	-	-	22,670,402
	27,467,592	735,400,554	1,553,847	4,417,762	768,839,755
Financial Liability					
Trade and Other Payables	24,253,896	17,615,714	-	-	41,869,610
Refundable Deposits	25,000	3,000,000	-	420,000	3,445,000
Rent Received in Advance	-	3,209,098	-	-	3,209,098
Bank Overdraft	3,036,835	-	-	-	3,036,835
	27,315,731	23,824,812	-	420,000	51,560,543

Governing Council is satisfied that the Association have adequate liquidity and business plans to continue the operation and to mitigate the increased liquidity risks 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

29.1 Transactions with Governing Council Members of the Association

Related parties include Governing Council members those who have 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:

	2022	2021
	Rs.	Rs.
Payments		
Reimbursement of traveling expenses of all members of the Governing Council	734,791	679,219
Receipts		
Received to AAT prize fund and scholarship fund from members of the Governing Council	105,000	-
Other receipts from members of the Governing Council	5,000	-

29.2 Transactions with Related Entities

CA Sri Lanka

CA Sri Lanka appoints 8 out of 16 council members for AAT Sri Lanka. Following transactions occurred during the year.

	2022	2021
	Rs.	Rs.
Payments to CA Sri Lanka		
Seminar/ Conference Participation	89,000	31,000
Registration and tickets for Annual Report Awards Competition	172,000	-
Renewal of Training Organisation	28,000	-
Receipts from CA Sri Lanka		
Advertisement in Organiser	30,000	-
Sponsorships	-	250,000



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SUPPLEMENTARY INFORMATION

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TEN YEAR SUMMARY

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31ST MARCH	2022	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	Rs."000
Income	317,828	282,965	289,545	275,000	232,717	219,122	212,410	226,401	209,769	200,412
Cost of services	(148,044)	(137,764)	(155,117)	(136,854)	(135,133)	(123,980)	(129,853)	(112,510)	(98,042)	(95,147)
Gross surplus	169,785	145,202	134,428	138,146	97,584	95,142	82,557	113,891	111,727	105,265
Other income	6,339	6770	6,527	6,577	12,332	6,061	24,785	5,529	5,978	5,966
Net income from investment property	16,000	14,683	14,300	13,045	12,237	11,112	10,823	9,832	10,096	8,518
Administration, Establishment and Finance Expenses	(92,169)	(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	(21,686)	(24,720)	(35,546)	(32,510)	(15,489)	(19,874)	(20,526)	(23,290)	(16,583)	(14,174)
Finance income	36,422	51,798	58,217	46,178	39,308	29,794	15,540	17,586	22,525	23,001
Surplus for the year before tax	114,690	108,442	87,894	80,088	58,991	40,878	32,614	50,549	74,768	76,613
Tax expense	(16,697)	(20,373)	(14,149)	(18,885)	(16,407)	(8,314)	(4,999)	(9,927)	(11,608)	(11,613)
Surplus for the year after tax	97,993	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 retirement Benefit Obligations (Net of Taxes)	11,199	(5,061)	(168)	230	(2,208)	2,298	2,888	(1,917)	381	-
Total comprehensive income for the year	109,192	83,008	73,577	61,433	40,376	34,862	30,503	38,705	63,541	65,000

TEN YEAR SUMMARY

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH	2022	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	Rs."000
ASSETS										
NON-CURRENT ASSETS										
Property and Equipment	129,588	135,241	140,169	143,974	153,687	154,437	157,057	137,089	123,936	54,117
Investment Property	136,144	138,873	141,602	144,331	147,060	149,789	152,518	155,247	157,976	160,705
Intangible Assets	4,367	6,394	7,916	7,143	3,985	1,211	1,696	416	-	-
	270,099	280,508	289,687	295,449	304,732	305,437	311,271	292,752	281,912	214,822
Deferred tax assets	-	-	-	-	-	-	-	744	2,485	2,260
Total Non-Current Assets	270,099	280,508	289,687	295,449	304,732	305,437	311,271	293,496	284,397	217,082
CURRENT ASSETS										
Inventories	12,868	9,366	5,217	12,371	10,058	10,727	10,940	4,897	7,225	8,490
Trade and Other Receivables	9,787	5,193	7,007	7,584	8,000	7,896	2,279	3,269	1,812	1,989
Short Term Investments	734,378	651,298	564,515	446,193	352,076	261,705	232,963	221,125	210,100	208,113
Deposits, Prepayments and Advances	11,970	12,904	7,015	8,520	8,253	19,422	27,043	16,814	7,989	7,057
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	9,198	-	-
Income Tax Receivable	-	-	-	2,276	-	-	433	-	-	-
Cash and Cash Equivalents	22,670	21,385	23,282	19,523	21,610	44,183	23,602	27,109	6,193	8,923
Total Current Assets	791,674	700,145	607,035	496,467	399,997	343,933	297,260	282,412	233,319	234,572
Total Assets	1,061,773	980,653	896,722	791,916	704,729	649,370	608,531	575,908	517,716	451,654
FUNDS AND LIABILITIES										
Accumulated Fund	913,909	804,716	721,708	648,132	586,698	546,323	511,461	480,958	442,253	378,613
Other Funds	33,995	31,795	33,072	34,820	34,264	32,683	30,959	28,346	25,229	16,062
Total Funds	947,904	836,512	754,780	682,952	620,962	579,006	542,420	509,304	467,482	394,675
NON-CURRENT LIABILITIES										
Retirement Benefit Obligation	18,328	27,548	18,883	15,344	13,139	8,934	9,894	11,463	8,259	7,089
Rent Received in Advance	-	17,068	21,021	21,021	21,021	21,443	21,422	21,402	21,382	21,365
Deferred Tax Liabilities	4,966	3,625	4,334	5,798	2,765	2,103	2,216	-	-	-
Total Non-Current Liabilities	23,294	48,241	44,238	42,163	36,925	32,480	33,532	32,865	29,641	28,454
CURRENT LIABILITIES										
Trade and Other Payables	41,870	45,013	39,533	33,005	22,820	21,246	23,602	20,535	17,632	24,089
Advances and Deposits Received	34,412	36,709	51,483	28,784	17,212	6,257	5,496	7,345	-	-
Rent Received in Advance	3,209	-	-	-	-	-	-	-	-	-
Income Tax Payable	8,047	10,100	4,482	-	4,109	4,255	-	1,182	2,960	4,434
Bank Overdraft	3,037	4,079	2,206	5,012	2,701	6,126	3,481	4,677	-	2
Total Current Liabilities	90,575	95,901	97,704	66,801	46,842	37,884	32,579	33,739	20,592	28,525
Total Funds and Liabilities	1,061,773	980,653	896,722	791,916	704,729	649,370	608,531	575,908	517,716	451,654

TEN YEAR SUMMARY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH

	2022	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	Rs."000
Cash Flows from / (used in) Operating Activities										
Net Surplus before Tax	114,690	108,442	87,894	80,088	54,657	40,878	32,614	50,550	74,767	77,613
Adjustments for										
Depreciation - Property and Equipment	8,406	9,906	11,132	12,772	12,078	11,202	9,176	5,411	3,691	8,228
Depreciation - Investment Property	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	4,420
Amortisation - Intangible Assets	2,700	2,881	2,554	1,774	1,238	485	120	123	-	-
Gain/ (Loss) on Disposal of Property and Equipment	(68)	(85)	(268)	(28)	(4,864)	2	(17,163)	(51)	235	-
Provision for Gratuity	5,403	4,239	3,472	3,062	2,521	2,160	2,511	2,159	1,802	1,609
Interest Income	(36,422)	(51,798)	(58,217)	(46,178)	(39,308)	(29,794)	(15,540)	(17,391)	(22,525)	(23,002)
Income from Investment Property-before charging depreciation	(18,729)	(17,412)	(17,029)	(15,773)	(14,966)	(13,841)	(13,553)	(12,562)	(12,825)	(12,939)
Operating Surplus before Changes in Working Capital	78,709	58,902	32,267	38,445	14,084	13,821	894	30,968	47,874	55,929
(Increase)/Decrease in Working Capital										
Inventories	(3,502)	(4,149)	7,154	(2,313)	669	212	(6,077)	2,328	1,264	(839)
Trade and Other Receivables, Prepayments and Deposits	(3,661)	(4,075)	2,083	149	11,065	2,004	(41)	(9,940)	(757)	(1,481)
Trade and Other Payables	(3,143)	5,480	6,528	10,571	1,573	(2,354)	3,066	7,135	(5,834)	5,501
Advances and Deposits Received	(16,155)	(18,727)	22,700	11,571	10,955	761	(1,848)	3,113	(623)	-
Cash Generated from (used in) Operations	52,248	37,431	70,730	58,423	38,346	14,444	(4,006)	33,604	41,924	59,110
Tax Paid	(19,232)	(14,640)	(8,828)	(22,274)	(11,311)	(3,994)	(4,780)	(9,582)	(13,378)	(14,099)
Gratuity Paid	(1,600)	(1,459)	(130)	(589)	(770)	(567)	(68)	(1,255)	(80)	(1,386)
Net Cash from/ (used in) Operating Activities	31,416	21,332	61,772	35,560	26,265	9,883	(8,854)	22,767	28,466	43,625
Cash Flows from/ (used in) Investing Activities										
Acquisition of Property and Equipment	(2,818)	(4,978)	(7,342)	(3,163)	(11,328)	(10,169)	(38,852)	(27,849)	(73,518)	(2,850)
Acquisition of Intangible Assets	(1,838)	(859)	(4,833)	(2,394)	(4,012)	-	(1,400)	(540)	-	-
Movement in Capital Working Progress - Intangible Asset	1,165	(500)	1,507	(2,539)	-	-	-	-	-	-
Movement in Capital Working Progress - Property & Equipment	-	-	281	(281)	-	1,584	-	-	-	-
Interest Income	36,422	51,798	58,217	46,178	39,308	29,794	15,540	17,391	22,525	23,002
Income from Investment Property	18,729	17,412	17,029	15,773	14,966	13,841	13,553	12,562	12,825	12,939
Net Movement in Short-term Investments	(83,081)	(86,783)	(118,322)	(94,117)	(90,371)	(28,741)	(21,838)	(23,866)	10,513	(70,221)
Sales Proceeds on Disposal of Property and Equipment	133	85	2	28	4,864	-	26,907	139	(226)	-

FOR THE YEAR ENDED 31ST MARCH	2022	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	Rs."000
Net Cash Flows from/ (used in) in Investing Activities	(31,288)	(23,825)	(53,460)	(40,514)	(46,572)	6,309	(6,090)	(22,163)	(27,881)	(37,130)
Cash Flows from / (used in) Financing Activities										
Net Movement of Rent Advances	-	-	-	-	(422)	21	20	19	18	17
Net Movement in Other Funds	2,200	(1,277)	(1,748)	556	1,581	1,724	2,612	3,117	9,167	3,540
Net Cash Flows from (used in) Financing Activities	2,200	(1,277)	(1,748)	556	1,159	1,745	2,632	3,136	9,185	3,557
Net Increase/(Decrease) in Cash and Cash Equivalents	2,328	(3,770)	6,564	(4,397)	(19,148)	17,937	(12,312)	3,740	9,770	10,052
Cash and Cash Equivalents at the Beginning of the Period (Note A)	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922	8,870
Cash and Cash Equivalents at the End of the Period (Note B)	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922
Note A										
Cash and Cash Equivalents at the Beginning 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	8,988
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	8,870
Note B										
Cash and Cash Equivalents at the End of the Period										
Cash and Bank Balances	22,670	21,385	23,282	19,523	21,610	44,182	23,602	37,109	28,692	18,924
Bank Overdraft	(3,037)	(4,079)	(2,206)	(5,012)	(2,701)	(6,125)	(3,482)	(4,677)	-	(2)
	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922

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GLOSSARY

AATSL	-	Association of Accounting Technicians of Sri Lanka	GDP	-	Gross Domestic Product
AEC	-	Accredited Education Centre	GRI	-	Global Reporting Initiative
AGM	-	Annual General Meeting	HNDA	-	Higher National Diploma in Accountancy
ATL	-	Above The Line	IBC	-	Inner Back Cover
BTL	-	Below The Line	IFAC	-	International Federations of Accountants
CA	-	Institute of Chartered Accountants of Sri Lanka	IR	-	Integrated Reporting
CAPA	-	Confederation of Asian and Pacific Accountants	IT	-	Information Technology
CCHRM	-	Certificate Course in Human Resource Management	KPI	-	Key Performance Indicator
CEO	-	Chief Executive Officer	MAAT	-	Member of Association of Accounting Technicians of Sri Lanka
CFO	-	Chief Financial Officer	MIP	-	Members in Practice
CPD	-	Continues Professional Development	PLS	-	People and Leadership Skills
CSR	-	Corporate Social Responsibility	PF	-	Passed Finalist
ERP	-	Enterprise Resource Planning	SAT	-	Senior Accounting Technician
FMAAT	-	Fellow Member of Association of Accounting Technicians of Sri Lanka	SEC	-	Securities and Exchange Commission
A/L	-	G. C. E. Advanced Level	SME	-	Small and Medium – sized Enterprises
O/L	-	G. C. E. Ordinary Level	VAT	-	Value Added Tax

AATSL BRANCH NETWORK

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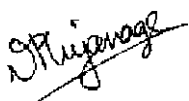
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Association of Accounting Technicians of Sri Lanka will be held on 31st August 2022 from 5.00 p.m. onwards at the Prof. Lakshman R. Watawala Auditorium, AAT Centre, No. 540, Ven. Muruththettuwa Ananda Nahimi Mawatha (Thimbirigasyaya Road), Colombo 05, for the following purposes.

1. To receive and consider the Annual Report of the Governing Council for the Financial Year 2021/22.
2. To receive and consider the Audited Financial Statements of the Association and Report of the Auditors thereon for the year ended 31st March 2022.
3. To re-appoint M/S. Ernst & Young, Chartered Accountants as Auditors of the Association for the Financial Year 2022/2023 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 2022/23 and up to the date of the next Annual General Meeting.

By Order of the Governing Council

ASSOCIATION OF ACCOUNTING TECHNICIANS OF
SRI LANKA



Mr. Indraka P. Liyanage

Secretary

09th August 2022

NOTES

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. Muruththettuwa Ananda Nahimi Mw,
(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

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