

INSPIRING NEXT GENERATION



Annual Report 2022/23



INSPIRING THE NEXTGEN

We understand the role we play as an organisation in shaping the future of the next generation, by inculcating in them a sound knowledge of the accounting profession, in developing progressive accounting professionals. In this endeavour, we remain open to listening to the changing needs of the modern student community, thereby developing curriculums that suit the individual and societal needs of the present context. This holistic approach to accounting education has placed us in a distinctive position as an education provider in the Country. This approach, along with our far-sighted vision to succeed surpassing all impediments at a time of unprecedented challenges and utilizing an appropriate plan of action, has been our success mantra during the year in review.

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INSPIRING THE NEXTGEN

The abacus is an ancient calculating tool called a counting frame. It was used in the Near East, Europe, China, and Russia before the Hindu-Arabic numeral system.

OVERVIEW



ABOUT THIS REPORT

Welcome to the 10th Integrated Annual Report of the Association of Accounting Technicians of Sri Lanka. This Annual Report presents a comprehensive breakdown and analysis of financial and non-financial information for the reporting period of April 01, 2022, to March 31, 2023. AAT Sri Lanka's most recent report covers financial and non-financial details for the period ended March 31, 2022, and is dated April 26, 2022. The report details a transparent and in-depth analysis of the operational aspects of AAT Sri Lanka in our attempt to allow our stakeholders to make informed decisions, and become part of the value creation process. This annual report covers material aspects and presents our stakeholder engagement scope to provide clear, concise and accurate information to the reader.

SCOPE AND BOUNDARIES

This Annual Report has been prepared in accordance with the following standards, frameworks and guidelines to ensure a high standard of regulatory compliance. This report is dated May 25, 2023, and captures material events after the balance sheet date.

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 the 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

The 10th integrated annual report details an insightful view of the Association's operations during the financial year 2022/23. The report contains six different sections to enable ease of comprehension and factual clarity.

About Us: This section details the purpose, performance highlights and overview of AAT Sri Lanka during the year under review, as well as the awards and recognitions and the milestone map over the years.

Leadership: The leadership section presents summarised versions of profiles of our leadership team and their reviews and commentaries on the performance of AAT Sri Lanka during the year under review.

Strategic Report: This section outlines the strategic impetus of the Association – covering our commitment towards United Nations Sustainable Development goals, value creation efforts and overall strategic direction.

Management Discussion and Analysis: In this section, we present a detailed analysis of our financial and non-financial performance using the six capital model for clarity, conciseness and transparency.

Stewardship: In this section, we present a detailed view of the Governance Framework, Risk Management.

Financial Reports: This section details AAT Sri Lanka's Audited Financial Statements and Accounting Policies.

Annexes: This section presents ten year summary statements, GRI Content Index, the AGM Notice and Corporate Information.

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

FEEDBACK AND INQUIRIES

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

Ms. Monika Ranasinghe

Chief Financial Officer

AAT Centre,

No. 540, Ven. Muruththettuwa Ananda Nahimi
Mawatha, Colombo 05.

Tel: +94 112559669

Ext: 334

Digital View



The Annual Report is available on our official website, www.aatsl.lk

RESTATEMENTS AND CHANGES

This Annual Report does not present any reinstatements of information from the previous report. There were no significant changes reported in the scope and aspect boundaries from the previous Annual Report. However, we have enhanced the presentation of non-financial information to provide our stakeholders with a transparent and comprehensive view of the Association's operations, strategic direction and values.

ASSURANCE

The Associations' Audit, Risk Management, Ethics Committee and the Governing Council are responsible for the integrity of disclosures made in the Report. They have worked with external assurance providers on the Report content. The Associations' internal audit function has been carried out by Messrs. KPMG (Chartered Accountants) of Sri Lanka while Messrs. Ernst & Young (Chartered Accountants) of Sri Lanka has assured the Financial Statements presented in this Report.

STATEMENT OF GOVERNING COUNCIL MEMBERS ON THE INTEGRATED ANNUAL REPORT

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 the 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 AAT, and its impacts to the best of our understanding. All members of the Governing Council of AAT agree that this Integrated Annual Report has been compiled in accordance with the International Integrated Reporting Framework.

Signed for and on behalf of the Governing Council,


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

ABOUT US



Luca Pacioli
Father of Accounting



INSPIRING THE NEXTGEN

Luca Pacioli was an Italian mathematician who is considered the “father of accounting”. He was the first to publish a comprehensive work on the double-entry system of bookkeeping in Europe.

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

STRATEGIC OBJECTIVES

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

BRAND STATEMENT

AT AAT 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.

The Association of Accounting Technicians of Sri Lanka was formed in 1987, to fill a dearth of formal qualifications for middle-tier accounting professionals. The Institute of Chartered Accountants formed AAT Sri Lanka to address the aforementioned gap – which the Asian Development Bank identified and highlighted as a requirement for SME growth in the country. Since then, AAT Sri Lanka has been changing tides, and supporting middle-level accountants to excel, which in turn nurtured the country's SME industry. AAT is incorporated under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007, as a company limited by guarantee.



AAT Sri Lanka has been a full member of the International Federation of Accountants (IFAC) since 2017, having been an associate member of the federation for 28 years prior to that. The association is the second accounting body in the world to have gained full membership in the apex body of accountants.



Having been the first associate member of the Confederation of Asian & Pacific Accountants (CAPA), AAT Sri Lanka obtained 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

Mutually beneficial partnerships are part and parcel of AAT Sri Lanka's strategic growth objectives. As such, the Association maintains partnerships and alliances with the following organizations:

- ▲ 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
- ▲ European City Campus in collaboration with the City University, Malaysia and University of Pacific, Nicaragua, Central America
- ▲ AAT Business School

THE AAT REACH

AAT Sri Lanka has become a household name over the years and continues to build a strong presence with a robust network that spans the nation. While the Association's headquarters is based in Colombo, AAT Sri Lanka maintains 7 branches in different locations in the country and collaborates with 121 Accredited Education Centres. AAT Sri Lanka facilitates professional qualification examinations and provides content in the three official languages of the country (Sinhala, Tamil and English). During the year under review, AAT held examinations at 66 examination centres across the nation.

As part of our reach across the island, we frequently schedule school visits to educate students about the AAT qualification and how they can craft a career as an accountant. AAT Sri Lanka also takes part in key education exhibitions held in the country. The Social and Relationship Capital section of this Annual Report presents details of the education exhibitions in which we took part.

As we continue our digitalization drive, AAT Sri Lanka uses social media platforms to connect with the current digitally connected generation, and to gauge their potential interest in AAT Sri Lanka. We engage in various promotional and engagement activities on platforms such as Facebook, Twitter, Tik Tok and YouTube. In addition, we use both WhatsApp and Viber to communicate directly with our students.

Moreover, we facilitate virtual content delivery and webinars to increase our virtual reach and penetrate all parts of the island.

ABOUT AAT SRI LANKA

AAT BUSINESS SCHOOL

AAT Business School was first initiated to meet the proficiency demands of the accounting profession. The school covers a wide scope of skills, knowledge and talents necessary to thrive in the 21st century accounting arena. AAT Business School helps both members and passed finalists of AAT Sri Lanka acquire new skills and reinforce their potential. It conducts a plethora of programmes 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 AAT Business School.



THE AAT QUALIFICATION

Over the past few years, AAT Sri Lanka has evolved beyond the core objective of facilitating professional qualifications of mid-tier accounting professionals, to join the ongoing educational reforms to provide skills and competencies needed in the digital age. At present, AAT Sri Lanka is committed to an ongoing mission to incorporate timely, data and insight-driven education and professional development opportunities for both students and members. The Association facilitates advancement in fields such as Accounting & Finance, Performance Analysis & Management, Legal, Taxation, Auditing, Digital and Communication.

AAT Sri Lanka is well aware of the changing marketplace. As such the Association remains conscious of fresh developments and changes, and upgrades education content, professional support and competency development that would assist students and members to become proficient candidates in the current and future job markets.

Moreover, AAT qualifications and course content align well with Sri Lanka's GCE Advanced Level Commerce curriculum, thus offering students an ideal opportunity following their GCE Ordinary Levels to assimilate well into the Advanced Level curriculum while simultaneously gaining a reputed qualification to gain a competitive advantage, as they progress further in their academic and professional pursuits. AAT Sri Lanka earned the NVQ level 5 qualifications during the year under review. As such, AAT students will be able to achieve diploma level vocational qualifications and be prepared for accelerated career growth.

Meanwhile, AAT Sri Lanka's qualifications provide ample opportunities for aspiring entrepreneurs to learn the necessary competencies and skills to pursue success in a viable manner. AAT members are recognised as Authorised Representatives and AAT Fellow members are recognised as Approved Accountants by the Inland Revenue Act No.24 of 2017.

CURRICULUM STRUCTURE 2020-2025

In line with AAT Sri Lanka's commitment towards progressive education reforms, the Association takes into account the timely skill development requirements alongside industry developments in crafting the new curriculum. Following mandatory periodical reviews and market research, the new curriculum development which will be initiated in the year 2025 is at present a priority for the Association.

AAT Sri Lanka is currently exploring insight-driven revisions and introductions to the curriculum to help mid-tier accountants acquire the skills necessary to thrive in the modern economic environment and marketplace. The Association continues to conduct research and analysis to incorporate futuristic tools into the curriculum to achieve this end.

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 MEMBERS

AAT MEMBERSHIP

AAT Membership provides accounting professionals a competitive advantage in pursuing career success, in particular as the qualification is recognized worldwide. Members of AAT Sri Lanka can further advance their talents through acquiring new skills and networking with peers and 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"). An AAT member is considered a Professional Accountant if he or she engages in professional services or presents himself/herself as a self-employed Professional Accountant on either a part time or full-time basis as a sole with remuneration received or to be received.

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 as a sole proprietor, or as a partner (whether salaried or equity) in a partnership part time or full time.

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 2022/23

▲ TRUSTING THE QUALIFICATION

27,660 Students Applied for the Examinations

15,116 New Student Registrations

15,982 Student Renewals

6,750 Active Members



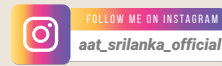
▲ BUILDING BRIDGES WITH OUR STAKEHOLDERS



100,000 Facebook Followers



20,500 YouTube Subscribers



10,700 Instagram Followers



10,200 LinkedIn Followers



5,400 Tiktok Followers

5 Networking Events for Members

▲ INCREASED ACCESSIBILITY

121

Accredited Education Centres

76

Exam Centres

Participation in **7** large scale exhibitions

7

Branches

- ▲ Online Payments, E-access to Study Texts and Past Papers
- ▲ Online registration
- ▲ Online Examination Application and E-admission
- ▲ Trilingual Website

▲ MODERNIZING THE FUTURE

Rs. 27 Mn Investment in Uplifting the Leadership Skills of School Students

68 Seminars in Schools for over **22,000** Students

Personal Grooming Session

▲ THE PROFESSIONAL JOURNEY WAS CULTIVATED

3,866 New Passed Finalists

2,611 students Completed Business School Courses

774 New Members

3 Job Fairs

Career Guidance Sessions

Partnered with European City Campus for Exemptions



▲ WE OFFER EQUAL TREATMENT TO PEOPLE OF ALL GENDERS

Female Representation

64% Active Student Base

54% of Our Team

40% Active Member Base



▲ TOWARDS THE SOCIETY

A Total of **10,000** Biscuits were handed out to the people waiting in fuel queues

10 Teacher Training programmes

6 Computers were provided to Schools



Reach
Compare your reach from this period to the previous one. [See more about your content performance](#)

Facebook Page reach ⓘ	Instagram reach ⓘ	Paid reach ⓘ
1,547,990 ↑ 39.7%	227,951 ↑ 24.1%	1,768,272 ↑ 44%

PERFORMANCE HIGHLIGHTS

As at 31st March	Metric	2022/23	2021/22	YOY
Financial Capital				
Income	Rs. Mn	382	318	20%
Gross Surplus	Rs. Mn	180	170	6%
Surplus After Tax	Rs. Mn	129	98	32%
Finance Income	Rs. Mn	142	36	294%
Total Assets	Rs. Mn	1,290	1,062	21%
Total Funds	Rs. Mn	1,084	948	14%
Investments	Rs. Mn	957	734	30%
Accumulated Fund	Rs. Mn	1,039	914	14%
Gross Surplus Ratio	%	47	53	(11%)
Net Surplus Ratio	%	34	31	10%
Liquidity Ratio Times	Times	3	9	(67%)
Return on Assets	%	10	9	11%
Return on accumulated fund (ROE)	%	12	11	9%
Manufactured Capital				
Property & Equipment	Rs. Mn	128	130	(2%)
Capital Expenditure	Rs. Mn	5	5	-
Social & Relationship Capital				
Active Student Base (Calender year)	No.	32,233	28,501	13%
Active Member Base (Calender year)	No.	6,750	6,184	9%
Student Registrations (Financial year)	No.	15,116	13,256	14%
Student Renewals (Financial year)	No.	15,982	18,141	(12%)
Accredited Education Centres	No.	121	125	(3%)
AAT Business School Students	No.	2,611	2,368	10%
Investments in CSR	Rs. Mn	27.9	3.3	745%
Human Capital				
Employees	No.	67	70	(4%)
Net Surplus After Tax per Employee	Rs. Mn	1.9	1.4	36%
Total Payment to Employees	Rs. Mn	104	96	8%
Training Hours	Hour	211	111	90%
Average Training Hours per Employee	Hour	3	2	50%
Investment in Training	Rs. Mn	0.24	0.49	(51%)
Staff Promotions	No.	5	6	(17%)
Retention	%	81	90	(10%)
Natural Capital				
Energy Consumption	kWh	182,376	195,343	(7%)
Water Consumption	Ltr (Mn)	1.38	1.22	13%
Paper Recycled	Kg	1,339	1,787	(25%)

47%

**GROSS
SURPLUS RATIO
(GP)**

34%

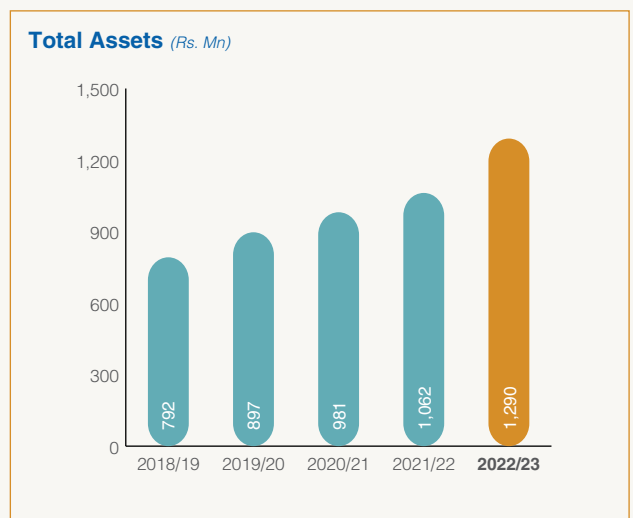
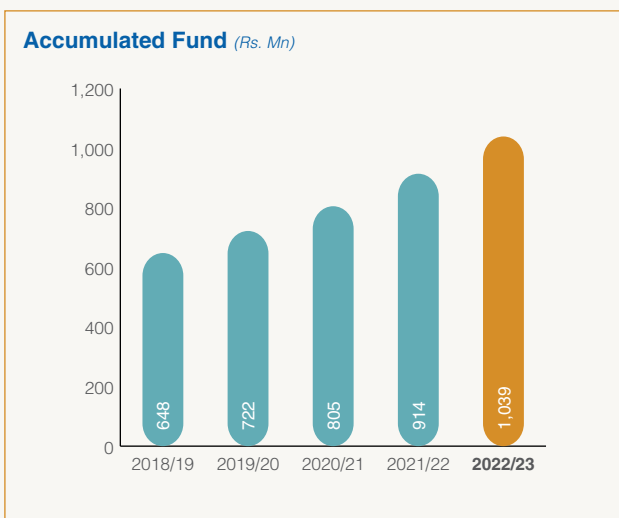
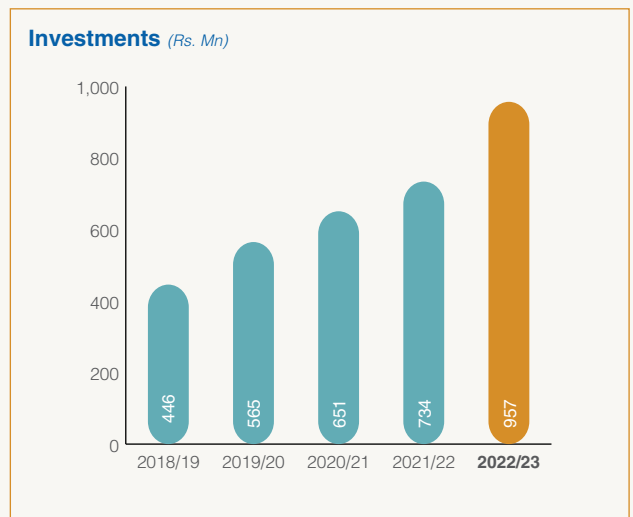
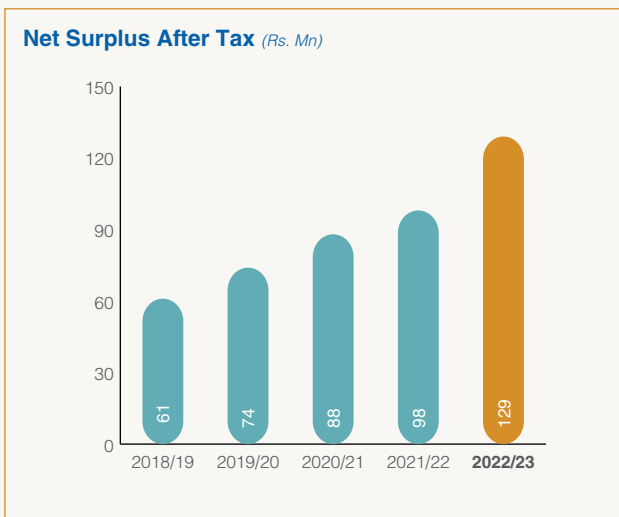
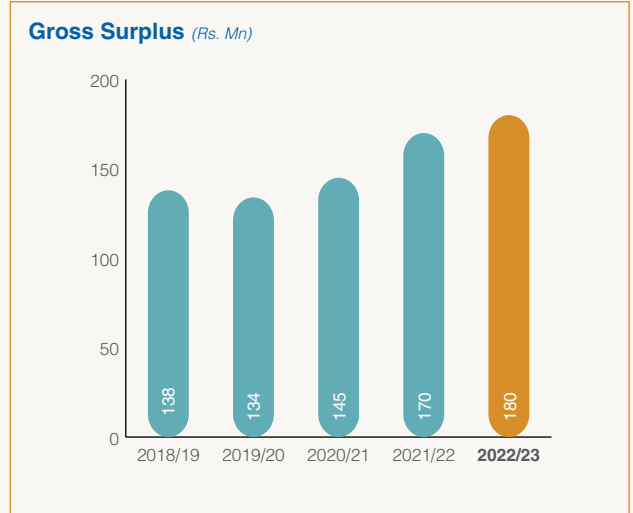
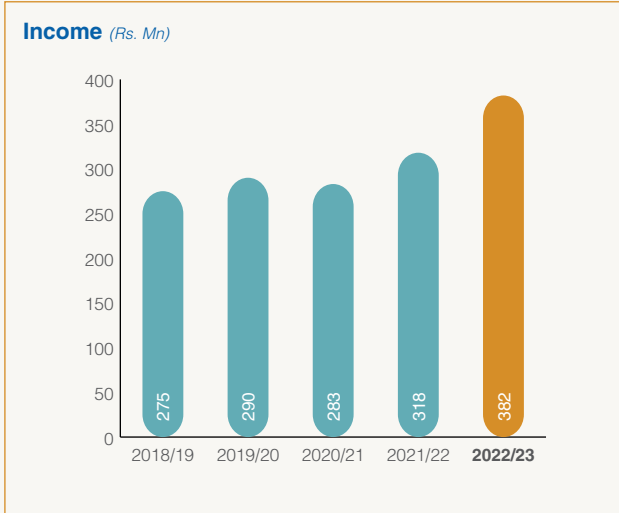
**NET SURPLUS
RATIO (NP)**

12%

**RETURN ON
ACCUMULATED
FUND (ROE)**

10%

**RETURN ON
ASSETS**



OUR RESPONSE TO THE ECONOMIC CRISIS

As the country faced an unprecedented economic downturn in the aftermath of the balance of payment crisis, the state of social unrest and uncertainty negatively impacted AAT Sri Lanka and all our stakeholders. In this less than desirable backdrop, we were forced to take a step back and evaluate our own response to the crisis and what it means to be an education institute in the aftermath. While we responded to the crisis by adopting pragmatic and effective tactics, this was an opportunity for AAT Sri Lanka to charter the next phase of sustainable growth in tandem with our core goal of supporting the country's SME sector to grow through sound financial management.

CHANGING THE EDUCATION LANDSCAPE

The rapid changes that took place over the course of the past three years illustrated the timely need for a shift in attitudes, approaches and resources available for the pursuit of higher education and professional development in Sri Lanka. As a responsible entity in the education sphere in the country, we are well-gearred to become part of that change. During the year under review, AAT Sri Lanka strategised to become a change agent in the education sphere through innovation, knowledge acquisition and developing partnerships.

CONTINUING OUR DIGITALIZATION DRIVE

We have been on a substantial digitalization drive since the year 2020, and during the year under review, we continued the momentum in spite of logistical difficulties. As the fuel crisis affected mobility once again, digital delivery of content became routine. We provided support to AECs to continue online classes and conducted a virtual day to attract new students from amongst the Gen Z social media users.

At present, we use the AAT website to provide digital copies of study materials and provide free access to our students. Students can register for examinations digitally in any of the official languages of Sri Lanka (Sinhala, Tamil, and English). We also conducted webinars to provide additional support to our students.

In the future, we will implement a more comprehensive digitalization drive that would support our goals of changing the education landscape in the country.

ESTABLISHING A STRONG FINANCIAL POSITION

We inevitably felt the repercussions of the financial crisis in terms of managing our own investment portfolios and attracting new students. In response, we sought to change our investment portfolio to stabilise our financial position and increased and changed our approach to attracting new students.

As a not-for-profit education organization, AAT Sri Lanka has been investing surplus earnings in the local financial market. We adopted a non-reactive and prudent approach to manage our investments and ensure long-term stability. While we refrained from placing the burden of hyperinflation cost increase on students who were facing difficulties, we implemented a stringent cost management approach to minimize the impact on our surplus earnings.

CREATING EMPLOYMENT OPPORTUNITIES

We anticipated the job market to become unstable in the aftermath of the economic crisis. Accordingly, AAT Sri Lanka relied on our partnership strength to open career opportunities for passed finalists. During the year under review, we continued to strengthen our relationships with employer organizations.

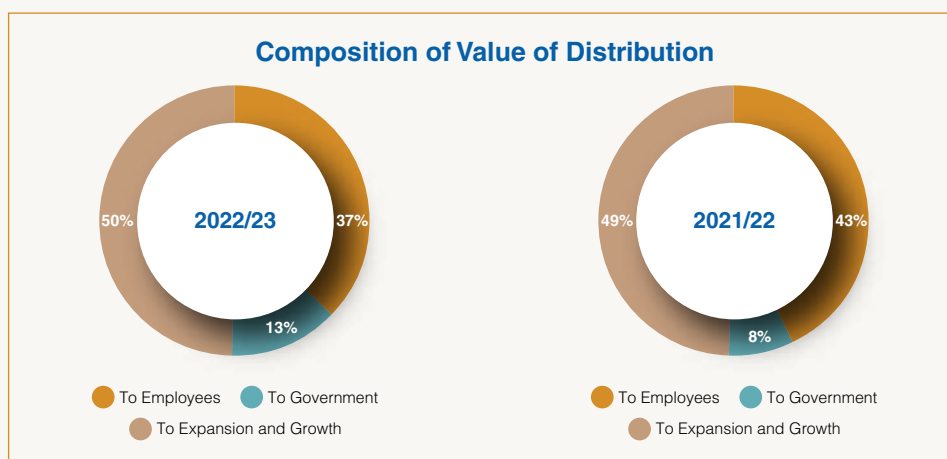
FUTURE OUTLOOK

While we are happy to see the country on a slow yet promising path of recovery, we remain cautious of the impact of the global recession and the country's own economic downturn. We are mindful of the fact that the SME sector stands to play an integral role in economic recovery. As such, AAT Sri Lanka is well-prepared to play our role in reinforcing the competencies of accounting professionals to contribute to the process of sustainable development.

In the coming years, we will continue to upgrade our programme content and support accounting professionals to acquire the skills necessary for the digital era. We remain confident that our well-planned and pragmatic approach to sustainable growth will enable us to create lasting value for all stakeholders.

VALUE ADDED STATEMENT

For the year ended 31 March	2023 Rs.	2022 Rs.
VALUE ADDITION		
Revenue	381,957,725	317,828,432
Income from investment property	19,326,120	18,886,890
Other income	151,457,624	42,760,366
Total	552,741,469	379,475,688
Less: Operating expenses	(273,249,697)	(155,453,771)
Value added	279,491,772	224,021,917
DISTRIBUTION OF VALUE ADDITION		
To employees as salaries and other benefits	104,104,883	96,355,347
Total to employees	104,104,883	96,355,347
Income tax	31,119,375	17,178,927
SSCL	5,808,952	-
Total to the government	36,928,327	17,178,927
TO EXPANSION AND GROWTH		
As depreciation and amortisation	11,680,047	13,835,085
As reserves	128,809,311	97,993,473
Deferred taxation	(2,030,796)	(1,340,915)
Total to the expansion and growth	138,458,562	110,487,643
Total Distribution of Value Addition	279,491,772	224,021,917



YEAR AT A GLANCE



30th Annual Convocation was held at the BMICH



20th Annual Conference was held at the Hotel Galadari



Launching Nena Waruna scholarship scheme



Prize Winners Award Ceremony for January 2022 examination



Prize Winners Award ceremony for July 2022 examination



Passed finalists' certificate awarding ceremony for July 2021 examination



Passed finalists' certificate awarding ceremony for January 2022 examination



Passed finalists' certificate awarding ceremony for July 2022 examination



AAT Qualification received NVQ Level 5 equivalence

YEAR AT A GLANCE



Winning the Gold Award in the Not-For-Profit Organisations (NPO) Category Including Non-Governmental Organisations (NGO) Sector at Transparency, Accountability, Governance & Sustainability (TAGS) Awards 2022 of CA Sri Lanka



Winning Joint Bronze Award in Non-Governmental Organisations (Including NPOs) the Sector at the Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2021 of SAFA

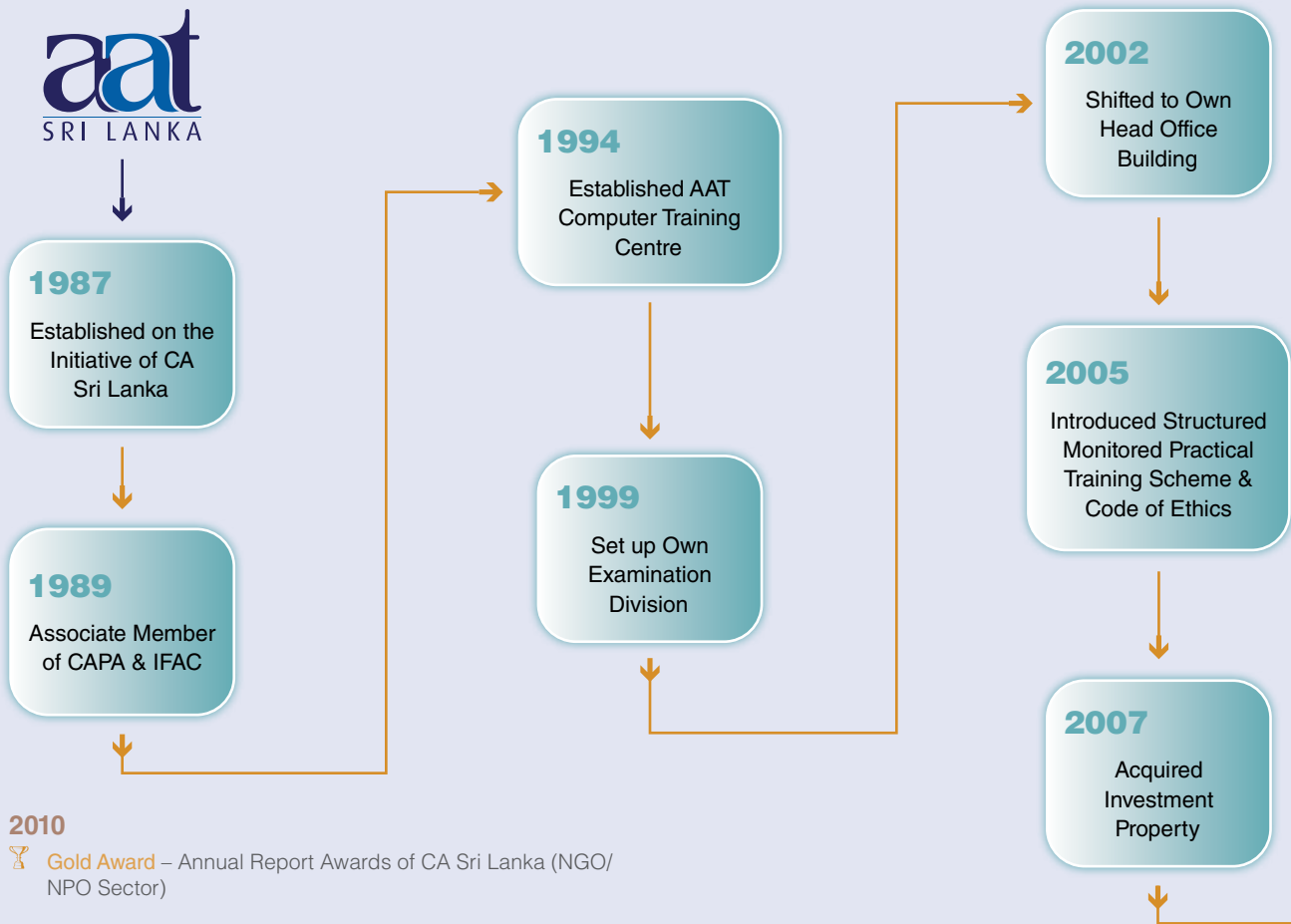


Winning Gold Award in Education Sector: Professional at Excellence in Integrated Reporting Awards 2022 of CMA



Winning Overall Merit Award at Excellence in Integrated Reporting Awards 2022 of CMA

KEY MILESTONES



2010

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

2011

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

2013

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

2014

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

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

2015

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

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

2016

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

Silver Award – National Business Excellence Awards (Medium Category)

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

2017

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

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

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

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

2018

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

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

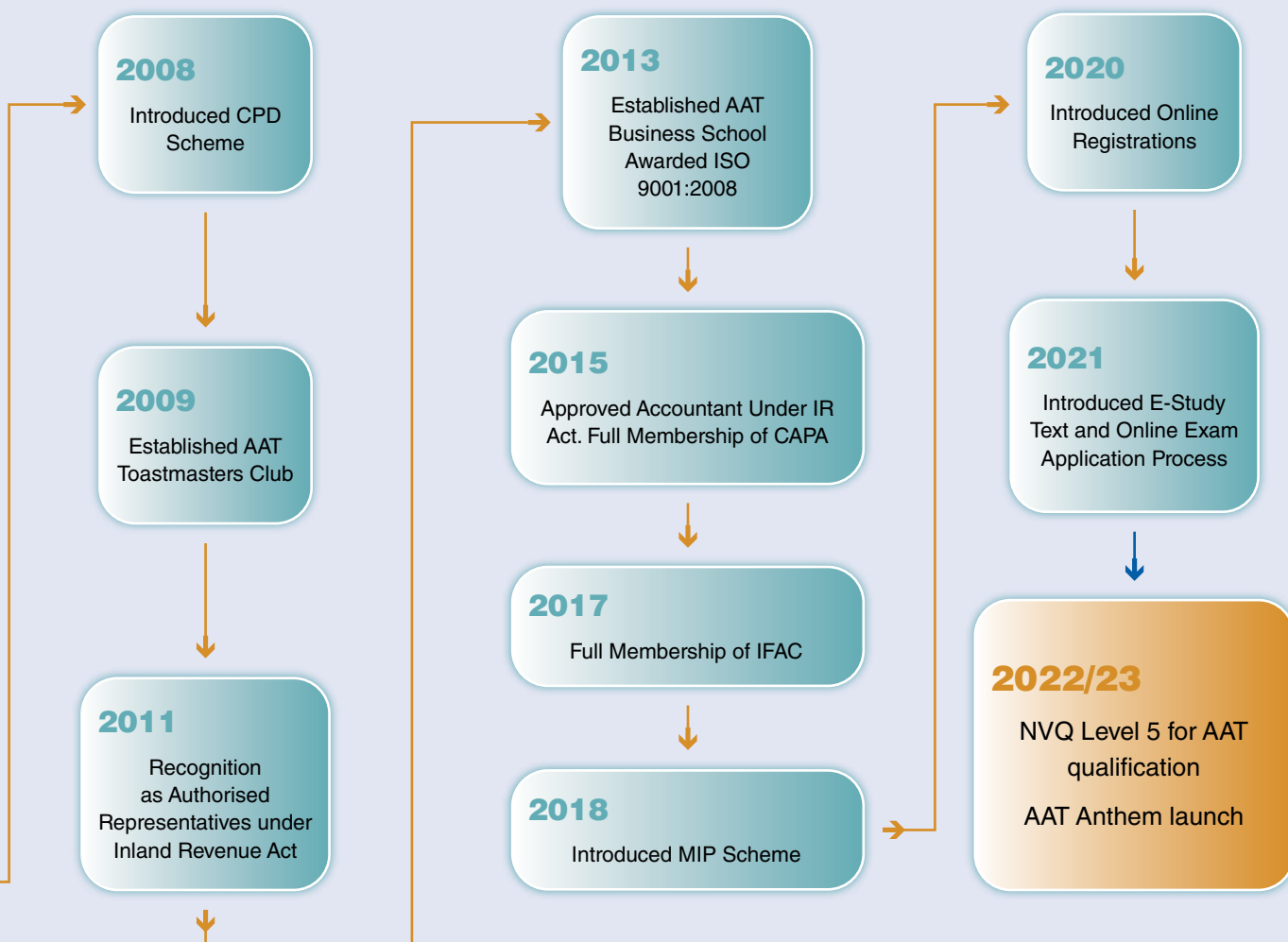
Bronze Award – Annual Report Awards of CA Sri Lanka (SME Sector)

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

Merit Award – SLIM Brand Excellence (Best SME Brand)

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

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



2019

- 🏆 **Gold Award** – National Business Excellence Awards (Associations and Societies Sector)
- 🏆 **Gold Award** – Excellence in Integrated Reporting of CMA Sri Lanka (Educational Institutes, Chambers of Commerce, NGOs and NPOs sector)
- 🏆 **Silver Award** – Annual Report Awards of CA Sri Lanka (SME Sector)
- 🏆 **Merit Award** – Excellence in Integrated Reporting of CMA Sri Lanka (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

2021

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

2022/23

- 🏆 **Gold Award** – Annual Report Awards of CA Sri Lanka (NPO & NGO Sector)
- 🏆 **Gold Award** – Annual Report Awards of CMA Sri Lanka (Education Sector: Professional)
- 🏆 **Overall Merit Award** – Annual Report Awards of CMA Sri Lanka
- 🏆 **Joint Bronze Award** – Annual Report Awards of SAFA (Non-Governmental Organisations Including NPOs Sector)
- 🏆 **Golden Club Award & Best Website Award** – AATSL Toastmasters Club
- 🏆 **Gold Club Award** – AATSL Emerging Toastmasters Club (Together with 3 other awards)

AWARDS & EXCELLENCE



GOLD AWARD WINNER

Not-For-Profit Organisations (NPO) Including Non-Governmental Organisations (NGO) Sector
Transparency, Accountability, Governance & Sustainability (TAGS) Awards - 2022 Organized by CA Sri Lanka



JOINT BRONZE AWARD

Non-Governmental Organisations (Including NPOs)
Sector Best Presented Annual Report Awards,
Integrated Reporting Awards & SAARC Anniversary
Awards for Corporate Governance Disclosures
Competition 2021 Organized by South Asian
Federation of Accountants (SAFA).



GOLD AWARD WINNER

Education Sector: Professional Excellence in Integrated
Reporting Awards - 2022 Organized by CMA Sri Lanka



OVERALL MERIT AWARD WINNER

Excellence in Integrated Reporting Awards - 2022
Organized by CMA Sri Lanka.



AAT EMERGING TOASTMASTERS CLUB AWARD

Publicity Star Gold Award

Golden Club Award

Early Bird Renewal Award

Eight-80 Membership Award

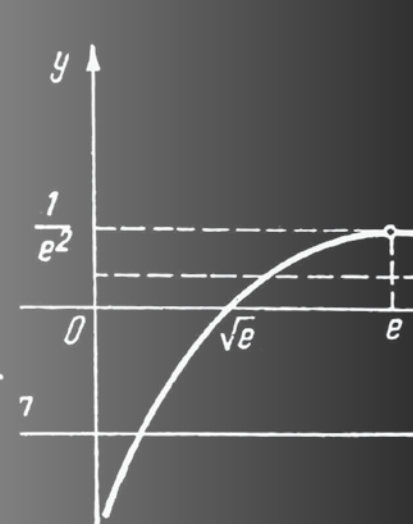
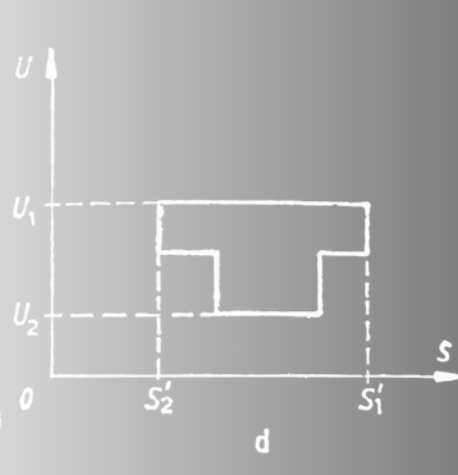


TOASTMASTERS CLUB AWARDS

Golden Club Award

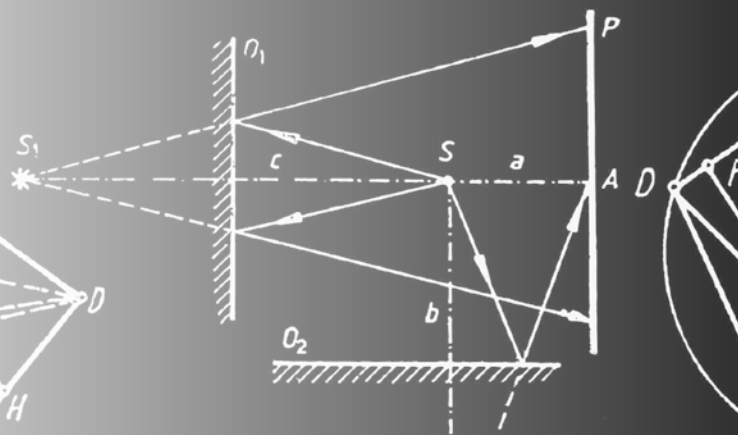
Best Website Award

LEADERSHIP



$$\frac{1}{2} \left(\frac{1}{2} \right)^{n+1} + \frac{1}{n+1} \cdot \frac{1 - \left(-\frac{1}{n+1} \right)^{n+1}}{1 + \frac{1}{n+1}} = \int_{-a}^0 x^2 e^{ax} dx = \frac{1}{a} (x^2 e^{ax}) \Big|_{-a}^0 - a^2 - \frac{2}{a} \left[\frac{1}{a} (x e^{ax}) \Big|_{-a}^0 - \frac{1}{a} \int_{-a}^0 e^{ax} dx \right] + \frac{2}{a^2} \left[\frac{1}{a} (e^{ax}) \Big|_{-a}^0 \right] = -ae^{-a^2} - \frac{1}{a^3 e^{a^2}} [2e^{a^2} - 2 - 2a^2 - a^4]$$

$$= \frac{1}{a^3 e^{a^2}} [2e^{a^2} - 2 - 2a^2 - a^4]$$



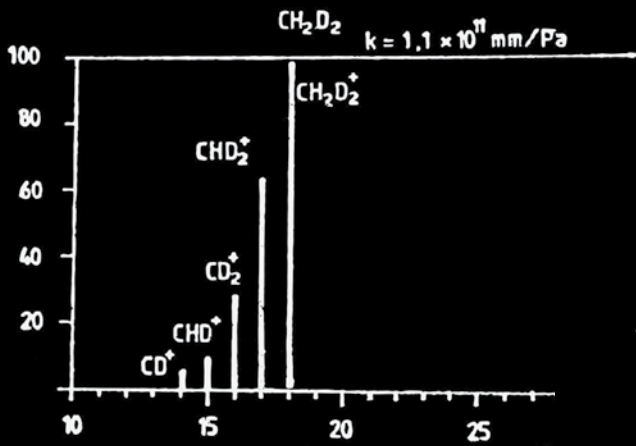
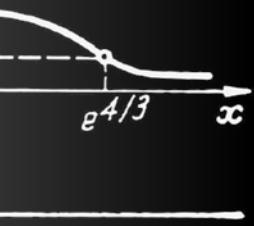
0	0	4	50	104	170
0	0,5	0,6	0,8	0,9	1,0
0	-1,05	-2,1	-3,2	-4,2	-5,3
0	-1	-2	-3	-4	-5
0	0	4	44	115	175
0	0,4	0,6	0,8	0,9	1,0
0	-0,4	-0,76	-1,12	-1,5	-1,9
0	-1	-2	-3	-4	-5
0	1,4	2,8	4,2	5,6	7,1
0	1	2	3	4	5
0	-1,4	-2,8	-4,2	-5,6	-7,1
0	-1	-2	-3	-4	-5

$$-(x+t)I_2 + (xt - yz)I_2 =$$

$$\begin{pmatrix} x & y \\ z & t \end{pmatrix} - \begin{pmatrix} x+t & 0 \\ 0 & x+t \end{pmatrix} =$$

$$y \begin{pmatrix} -t & y \\ z & -x \end{pmatrix} = \begin{pmatrix} yz - xt \\ 0 \end{pmatrix}$$

$$yz - xt)I_2 = -(xt - yz)I_2,$$



$$E_p = E_{p_{\max}} \Rightarrow \sin^2\left(3t_p + \frac{\pi}{3}\right) = 1$$

$$= \sin\left(\frac{\pi}{2} + n\pi\right); n = 0, 1, 2, \dots$$

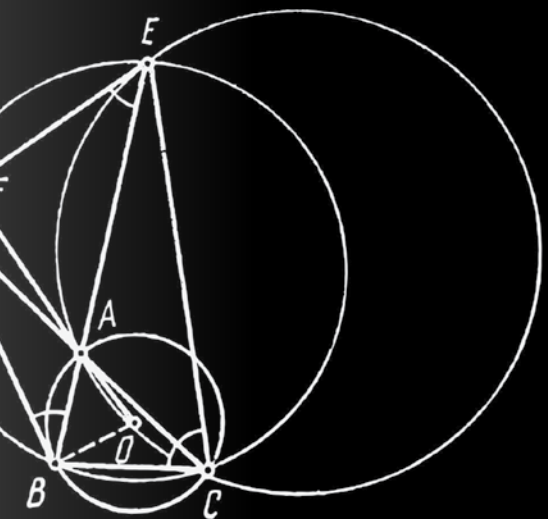
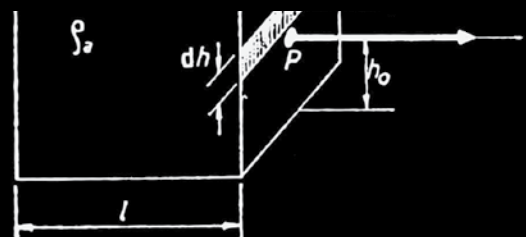
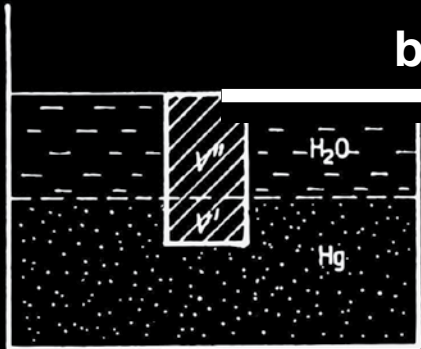
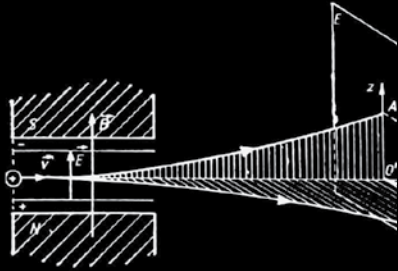
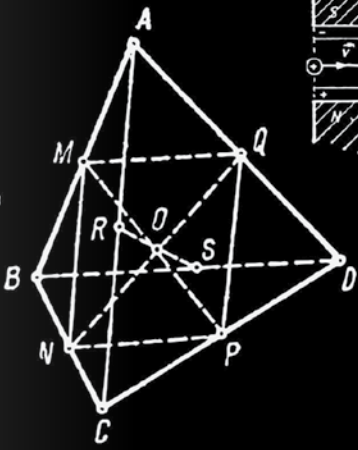
$$t_p = \frac{\pi}{3}\left(n + \frac{1}{6}\right); n = 0, 1, 2, \dots$$

$$E_c = E_{c_{\max}} \Rightarrow \cos^2\left(3t_c + \frac{\pi}{3}\right) = 1 \Rightarrow \cos\left(3t_c + \frac{\pi}{3}\right) = \pm 1$$

Bookkeeping was introduced to America during European colonization, often called accounting. It involved basic data entry and calculations conducted by bookkeepers for business owners.

$$\frac{2}{a} \int_{-a}^0 e^{ax} dx$$

$$\frac{2}{a} e^{-a^2}$$



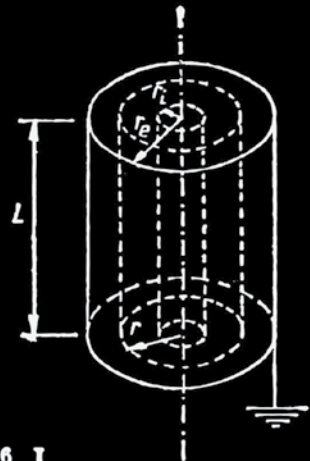
$$Q_{\text{total}} = Q_1 + Q_2 = 3\epsilon_0 \frac{S}{d_1} U_0$$

$$C_1 = C_2 = \epsilon_0 \frac{S}{d_1} = 8,85 \text{ pF}$$

$$Q = \frac{Q_1 + Q_2}{2} = 13,275 \cdot 10^{-9} \text{ C}$$

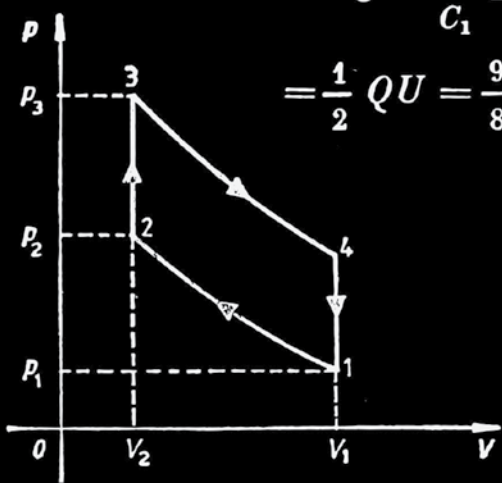
$$U = \frac{Q}{C_1} = \frac{3}{2} U_0 = 1500 \text{ V}$$

$$= \frac{1}{2} QU = \frac{9}{8} \epsilon_0 \frac{S}{d_1} U_0^2 = 9,956 \cdot 10^{-6} \text{ J}$$



$$\begin{pmatrix} -t & y \\ z & -x \end{pmatrix}$$

$$\begin{pmatrix} 0 & yz - tx \\ yz - tx & 0 \end{pmatrix} =$$



INSPIRING THE NEXT GEN

PRESIDENT'S MESSAGE



“

Resilience, resourcefulness and our spirit of advocating for progress allowed AAT to successfully navigate external pressure that prevailed throughout the year 2022 and achieve growth targets.”

**Students
Applied for the
Examinations**

27,660

**CSR
Rs.27 Mn**



**New Passed
Finalists**

3,866

**Active Member
Base**

6,750

PRESIDENT'S MESSAGE

Resilience, resourcefulness and our spirit of advocating for progress allowed AAT to successfully navigate external pressure that prevailed throughout the year 2022 and achieve growth targets. In 1987, AAT was established to fill an identified gap in the country's economic sphere for middle-level accountants. Over the years, the Association has evolved in tandem with social and economic requirements to become a change agent in the education sector. During the year under review, the combination of logistical and financial difficulties acted as a catalyst to demonstrate the need for a change in the way of viewing education. This created opportunities for educational institutes such as AAT, which provide professional qualifications to attract more students and members. Against this backdrop, we adapted our strategy and operations in response to the momentary challenges and chartered a path for sustainable growth in the future.

NAVIGATING THE CHALLENGING ENVIRONMENT

The financial crisis that unfolded in early 2022 triggered an unprecedented economic and social crisis which interrupted the established rhythm of our examinations and day-to-day operations. Our students and employees faced a myriad of logistical challenges including mobility disruptions due to the fuel crisis. With GCE examination schedules postponements, we had to look for alternative ways to attract and retain students. Mindful of the limitations, we optimised our resource utilisation and implemented flexible approaches to carry on our operations. In the meantime, we supported all our stakeholders including employees in facing both logistical and financial challenges stemming from the crisis. We facilitated work from home for our employees and provided them with remuneration and rewards without resorting to salary reductions in spite of financial concerns.

“
Our core values
of transparency,
accountability and integrity
in all matters related to the
organisation have become
key drivers of AAT
Sri Lanka, penetrating into
all levels of operations ”

AAT's overall approach to managing the crisis involved a well-informed, insight driven method that identified our limitations and implemented a strategy for cost efficacy and student retention. We revoked our cost structure to bring down expenses.

SEEKING SUSTAINABILITY

During the year under review, we obtained NVQ 5 qualification status, which allows our students to obtain diploma level professional qualifications while they pursue their academic goals. This was a progressive achievement that we sought in our efforts to ensure the sustainability of education delivery. Our students are already in an advantageous position in this regard as we provide internationally recognised qualifications, and we have been long standing members of the International Federation of Accountants and Confederation of Asian and Pacific Accountants.

Forging a pathway for impactful higher education is one of the hallmarks of the AAT brand. The recent economic crisis served as a catalyst to highlight the importance of changing the way in which we deliver education. As a well-established and trusted education provider, AAT is well-gearred to be a vital contributor to improving education delivery as well as pathways. As such, we consistently seek to upgrade our curriculum in line with the evolving marketplace and international standards. The next phase of our journey will involve a new curriculum as well as innovative and timely programmes launched via our Business School. This is how we seek sustainability and transfer the benefits of such an effort to our stakeholders including students, members and the larger community.

Meanwhile, AAT is committed to a proactive approach to facing the economic and financial challenges that would prevail as the country navigates recovery. We will continue to rely on an information driven and responsive method to maintain a competitive advantage as a reputed education provider.

CORPORATE GOVERNANCE

AAT's corporate governance framework is robust and transparent. Our Governing Council members head committees that oversee versatile functions. The committee members gather periodically to monitor progress and set the direction for operations. The AAT Governing Council is responsible for drafting guidelines for operations and organisational targets. The council then continues to review and evaluate action steps. Once the strategies and key action steps are in place, the Governing Council continues to monitor the implementation process.

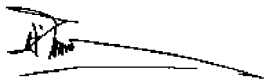
In the meantime, our internal systems, procedures and controls ensure that an ethical framework exists within the organisation. We maintain an open door policy and transparent internal operations. This well-defined framework facilitates a functional system that maintains accountability at all levels of the organisation. Our core values of transparency, accountability and integrity in all matters related to the organisation have become key drivers of AAT Sri Lanka, penetrating into all levels of operations.

APPRECIATION

The year 2022 was one with unprecedented challenges. AAT succeeded in steering the ship clear of the challenges and performing commendably. This was a team effort and our entire team and stakeholders should take credit for the Association's success. I am grateful to our leadership team led by our CEO and senior managers for their able implementation of our strategy. Our Governing Council drew inspiration from their collective experience to set guidelines that allowed us to achieve financial and operational strength. I am thankful for their guidance. I would also like to extend my warm gratitude to our students, passed finalists and members for their trust in our capabilities. Our employees remained committed to achieving organizational goals. I am grateful to them for their perseverance in spite of difficulties. I would also like to express my gratitude to the Accredited Education Centres for their invaluable role in education delivery.

FUTURE OUTLOOK

The next two years will not only be challenging but also crucial in economic recovery for Sri Lanka. In the long run, education will play a vital role in shaping a developed nation. In this regard, AAT has a contributing role as an established educator. Mindful of this, we will look to improve our education delivery as well as programs to respond well to the changing dynamics of the professional sphere. In the next few years, we will focus on value addition and sustainability. Let us continue to pursue progress together.



Mr. A. Naleen Dhammika De Silva
President

CHIEF EXECUTIVE OFFICER'S REVIEW

“

Our post Ordinary Level students will now have the advantage of possessing a diploma level qualification prior to pursuing their Advanced Level examinations”

The challenging few years that the country endured culminated in a financial crisis in the year 2022, which triggered an economic and social crisis. Against this backdrop, the education sector witnessed a negative period with government examinations getting postponed and a decrease in disposable income impacting private education. Mindful of this, and the fact that education would be a deciding factor of not only the future generation but also the country's growth, we adopted a far seeing, pragmatic approach to maintain sustainability and create value for all our stakeholders. While we will see the results of our approach in the long-term, during the year under review, AAT performed well financially and grew our student and member base as well.

NAVIGATING THE YEAR 2022/23

The changed government examination timeline, uncertainty that students faced as well as cost escalation due to high inflation created a confluence of challenges to all education institutes including AAT. As such, we had to implement a strategy to manage the status quo and seek long-term growth on behalf of our students, members and the general public.

The silver lining in the difficult year was that it paved a pathway for innovative and flexible education options for students. In line with our aspiration to become a valuable contender in steering progressive education in the country, we introduced new programmes to both passed finalists and members through the Business School during the year under review.





CHIEF EXECUTIVE OFFICER'S REVIEW

Meanwhile, we obtained the NVQ 5 – diploma level qualification status, a fact that will serve our students well in advancing their academic and professional aspirations. This was the first time that a professional accounting body in Sri Lanka succeeded in obtaining NVQ level 5 status for their mainstream curriculum. Accordingly, our post Ordinary Level students will now have the advantage of possessing a diploma level qualification prior to pursuing their Advanced Level examinations, which would enable them to have access to a wider range of academic and career opportunities.

In response to the changed examination timelines, we rescheduled our own calendar and collaborated with AECs (Accredited Education Centres) to introduce a hybrid model of content delivery to facilitate students. The hybrid model involved a combination of online and physical classes. Our main focus was on assisting our students to pursue their academic and career goals. As such, we adopted an approach that identified challenges ahead of time to introduce appropriate responses. Moreover, AAT provided examination results within the standard 45 day period in spite of the logistical difficulties.

Meanwhile, as part of our community service approach, we provided scholarships to students who performed exceptionally well in their GCE Ordinary Level examinations.

OUR PERFORMANCE

Our progressive stance in responding to the crisis bore fruit, allowing AAT to perform well both financially and operationally. During the year under review, AAT's bottom-line growth was at 32% recording Rs.129Mn as at the end of the financial year. The Association's income for the year 2022/23 was Rs.382 Mn, indicating a year-on-year growth of 20%.

Meanwhile, AAT's accumulated fund grew by 14% whereas the asset base grew by 21%. The Association's Investment Portfolio recorded a growth of 30% at Rs.957Mn.

AAT's operational growth was significant with the highest number of student registration in the recent past at 15,116. Our active membership base grew to 6,750 during the year under review.

The above performance stemmed from our pragmatic and timely approach to managing the logistical and financial challenges of the year 2022.

AWARDS AND ACCOLADES

During the year under review, AAT Sri Lanka clinched a number of awards that cemented the Association's brand strength.

The Association won the Gold Award in the Not-For-Profit Organisations (NPO) Including Non-Governmental

“

We are well aware that education plays a crucial role in shaping the future of individuals and society as a whole. It is essential for educational organizations such as the Association of Accounting Technicians of Sri Lanka to adapt to the changing trends and needs of the industry and provide high-quality education to students”

Organisations (NGO) Sector at the CA Sri Lanka Annual Report Awards (TAGS) 2022, which recognises excellence in financial reporting through illustrating transparency, accountability, governance and sustainability. In addition, the Association won the Gold Award in the Education Sector: Professional sector as well as the overall Merit Award at the CMA Awards for excellence in Integrated Awards 2022. We also won the Joint Bronze Award in Non-Governmental Organisations (Including NPOs) Sector for Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2021 Organized by the South Asian Federation of Accountants (SAFA).

FORMULATING A STRATEGY FOR THE NEW ERA

While the demands of the professional world keep on evolving, education too must adapt to help the future generation become informed, innovative learners who are capable of driving change. The challenges that the country faced during the past few years have created an opportunity for progressive change in education. Our primary focus in this context is to facilitate our students, passed finalists and members to acquire relevant qualifications, knowledge and skills. As such, we will be looking to incorporate futuristic and up to date changes in line with global standards into our syllabus. In addition, we plan on offering more networking and knowledge sharing opportunities to our members.

Meanwhile, we've been working on creating value added programmes and sessions through our business school to enhance the professional advancement prospects of all our stakeholders.

The AAT brand is already well-established in the wider society in Sri Lanka. Nevertheless, we are working on increasing awareness among school children who stand to benefit from our programmes. As such, we reinstated the popular 'Debater' program with Sirasa TV to appeal to the younger generation. The Debater programme creates a space for school children across Sri Lanka to polish their debating skills, expand their quest for knowledge gain experience appearing on a popular electronic media platform, and enrich their networking power. The programme is set to attract the interest of a large number of students and parents, which in turn would augment AAT Sri Lanka's brand value and recognition. We are confident that the reinstatement of the Debater programme would align well with our sustainable growth plans.

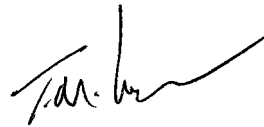
Providing enriching and meaningful experiences and means of engagement via social media platforms is part and parcel of our strategy for viable growth. The new generation of our target stakeholders (students) lean naturally towards social media usage to gather information and network. Mindful of this, we consistently work towards providing a rich social media experience to our current students and potential stakeholders by investing in effective social media strategies.

Meanwhile, our plans for sustainable growth will align purposefully with the changing marketplace and education requirements of the future. We are well aware that education plays a crucial role in shaping the future of individuals and society as a whole. It is essential for educational organizations such as the Association of Accounting Technicians of Sri Lanka to adapt to the changing trends and needs of the industry and provide high-quality education to students. This why we wish to encourage individuals to continue learning and developing their skills to remain competitive in the job market and contribute to the growth and development of society.

AAT Sri Lanka as a purposeful contender in the education sector will continue to navigate the economic and social challenges that will likely prevail in the near future as the country recovers, by adopting a pragmatic and proactive approach.

APPRECIATION

Our stakeholders were the force behind our resilience in a turbulent economic environment. We would not have been able to achieve growth and lay the foundation for a sustainable future without their steady support. As such, first of all, I would like to express my gratitude to our President Mr. Naleen De Silva for his inspiring leadership and commitment. I am also grateful for the guidance that our Governing Council members provided during this difficult period. Our members contributed to AAT's growth through their participation in various committees. AAT's senior management together with our loyal employees backed our efforts to maintain operations and assist students and members in spite of the difficulties they themselves faced. I would like to express my sincere appreciation to each and every one of them. The Accredited Education Centres remained steadfast in the face of the storm, collaborating with us to offer uninterrupted services to students. I am thankful for their contribution. Let us continue to seek growth in a sustainable manner to create value for all our stakeholders, while bringing about progress in the education arena.



Mr. Tishanga Kumarasinghe
Chief Executive Officer

GOVERNING COUNCIL





GOVERNING COUNCIL





10

8

- ▶ Mr. A. Naleen Dhammika De Silva (1)
President
- ▶ Mr. K. L. Jagath Nandana Perera (2)
Vice President
- ▶ Mr. Indraka Liyanage (3)
Secretary
- ▶ Mr. W. P. Russel P. H. Fonseka (4)
Immediate Past President
- ▶ Dr. Chamara Bandara (5)
Council Member
- ▶ Ms. Chamila Cooray (6)
Council Member
- ▶ Mr. Thilak Dharmarathne (7)
Council Member
- ▶ Dr. Damith Gangodawilage (8)
Council Member
- ▶ Mr. Lahiru Jayasinghe (9)
Council Member
- ▶ Mr. P. D. Wasantha Kumara (10)
Council Member
- ▶ Mr. Heshana Kuruppu (11)
Council Member
- ▶ Ms. F. S. Naayila Marikkar (12)
Council Member
- ▶ Mr. B. Kapila K. Ranasinghe (13)
Council Member
- ▶ Mr. Sunil Wanigabadu (14)
Council Member
- ▶ Ms. G. M. Iresha U. Bandara (15)
Council Member
- ▶ Ms. Neelamani Malawiarachchi (16)
Council Member

INTRODUCTION TO OUR GOVERNING COUNCIL

Mr. A. Naleen Dhammika De Silva

FMAAT, FCA, ACMA, MBA (USJ)

President of AAT

Chairman - International Affairs Sub-committee

Qualifications & Experience

- ▶ Fellow Member of AAT
- ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka
- ▶ Associate Member of the Institute of Certified Management Accountants of Sri Lanka
- ▶ Master of Business Administration - University of Sri Jayewardenepura

Other Appointments

- ▶ Director - Corporate Doctors (Pvt.) Ltd
- ▶ Financial Consultant - Star Holdings International (Pvt.) Limited
- ▶ Partner - PBC Partners, Chartered Accountants

Mr. K. L. Jagath Nandana Perera

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

Vice President of AAT

Chairman - Finance & Administration Committee, HR Sub-committee, Procurement Sub-committee

Qualifications & Experience

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

Other Appointments

- ▶ Partner – DHP Munaweera & Company, Chartered Accountants

Mr. Indraka Liyanage

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

Secretary of AAT

Chairman – Membership Committee

Qualifications & Experience

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

Other Appointments

- ▶ Head of Risk Management - Siyapatha Finance PLC
- ▶ President - CEMBA/CEMPA Alumini Association
- ▶ Assistant Secretary to the Council - Sri Lanka Institute of Training & Development
- ▶ Member of the Regional Advisory Group of RIMS for South Asia

<p>Mr. W. P. Russel P. H. Fonseka <i>FMAAT, FCA, B.Sc. (B Ad) Sp. Hons., MBA, FIB(s)</i> Immediate Past President of AAT Alternate Chairman - International Affairs Sub-committee</p>	
<p>Qualifications & Experience</p> <ul style="list-style-type: none"> ▶ Fellow Member of AAT ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka ▶ B.Sc. (Business Administration) Sp. Hons. - University of Sri Jayewardenepura ▶ Master of Business Administration - University of Southern Queensland, Australia ▶ Postgraduate Diploma in Management - Postgraduate Institute of Management, University of Sri Jayewardenepura ▶ Senior Fellow Member of Institute of Bankers of Sri Lanka ▶ Alumni of Harvard Business College, USA 	<p>Other Appointments</p> <ul style="list-style-type: none"> ▶ General Manager – Bank of Ceylon ▶ Director of Merchant Bank of Sri Lanka & Finance PLC ▶ Director and Audit Committee Chairman of Property Development PLC ▶ Director & Audit Committee Chairman of Lanka Clear (Pvt.) Ltd ▶ Director – Transnational Lanka Records Solutions (Pvt.) Ltd ▶ Director – Sri Lanka Accounting and Auditing Standards Monitoring Board

<p>Dr. Chamara Bandara <i>FMAAT, FCA, FCMA, MBA, PhD</i> Council Member of AAT Chairman – Strategic Plan Sub-committee, Public Seminars & Professional Development Committee, SME Committee</p>	
<p>Qualifications & Experience</p> <ul style="list-style-type: none"> ▶ Fellow Member of AAT ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka ▶ Fellow Member of the Certified Management Accountants of Sri Lanka ▶ Member of the Institute of Chartered Accountants of England and Wales ▶ Master of Business Administration – University of Southern Queensland, Australia ▶ Ph.D (Business/Management) Management & Science University, Malaysia 	<p>Other Appointments</p> <ul style="list-style-type: none"> ▶ Chief Executive Officer – Corporate Doctors (Pvt) Ltd ▶ Founder/Managing Partner SCB Corporate - Chartered Accountants

<p>Ms. Chamila Cooray <i>FMAAT, FCA, FCMA (UK), FCMA, FCPM, CPA (Aus), B.Sc (Acc) 1st Class Hons., MBA</i> Council Member of AAT Chairperson – Conference Committee</p>	
<p>Qualifications & Experience</p> <ul style="list-style-type: none"> ▶ Fellow Member of AAT ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka ▶ Fellow Member of Chartered Management Accountants (UK) ▶ Fellow Member of Certified Management Accountants Sri Lanka ▶ Fellow Member of Chartered Professional Managers Sri Lanka ▶ Full Member of Certified Practising Accountants of Australia ▶ B.Sc (Accounting) Sp. 1st Class (Hon.) - University of Sri Jayewardenepura ▶ MBA – University of Colombo 	<p>Other Appointments</p> <ul style="list-style-type: none"> ▶ General Manager Operations – WNS Global Service (Pvt) Ltd ▶ Non Executive Director – State Mortgage and Investment Bank ▶ Council Member - Sri Lanka Institute of Advanced Technical Education, Ministry of Higher Education, Technology and Innovation ▶ Vice Chairperson – SAFA Women Leadership Committee

INTRODUCTION TO OUR GOVERNING COUNCIL

Mr. Thilak Dharmarathne

FMAAT, MBA, CBA, ACPM, EDBA

Council Member of AAT

Chairman – Members Welfare Committee

Qualifications & Experience

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

Other Appointments

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

Dr. Damith Gangodawilage

FMAAT, DBA (Kelaniya), MBA (USQ), PGD (BFA), HNDA, EDAF, FTII, CTA, ACPA, ACPM, MIPA (Aus), AFA (UK)

Council Member of AAT

Chairman – Business School Committee

Qualifications & Experience

- ▶ Fellow Member of AAT
- ▶ Doctor of Business Administration (Entrepreneurship and Compliance Management) (University of Kelaniya)
- ▶ Master of Business Administration - University of Southern Queensland, Australia
- ▶ Post Graduate Diploma in Business and Financial Administration - Institute of Chartered Accountants of Sri Lanka
- ▶ Higher National Diploma in Accountancy – Sri Lanka Institute of Advanced Technological Education
- ▶ Executive Diploma in Accounting and Finance - Institute of Chartered Accountants of Sri Lanka
- ▶ Fellow Member of Sri Lanka Institute of Taxation
- ▶ Certified Tax Advisor
- ▶ Associate Member of the Institute of Certified Public Accountants (Pakistan)
- ▶ Associate Member of Institute of Certified Professional Managers
- ▶ Member of the Institute of Public Accountants, Australia
- ▶ Associate Member of the Institute of Financial Accountants, United Kingdom

Other Appointments

- ▶ Senior Lecturer – Head of the Department – Accounting & Finance, Faculty of Business Studies and Head – Center for Entrepreneurship Development, SLTC Research University
- ▶ Founder & Director - Taxperts Lanka (Pvt.) Ltd
- ▶ Founder & Director - Corporate Business Solutions (Pvt.) Ltd

<p>Mr. Lahiru Jayasinghe <i>FCA, MBA (PIM), BSc. Bus Admin (sp), ACIM, ACMA, ACPM, CLSSBB</i> Council Member of AAT Chairman – Student Promotion & Brand Marketing Committee</p>	
<p>Qualifications & Experience</p> <ul style="list-style-type: none"> ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka ▶ Master of Business Administration - Postgraduate Institute of Management, University of Sri Jaywardenepura ▶ B.Sc. (Business Administration) (Sp). - University of Sri Jaywardenepura ▶ Associate Member of the Chartered Institution of Marketing of UK ▶ Associate Member of the Institute of Certified Management Accountants of Sri Lanka ▶ Associate Member of Institute of Chartered Professional Managers ▶ Certified lean six sigma black belt 	<p>Other Appointments</p> <ul style="list-style-type: none"> ▶ Chief Operating Officer – St. Anthony's Industries Group (Pvt.) Ltd ▶ Executive Director - St Anthony's Interior Solution (Pvt.) Ltd ▶ Non-Executive Director/Audit Committee Chairman - Sanasa General Insurance (Pvt.) Ltd
<p>Mr. P. D. Wasantha Kumara <i>SAT, M.A (Econ), B. Com (Acc) Sp. (USJ), CBA (CASL), HNDA</i> Council Member of AAT Chairman – Public Sector Co-ordination Committee</p>	
<p>Qualifications & Experience</p> <ul style="list-style-type: none"> ▶ Senior Member of AAT ▶ Master of Art (Economics) – University of Kelaniya ▶ Bachelor of Commerce (Accounting) Spl. - University of Sri Jaywardenepura ▶ Certified Business Accountant of Institute of Chartered Accountants of Sri Lanka ▶ HNDA – Advance Technological Institute of SL 	<p>Other Appointments</p> <ul style="list-style-type: none"> ▶ Senior Tax Officer – Provincial Revenue Department (W.P.)
<p>Mr. Heshana Kuruppu <i>FCA, MBA, PIM, MA (Econ), B.Sc. (Acc) Sp. (USJ), ACMA</i> Council Member of AAT</p>	
<p>Qualifications & Experience</p> <ul style="list-style-type: none"> ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka ▶ Master of Business Administration in Banking and Finance, Postgraduate Institute of Management, University of Sri Jaywardenepura ▶ Master of Art (Financial Economics) - University of Colombo ▶ B.Sc (Accounting) Sp. 1st Class (Hon.) - University of Sri Jaywardenepura ▶ Associate Member of the Certified Management Accountants of Sri Lanka 	<p>Other Appointments</p> <ul style="list-style-type: none"> ▶ Vice President – South Asian Federation of Accountants ▶ Vice President of CA Sri Lanka ▶ Group Finance Director – David Peiris Holdings (Pvt.) Ltd ▶ Member – SAFA Professional Accountants in Business Committee (PAIB) ▶ Member of the Committee to Study Fiscal Regimes and other Statutory Requirements of Business in SAARC Countries

INTRODUCTION TO OUR GOVERNING COUNCIL

Ms. F. S. Naayila Marikkar

FMAAT, FCA

Council Member of AAT

Chairperson – Audit, Compliance and Risk Management Committee, Examinations Committee

Qualifications & Experience

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

Other Appointments

- ▶ Director - KPMG Cayman Island Delivery Centre

Mr. B. Kapila K. Ranasinghe

FMAAT, FCA, FSCMA

Council Member of AAT

Chairman – Education & Training Committee

Qualifications & Experience

- ▶ Fellow Member of AAT
- ▶ Fellow Member of the Institute of Chartered Accountants of Sri Lanka
- ▶ Fellow Senior Member of the Certified Management Accountants of Sri Lanka

Other Appointments

- ▶ Partner - Ranasinghe & Co, Chartered Accountants

Mr. Sunil Wanigabadu

FMAAT, CPA, FCPM

Council Member of AAT

Chairman – Best Annual Report Competition Committee, Act of Incorporation Committee

Qualifications & Experience

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

Other Appointments

- ▶ Proprietor of Wanigabadu & Co.

Ms. G. M. Iresha U. Bandara

FMAAT, MFE, ACA, ACMA

Council Member of AAT

Alternate Chairperson – Audit, Compliance and Risk Management Committee

Qualifications & Experience

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

Other Appointments

- ▶ Director – Department of State Accountants, Ministry of Finance

Ms. Neelamani Malawiarachchi

BA, PGD in Edu, PGD in Mgt.

Council Member of AAT

Alternate Chairperson – Best Annual Report Competition Committee, Act of Incorporation Committee

Qualifications & Experience

- ▶ Bachelor of Arts - University of Colombo
- ▶ Postgraduate Diploma in Education - University of Colombo
- ▶ Postgraduate Diploma in Management - National Institute of Education

Other Appointments

- ▶ Additional Secretary and Director of Education - Commerce & Business Studies Branch, Ministry of Education

MANAGEMENT TEAM



▶ Ms. N. Monika Ranasinghe

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

▶ Mr. Tishanga Kumarasinghe

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



▶ Ms. Nimali Ekanayake

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

▶ Ms. S.A. Nadee Perera

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



MANAGEMENT TEAM



▶ Mr. Sachith Karunarathna

- ▶ *MBA (UOC), BBA (MKT) Sp (UOC)*
Dip. M.ACIM, MSLIM
Head of Business School



▶ Ms. B.R. Lilani Thanuja

- ▶ *FMAAT, MBA (sp) Finance*
(Cardiff – UK), FCA,
FCMA
Head of Examinations



▶ Ms. Saluja Herath

- ▶ *BBA (HRM) Sp (UOC), PQHRM, L.L. Dip*
Head of Human Resources &
Administration



▶ Mr. Dinuka Subapanditha

- ▶ *Higher National Dip. In IT Management,*
Dip. In Marketing
Head of Marketing



▶ Mr. Chandra Sri Thilakarathna

- ▶ *MBA (USJ), B.Sc. (NUI) PMP*
Head of IT



► Ms. Aajani Fernando

- *B.Sc Acc (USJ), Dip. in IT, CIMA (UK) - Passed Finalist*
Manager Education & Training



► Ms. Rangika Rodrigo

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

► Mr. Henry Thalagala

Senior Manager - Examinations



► Mr. Chamil Moragodaarachchi

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



► Ms. Peumika Weerathna

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

MANAGEMENT TEAM



▶ Ms. Nilakshi Liyanage

- ▶ *BBA (Fin)Sp. (UOC), Adv. Dip. In CIMA (UK)*
Manager – Examinations

▶ Ms. Nirosinee Ratnayake

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



▶ Mr. Lasantha Perera

- ▶ *AMBCS*
Assistant Manager - IT



▶ Ms. Shehani De Zoysa

- ▶ *ACA, BBA (Accounting) Sp. (UOC)*
Financial Accountant



▶ Mr. N. M. N. Pradeep Kumara

- ▶ *B.Sc. (Mkt) Sp. Hons. (SUSL)*
Assistant Manager - Education & Training



PAST PRESIDENTS



▶ **Prof. Lakshman R. Watawala**
▶ (Founder President) 1987 - 1999



▶ **Mr. Reyaz Mihular**
▶ 2000 - 2003



▶ **Mr. Asoka Jayasinghe**
▶ 2004 - 2005



▶ **Mr. Lal Nanayakkara**
▶ 2006 - 2007



▶ **Mr. H. M. Hennayake Bandara**
▶ 2008 - 2009



▶ **Mr. T. Dharmarajah**
▶ 2010 - 2011



▶ **Mr. Ganaka Amarasinghe**
▶ 2012 - 2013



▶ **Mr. Lalith T. Fernando**
▶ 2014 - 2015



▶ **Mr. J. M. U. B. Jayasekera**
▶ 2016 - 2017



▶ **Mr. M. J. Magdon Ismail**
▶ 2018 - 2019



▶ **Mr. W. P. Russel P. H. Fonseka**
▶ 2020 - 2021

MANAGEMENT DISCUSSION AND ANALYSIS



INSPIRING THE NEXTGEN

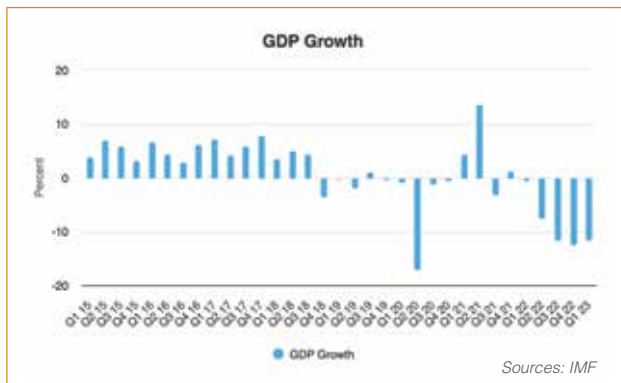
Books have been important for centuries. Before computers, manual bookkeeping was done through handwritten spreadsheets and paper ledgers stored in filing cabinets.



OPERATING ENVIRONMENT

GLOBAL OUTLOOK

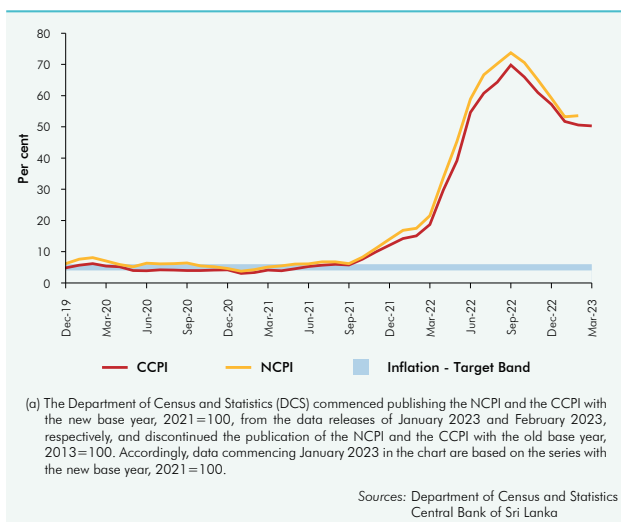
The International Monetary Fund revealed in its report that the global economy contracted from 6.0% in 2021 to 3.2% in 2022. This less than desirable growth was due to a series of interconnected factors including supply chain disruptions, volatile financial markets, as well as the economic repercussions of Russia's war on Ukraine. In this context, inflation predictions rose from 2.7% in 2021 to 3.2% and then to 8.8% in 2022, triggering a cost-of-living crisis. In this backdrop, tight monetary conditions prevailed, creating further difficulties related to financial and debt stability.



THE ECONOMIC SETTING IN SRI LANKA

Amidst such a challenging global environment, Sri Lanka faced an unprecedented, dire economic and social crisis stemming from the financial crisis. In the aftermath of the loss of access to global financial markets in 2020 following a credit downgrading, Sri Lanka serviced external debt and paid for imports relying on official reserves and assistance from the banking sector. This led to the official reserves

Figure 1.5
Headline Inflation (Year-on-Year) (a)



declining from US\$7.6 Bn in 2019 to less than US\$400 Mn by June 2022, with the exception of a currency swap equivalent to US\$1.5 Bn with China. As a result, the country's economy slumped creating a crisis including fuel shortages which led to mobility challenges. The real economy contracted, reversing the post-pandemic revival in 2021.

Inflation based on the National Consumer Price Index stood at 53.20 as at January 2023. High inflation, and particularly food price inflation, fuel shortages, import restrictions and business growth decreases amidst fiscal woes negatively impacted the general public's well-being. Meanwhile, the Sri Lankan rupee depreciated from 200 to 360 against the US Dollar in 2022 mainly due to the balance of payment crisis. Interest rates increased to 30% in this context in 2022.

EVOLVING LEARNING REALM

The education activities underwent an unprecedented crisis with examination delays as well as financial and logistical concerns impacting students. The intermittent disruptions to academic activities during the past few years created learning losses. Meanwhile, inequalities in education persisted, impacting children from underprivileged backgrounds.

In early 2022 educational activities suffered further interruptions in the wake of the fuel crisis and transport issues. While schools, universities and education institutes shifted to online platforms for content delivery, even this was severely affected by power supply shortages.

Even though education activities resumed in the second half of the year, the adverse impact of learning opportunity losses will have far reaching concerns. The latest data released indicate that school dropouts in the primary sector increased to 9,269 from 8,834 in 2019. It is highly probable that the number of school dropouts will have increased even further by the year 2022. This is due to many vulnerable households choosing to reduce their education-related expenses as a means of coping with the ongoing economic distress. In the midst of financial hardships faced by households in 2022, children from low-income households encountered additional challenges due to shortages of stationery and school supplies. The soaring prices of these items, caused by galloping inflation, only exacerbated the situation.

As such challenges can have a considerable impact on the future generation and their ability to pursue quality higher education. The authorities need to look into innovative approaches to fill the gap between education delivery and the requirements of the future. The below figure depicts a look at the current primary and secondary education system in Sri Lanka.

Meanwhile, the higher education sector adopted a hybrid approach to continue meeting academic targets for the year. While the country's free education model allows a sector

Table 3.11
Salient Features of General Education

Item	2021 (a)	2022 (b)
1. Schools (No.)	11,088	11,082
Government Schools	10,146	10,134
Primary	3,893	3,883
Secondary	6,253	6,251
o/w National Schools	396	396
Other Schools	942	948
Privena	819	823
Private and Special Schools (c)	123	125
2. Students (No.) (d)	4,260,466	4,236,207
Government Schools	4,048,937	4,024,207
Other Schools	211,529	212,000
Privena	70,310	70,500
Private and Special Schools (c)	141,219	141,500
International Schools	n.a.	n.a.
3. Teachers (No.) (d)	256,676	n.a.
Government Schools	241,054	n.a.
Other Schools	15,622	n.a.
Privena	7,347	n.a.
Private and Special Schools (c)	8,275	n.a.
International Schools	n.a.	n.a.
4. New Admissions (No.) (e)	304,105	301,519
5. Student/Teacher Ratio		
Government Schools	17	n.a.
Other Schools	14	n.a.
International Schools	n.a.	n.a.
6. Primary Net Enrolment Ratio (Grade 1-5)	n.a.	n.a.
7. Secondary Net Enrolment Ratio (Grade 6-11)	n.a.	n.a.
8. Age Specific Enrolment Ratio (Grade 1-9)	n.a.	n.a.
9. Teacher Training Colleges (No.)	8	8
10. Teachers Trained during the Year (No.)	n.a.	n.a.
11. National Colleges of Education (No.)	19	19
Teacher Trainees (No.)	n.a.	n.a.
Number Passed Out during the Year	n.a.	n.a.

(a) Revised
(b) Provisional
(c) Private schools approved by the Government and schools for children with special needs (This figure excludes international schools, which are registered under the Companies Act)
(d) Excluding data from international schools
(e) Government schools only

of the students to enjoy tertiary education free of charge, the resources are not sufficient to allow a larger section of society to benefit. The above depictions illustrate the current higher education ecosystem in Sri Lanka.

The Technical and Vocational Education and Training (TVET) sector played a pivotal role in the higher education sector in the country in 2022. As at the end of 2022, there were 1,136 registered institutions in the TVET sector, comprising of 526 public institutions and 610 non-government sector institutions. While these institutes offer 3,043 accredited TVET courses covering various technical and vocational spheres, the number of students who received National Vocational Qualification (NVQ) certificates during the year under review stood at 117,954.

Table 3.12
Salient Features of University Education (a)

Item	2021 (b)	2022 (c)
1. Universities (No.)	17	17
2. Other Higher Educational Institutions (No.)	19	19
3. Students (Undergraduates) (No.) (d)		
Universities (e)	119,068	128,638
Institutes	3,611	3,712
Open University	28,824	28,591
4. Total Staff (All Universities) (No.)		
Academic	7,004	7,204
Non-Academic	13,164	13,150
5. Student/Teacher Ratio	19.4	20.2
6. Age Specific Undergraduate Enrolment Ratio (18-22 yrs) (d)	8.9	9.3
7. Progression to University from GCE (A/L)		
Eligible for University Admission (%)	62.47	62.89
Admission as a Percentage of Eligible (%)	22.58	n.a.
8. Students Graduated (No.) (f)		
Basic Degree	36,012	n.a.
Postgraduate Degree	25,890	n.a.
10,122		n.a.
9. New Admissions for Basic Degrees (No.) (g)	43,927	n.a.
10. Students Eligible to be Admitted to Universities (No.)	194,366	171,497

(a) Universities and higher education institutions that come under the purview of University Grants Commission
(b) Revised
(c) Provisional
(d) Excluding external degree courses
(e) Excluding Open University
(f) Including external degrees and Open University
(g) Excluding external degrees and Open University

Private higher education institutes, professional qualification awarding bodies such as AAT as well as TVETs relied on a hybrid model to continue education activities in response to logistical and financial challenges.

The inevitable changes that took place during the past few years, in particularly 2022 signal the requirement for exploring innovative pathways of education, while the opportunities available in obtaining professional qualifications and alternative higher education pathways bode well for a more progressive future if managed in a prudent, far-seeing manner.

Sources cited: The World Bank, International Monetary Fund, Central Bank of Sri Lanka

OPERATING ENVIRONMENT

FUTURE OUTLOOK

The prevailing political instability, hyperinflation, and rising cost of living have resulted in significant socioeconomic challenges for AAT Sri Lanka. These challenges have seriously undermined the growth prospects and financial stability of our institution. In the current economic climate, we face the daunting task of attracting and retaining students as disposable incomes dwindle.

Furthermore, the changing G.C.E. Ordinary Level and G.C.E. Advanced Level examination calendar have further complicated our ability to attract and retain students. Despite these challenges, we remain committed to providing high-quality education and training to our students.

We recognise that these challenges are not unique to AAT Sri Lanka and are affecting institutions across the country. However, we remain confident in our ability to overcome these challenges and continue to provide our students with the education and training they need to succeed in today's competitive job market.

STAKEHOLDER ENGAGEMENT

We identify and categorise stakeholders based on their impact on our value-creation process. As an education provider with our strategic impetus set on becoming part of shaping the education sector in Sri Lanka for the digital age, we actively work towards engaging our stakeholders and obtaining their perspective and input in our growth strategy to ensure viable value creation. In pursuit of this, we rely on a comprehensive stakeholder engagement process that includes meaningful engagement.

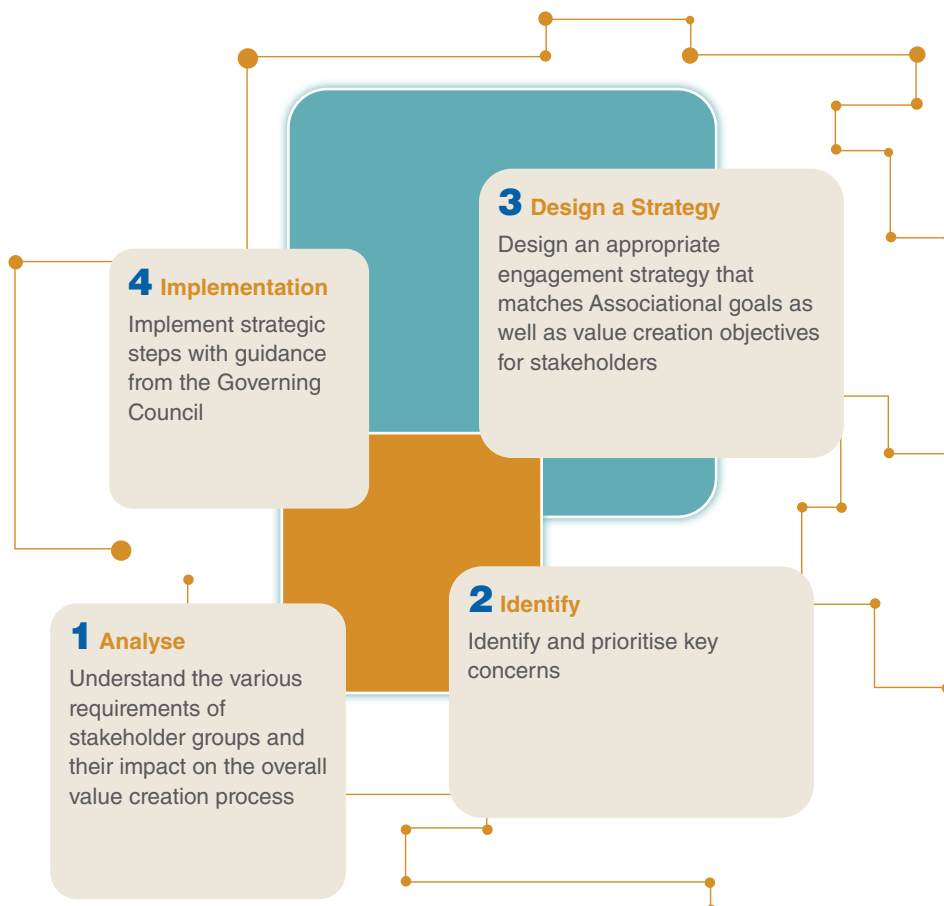
OUR STAKEHOLDER ENGAGEMENT PROCESS

We use a multitude of traditional and digital communication channels to engage with our stakeholder groups. As we strive to balance their interlinked concerns, we ensure that all our communication efforts remain transparent, honest and purposeful. We provide timely information to all stakeholders to allow them to make informed decisions with regard to their involvement with AAT Sri Lanka. In this endeavour, we have created a culture of fair and open information sharing.

While we proactively acknowledge and address different stakeholder concerns, we also remain inclusive at all times.

Our stakeholder engagement process hinges on a deliberate step-by-step process, crafted to foster robust engagement that leads to progressive outcomes.

The below illustration depicts our stakeholder engagement process:



STAKEHOLDER ENGAGEMENT

The below illustration depicts our stakeholder groups, our goals for each group, and the way in which we engage them in our value-creation process.

STUDENTS

Relationship Goals	Create opportunities for academic and career progress, and prepare them for the future
Relationship Value ●	Engagement Level ●
Key concerns	Our response
Recognition and employment prospects	<ul style="list-style-type: none"> ▲ Obtain 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 inflationary impact to student. The fee structure remained affordable, while e-study texts were made available online at concessionary rates ▲ Past papers, suggested answers, pilot papers and examiners' comments on low performance areas are available to refer / download free of charge from AAT official website
Knowledge enhancement & personal development	<ul style="list-style-type: none"> ▲ Periodical updates to the curriculum and digitalization drive ▲ Study texts, pilot papers, past papers, suggested answers, examiners' comments on low performance areas and other publications are made available ▲ Trilingual official website ▲ Webinars in all 3 languages
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"> ▲ 121 AECs ▲ Webinars and access to content and guidance on digital platforms
Guidance on academic and career development	<ul style="list-style-type: none"> ▲ Dedicated student service unit ▲ A comprehensive student guide
Convenient access to AAT services	<ul style="list-style-type: none"> ▲ Branch network of 7 covering the nation ▲ Online payment and online student registration process ▲ Study text couriering process ▲ E-study text and E-admission process
Training and job placement	<ul style="list-style-type: none"> ▲ Job bank and access to employers

● High ● Medium

PASSED FINALISTS

Goals	Conversion into members and continue mutually beneficial relationships
Relationship Value ●	Engagement Level ●
Key concerns	Our response
Benefits of membership	<ul style="list-style-type: none"> ▲ Networking and knowledge enhancement opportunities ▲ Negotiated /discounted offers from banks, lifestyle stores, hospitals etc
Recognition for the qualification	▲ Exemptions from number of Accounting bodies and Universities
Special schemes to obtain membership	▲ 4 year service scheme for membership
Employment opportunities	▲ 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	▲ Workshops and seminars
Higher education pathways	▲ AAT Business School courses including a Higher Diploma and Degree pathways
Networking opportunities	▲ Achievers club and events for Achievers

MEMBERS

Goals	Sustained, impactful relationships
Relationship Value ●	Engagement Level ●
Key concerns	Our response
Opportunities for professional development	<ul style="list-style-type: none"> ▲ Reciprocal arrangements with other professional bodies and universities for exemptions and memberships ▲ Business school programmes ▲ InSearch magazine
Increased employability of members	<ul style="list-style-type: none"> ▲ Opportunity to serve as members in AAT committees ▲ Job bank, forums with employers and training partners
Opportunities for networking and knowledge sharing	▲ Annual conferences and webinars
Continuous Professional Development (CPD)	▲ Seminars, webinars, workshops & other CPD activities
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	▲ Negotiated / discount offers from banks, lifestyle 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 ▲ Feedbacks 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 the Governing Council ▲ Opportunities to join as marking examiner and member supervisors of AAT examinations
Developing leadership skills	▲ AAT Toastmasters Club

● High ● Medium

STAKEHOLDER ENGAGEMENT

ACCREDITED EDUCATION CENTRES

Goals	Collaboration and Value creation
Relationship Value ●	Engagement Level ●
Key concerns	Our response
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
Improving online education delivery	▲ Providing guidance and facilitating knowledge seeking
Reliable contact point	▲ AEC coordination officers at the head office and branches
Recognition / Appreciation	▲ Concept developed for the same

EMPLOYERS

Goals	Creating a job market for AAT students and members and providing organizations with skilled, qualified employees
Relationship Value ●	Engagement Level ●
Key concerns	Our response
Access to talented, qualified accounting professionals	<ul style="list-style-type: none"> ▲ AAT job bank ▲ AAT job fairs
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	▲ Periodical upgrading of the curriculum
Recognition for employers	▲ Affiliated Training Partner programme

ACCOUNTING BODIES AND UNIVERSITIES

Goals	Collaboration, partnerships and consultation on common interests
Relationship Value ●	Engagement Level ●
Key concerns	Our response
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	▲ Reciprocal arrangements and knowledge enhancement
Adherence to agreed obligations	▲ Regular review of IFAC Statements of member obligations
Knowledge sharing	▲ Meetings and regular communication

● High ● Medium

EMPLOYEES

Goals	Retain talent, develop individual employees and meet organization goals through robust engagement
Relationship Value ●	Engagement Level ●
Key concerns	Our response
Ample remuneration	▲ Periodical increments and bonuses in line with industry standards
Opportunities for professional development	▲ Career progression opportunities ▲ Training and Development
Rewards and recognition	▲ Performance appraisal ▲ Incentives and promotions
A positive work environment	▲ Effective conflict resolution ▲ Work place health, safety and grievance handling policy
Welfare	▲ Staff welfare committee activities

GOVERNMENT AND REGULATORS

Goals	Regulatory compliance and collaboration on developing the education sector
Relationship Value ●	Engagement Level ●
Key concerns	Our response
Compliance and good governance	▲ Strict compliance with laws and regulations ▲ Voluntary adoption of code of good governance ▲ Strong governance framework
Timely remittances of statutory payments and returns	▲ Adherence to statutory deadlines which are monitored on a monthly basis
Contribution to developing the SME sector	▲ Student and member skills and knowledge development ▲ Periodical upgrading of the curriculum in tandem with industry trends ▲ Provision of technical support ▲ Entrepreneurship promotion ▲ Contributing towards policy discussions pertaining to the profession and its continuous growth
Prevention of corruption	▲ Transparent processes for all transactions

● High ● Medium

Our stakeholder engagement process utilizes various channels of communication. Each stakeholder group requires a unique combination of communication tools to achieve the desired, impactful engagement objectives. At all times, AAT Sri Lanka prioritizes transparency and inclusivity.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT METHODS

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

STAKEHOLDER ENGAGEMENT EVENTS

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






MATERIALITY ASSESSMENT

MATERIALITY

AAT Sri Lanka's approach to materiality pivots on our value creation process for all stakeholders in the long, medium and short term. This is connected to our overall strategy and our economic, social and environmental impact as well as our commitment to UN Sustainable Development Goals (SDGs). Overall, our materiality focus covers four core priorities.













- Sustainable growth
- Digitalization
- Creating robust economic and social impact
- Developing our intellectual, human and 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	Core priority	Impacting stakeholder groups	Opportunities for value creation	Importance to stakeholders / association	Materiality compared to last year	Relevance to strategy	Relevant SDG	GRI Impact
Employability	<ul style="list-style-type: none"> ● Create brand value and stakeholder enrichment. ● Contribute to educational reforms that would steer economic progress in line with evolving social and market dynamics ● Creating financial sustainability and operational continuity to create value for all stakeholders 	Members Students Passed Finalists	Stronger partnerships with corporates Competency development programmes with AAT Business School	High	No change	Members Students Transform		Social
Financial Stability	<ul style="list-style-type: none"> ● Creating financial sustainability and operational continuity to create value for all stakeholders ● 	All stakeholders	Adopting prudent financial tools Financial risk management	High	No change	Team	 	Economic
Process Excellence	<ul style="list-style-type: none"> ● Improve organizational processes and knowledge delivery 	All stakeholders	Training and development	High	No change	Team		Social
Ethics and transparency	<ul style="list-style-type: none"> ● Improving organizational culture 	All stakeholders	Improved transparency Corporate Governance	Medium	No change	Team		Social

MATERIALITY ASSESSMENT

Material Theme	Core priority	Impacting stakeholder groups	Opportunities for value creation	Importance to stakeholders / association	Materiality compared to last year	Relevance to strategy	Relevant SDG	GRI Impact
Creating opportunities for growth	Nurturing partnership with professional entities and educational institutes	Students	Networking events	High	No change	Transform		Social
		Passed Finalists Members	Alliances and agreements Degree programs					
IT Platform	Improved digitalization and online delivery of knowledge to improve accessibility to a larger audience	Students	Tri-lingual online platforms	Medium	Increased	Transform		Economics
		Passed Finalists Members	App development to increase engagement					
Opportunities for Networking	Nurturing engagement	All stakeholders	Alliances and partnership Engagement activities / events	High	No change	Members Students Team		Social
		All stakeholders	Online training Partnering with other organizations for training	Medium	No change	Team		Social
Staff Training and Development	Improving intellectual capital, employee satisfaction and growth							

Material Theme	Core priority	Impacting stakeholder groups	Opportunities for value creation	Importance to stakeholders / association	Materiality compared to last year	Relevance to strategy	Relevant SDG	GRI Impact
Ensuring the delivery quality of AECs and Knowledge Sharing with them 	Creating brand value	Students AECs	Providing guidance through webinars and seminars	High	No change	Students	 	Social
Community Engagement 	Creating brand value	All stakeholders	Expanding CSR projects in the education sector	High	No change	Brand		Social
International Recognition 	Creating brand value and enriching member experience	All stakeholders	Stronger ties with international accounting bodies	High	No change	Member Students		Social
Economic downturn 	Risk Mitigation	All Stakeholders	Contributing to the financial management and revival of the SME sector	High	Increased	Transform	 	Economics
Environmental impact 	Contribute to national environmental preservation goals	All Stakeholders	Energy and water management Waste management	Medium	No change	Brand		Environmental
Employment and labour practices 	Create a safe and growth conducive workplace	Employees	Develop brand equity through enhancing growth opportunities for employees	Medium	No change	Team		Social

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

ALIGNING WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

AAT Sri Lanka's original core aspiration was to become part of the nation's economic progress through supporting the SME industry with the provision of qualified, skilled accounting professionals. This aspiration evolved over the years. At present, the Association is set to play an impactful role in developing higher education in Sri Lanka in collaboration with industry partners. Thus, AAT Sri Lanka is set to spearhead change waves in both spheres of education and economy in tandem with the United Nations Sustainable Development Goals.

All members of the United Nations have adopted the comprehensive 2030 Agenda for Sustainable Development to aspire for a fairer, equal and progressive society that actively fights to end poverty, injustice, and discrimination and spur sustainable, all-encompassing economic growth.

The recent economic crisis highlighted the inherent value of a fairer society that strives to treat all members with opportunities for growth. As the country continues to slowly recover, AAT Sri Lanka too is looking to create a strategic shift towards greater involvement in education and economic building. In this regard, AAT Sri Lanka and in particular the Business School is ready to incorporate digitalization, and



SUSTAINABLE DEVELOPMENT GOALS

resourcefulness to align better with the SDGs, and create equal opportunities of growth for all sectors of society.

As such, we continue to upgrade our curriculum, incorporate new academic and professional content delivery while also supporting the SME sector in achieving financial stability. Our alignment with SDGs is directly linked to our value creation pursuits and sustainable growth strategies.

1 NO POVERTY



AAT Sri Lanka's core focus in uplifting the SME sector continued in the financial year 2022/23. The Association worked towards increasing the value of our qualifications through obtaining the NVQ 5 qualification to boost employability of our students.

- ▲ Number of organisations recognized AAT qualification for recruitments during the FY 2022/23 - 897
- ▲ Number of new member registrations during FY 2022/23 – 774


3 GOOD HEALTH AND WELL-BEING



All employees of AAT Sri Lanka enjoy medical insurance policies and we conduct health camps to help our people take care of their physical well-being.

- ▲ Comprehensive medical coverage offered to 57 employees


4 QUALITY EDUCATION



Over the years, AAT Sri Lanka has become a trusted entity in accounting education and qualifications in Sri Lanka. We consistently reinforce this position through curriculum upgrades, and more recently through digitalization.

- ▲ Number of passed finalists during FY 2022/23 – 3,866
- ▲ Number of new student registrations during FY 2022/23 – 15,116


5 GENDER EQUALITY



We are proactive in assisting all our employees to aspire for career growth regardless of their gender or orientation. We provide equal training and development opportunities to all employees.

- ▲ Female staff employed – 36
- ▲ Females members of management team - 11
- ▲ Females in the Governing Council – 4
- ▲ Number of females promoted in 2022 - 3


6 CLEAN WATER AND SANITATION



In line with our environmental sustainability goals, we take in-house measures to reduce water consumption, and dispose of wastewater in a responsible manner.

- ▲ Water consumption in FY 2022/23 – 1.38 Mn Litres

7 AFFORDABLE AND CLEAN ENERGY



We have implemented a series of optimal energy usage measures in our office premises.

- ▲ Energy consumption in FY 2022/23 – 182,376 kWh

8 DECENT WORK AND ECONOMIC GROWTH



Our core aspiration of becoming a key player in education reforms, extends to supporting the country's SME sector to reach better financial management.

- ▲ Number of seminars conducted focusing on the SME sector during FY 2022/23 – 17

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We have already started a digitalization process to better manage our resources.

- ▲ Total investment in digital infrastructure – Rs. 17 Mn

10 REDUCED INEQUALITIES



AAT Sri Lanka provides high-quality education at affordable rates, to increase inclusivity in the education sphere.

- ▲ Investment in developing curriculum - Rs. 8 Mn

11 SUSTAINABLE CITIES AND COMMUNITIES



AAT's contribution to the country's SME sector expands into reinforcing economic progress through supporting robust financial management.

- ▲ AAT has formed a separate committee to address all issues relating to the SME sector and has done a number of seminars / webinars focusing on the SME sector.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Our digitalization drive is in part an attempt to minimize the consumption of resources such as paper.

- ▲ In 2022/23, AAT Sri Lanka continued E-study texts, online examination applications and admission issuing process to reduce paper consumption.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



The Association spearheads a non-discriminatory approach in education delivery with content presented in Sinhala, Tamil and English mediums. AAT Sri Lanka is a household name across all regions of the country, providing opportunities for youth across the island sans discrimination based on ethnic or religious bias.

- ▲ Have strengthened public access to information by adding trilingual features to the website.



AAT Sri Lanka consistently forges partnerships with education and professional institutes to create alliances to reach common goals.

- ▲ AAT Sri Lanka has established reciprocal arrangements with 18 professional bodies and universities.

In the coming years, AAT Sri Lanka is geared to make a strategic shift that would create a safe space for youth who wish to pursue progressive education and career paths. We will craft this strategy in line with internationally upheld best practices whilst pursuing innovation, skill development, and sustainable growth, to create lasting value for all our stakeholders in our pursuit to become a contender in shaping a more equal and sustainable world.

CAPITAL MANAGEMENT AND VALUE CREATION

As an education entity that drives change, our value creation process stems from the way in which we utilize and develop our financial, manufactured, social and relationship, human, natural and intellectual capital. In this section of the report, we dissect how we use each capital to achieve short and long-term organizational goals. This section also explores our management approach & performance indicators.



CAPITAL APPROACH TO GROWTH

AAT Sri Lanka is a not-for-profit education institute that plays a vital role in shaping professional education for accountants in Sri Lanka, and promotes the country's growth through supporting the SME sector. AAT Sri Lanka was first created to train mid-level accountants to help facilitate financial management in the SME sector. Over the years, we've fulfilled this role and helped mid-level accountants to become professional and acquire the necessary skills to thrive in their professional lives. In this section, we detail how we use the six capital method to create and preserve value within the framework of our financial, social and environmental impact. We consistently employ an information driven, futuristic approach to managing our capital input and output to create sustainability in our operations.

VALUE CREATION MODEL

Capital Inputs



Value Driver Activities and Outputs



Financial Capital

- ▲ Total Assets - **Rs.1,062 Mn**
- ▲ Accumulated Fund - **Rs.914 Mn**
- ▲ Investments - **Rs.734 Mn**
- ▲ Focus on cost & efficiency



Social and Relationship Capital

- ▲ Strategic alliances with other Professional bodies and Universities
- ▲ Accredited Education Centres (**125**)
- ▲ 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
- ▲ Operational excellence and efficiency
- ▲ Promotions, performance bonus and salary increments
- ▲ Improved productivity



Manufactured Capital

- ▲ Property and Equipment - **Rs.130 Mn**
- ▲ Investment Property - **Rs. 136 Mn**
- ▲ IT & Digital infrastructure – **Rs.4.4 Mn**
- ▲ Branch (**7**) and AEC (**125**) network



Natural Capital

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



Fit for Purpose Qualification

Examination

- ▲ Paper Marking
- ▲ Paper Setting
- ▲ 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

Our Business Process

- Linking Organizational goals with National goals
- Risk Management
- Stakeholder Management
- Business process implementation
- Business Process Monitoring

→ Facilitated By → Output → Outcome

Financial Capital

Prudent financial management and market sensitive investment management

Social and Relationship Capital

Robust partnership management with all stakeholders

Advocacy for educational reforms

Intellectual Capital

Consistent knowledge improvement

Partnerships with education entities for knowledge enhancement

Human Capital

Training and development

Providing assistance during the economic crisis

Timely remuneration increments

Natural Capital

Green initiative implementation

Effective planning and management of our social, economic and environmental value creation.

Becoming a contributing entity to educational reforms at a national level through addressing broader challenges and considering a wider range of stakeholders.

Creating value for students, passed finalists, members, employees, employers and the general public.

Improved efficiencies, prudent risk management practices, creative problem solving.

Financial Capital

- ▲ Growth in Total Asset - **21% (Rs.1,290Mn)**
- ▲ Growth in Accumulated Fund - **14% (Rs.1,039Mn)**
- ▲ Growth in Investments – **30% (Rs.957Mn)**
- ▲ Improved net surplus ratio (**from 31% to 34%**)
- ▲ Taxes – **Rs.37Mn**

Social and Relationship Capital

- ▲ Receiving the **NVQ 5** status for **AAT** qualification
- ▲ Exemptions and better career pathways
- ▲ Partnership for mutual growth
- ▲ Cordial relationship with Accredited Education Centres - **121**
- ▲ CPD programs, welfare and engagement events
- ▲ Growth in active member base (**from 6,184 to 6,750**)
- ▲ Career growth, monitored training and job opportunities
- ▲ Building the talent pool
- ▲ Investment in community engagement – **Rs.28Mn**
- ▲ 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
- ▲ Responsible handling of waste and garbage
- ▲ Waste paper recycled
- ▲ Minimizing the organization's carbon footprint

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

During the year under review, our strategic impetus changed gear to play a more significant role in education reforms that have become imperative in view of societal changes. This change in direction was partly an organic development while we also took a conscious decision based on market insights and stakeholder feedback to implement a long-term plan to become part of driving change.

HOW WE SET THE STRATEGY

The Governing Council is primarily responsible for setting the strategic direction of the Association. The Council crafts a strategic direction every five years based on information and insights gathered to align with the requirements of our stakeholders. The Strategic Plan Subcommittee remains responsible for collaborating with Senior Management of AAT Sri Lanka to implement the plan, while also engaging stakeholders in the process.

The below illustration depicts AAT Sri Lanka's core value proposition to all stakeholders, which drives our strategy.

Prior to strategy formulation, we investigate and analyse our strengths, weaknesses, opportunities and threats to shape a pathway that ushers in sustainability to the Association and all our stakeholders.



The below SWOT analysis depicts the strengths, weaknesses, opportunities and threats that the Association has identified.

 <h3>STRENGTHS</h3> <ul style="list-style-type: none"> ▲ Strong student, PF & member base ▲ Eligibility for exemption / stepping stone to other qualifications ▲ Strong financial stability / Asset base / Head office located in prominent 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 	<h3>WEAKNESSES</h3>  <ul style="list-style-type: none"> ▲ Relatively primitive IT Infrastructure ▲ Absence of Online examinations infrastructure ▲ Inability to manage volumes during the peak period (staff / infrastructure)
<h3>OPPORTUNITIES</h3>  <ul style="list-style-type: none"> ▲ Greater demand for degree programmes by youth ▲ Expansion of the Business School resources/ capacity ▲ Larger pool of Passed Finalists ▲ Increasingly expensive foreign education ▲ Larger market 	<h3>THREATS</h3>  <ul style="list-style-type: none"> ▲ Political instability ▲ The economic crisis ▲ High competition ▲ Non-compliance with study plan by unregistered AECs

This allows us to approach strategy formulation from an information driven perspective. We then create goals as well as action plans, to achieve the relevant objectives to reinforce sustainability of operations, while contributing to the socioeconomic progress of the country.

OUR STRATEGIC GOALS

Goals	Our approach to success	2022/23 delivery	2023/24 targets	SDG Goal alignment
1. Provide more opportunities for students to pursue academic and career growth in line with market demand.	The Governing Council is assisted by the student promotion & brand marketing committee to achieve this goal by engaging in Branding and Promotional activities.	Active student base (Calendar year)		Quality education
We seek to make partnerships and positive social and economic impact.	Effective communication of the value of AAT qualification amongst prospective students, teachers and parents. Usage of social media platforms to spur interest in AAT qualifications. The Education and Training Committee ensures continuous updates in the curriculum as well as monitoring the quality of delivery by AECs, and working on tidying up with other professional bodies and universities for exemptions for AAT qualification.	32,233	33,400	Decent work and economic growth Reduced inequalities Sustainable cities and communities Gender equality

OUR STRATEGY

Goals	Our approach to success	2022/23 delivery	2023/24 targets	SDG Goal alignment
<p>2. Increase the active member base</p> <p>The membership activities that we carry out contribute to the progress of the Association, and add value to our educational offering.</p>	<p>The Membership and Membership Welfare committees of AAT have oversight responsibility for assisting the Governing Council in delivering this goal by enhancing value delivery to members and creating opportunities, fostering leadership and entrepreneurship.</p> <p>Activities to improve recognition of the qualification to encourage passed finalists to become members.</p> <p>Offer enhanced value-added proficiency development and resources through CPD accredited courses, seminars and workshops.</p> <p>Upgrade and maintain ethics</p> <p>Increase networking opportunities</p> <p>The Business school has a major role in conducting continuous professional development activities and offers many courses enhancing techno-managerial competencies.</p>	<p>Active member base</p> <p>6,750</p>	<p>7,000</p>	<p>Quality education</p> <p>Decent work and economic growth</p> <p>Reduced inequalities</p> <p>Sustainable cities and communities</p> <p>Gender equality</p>
<p>3. Brand recognition and strengthening the market position</p> <p>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.</p>	<p>The work of many council committees is linked with this goal.</p> <p>Alliances with strategic partners</p> <p>Enhancing our education delivery</p> <p>Intensify market communication efforts to increase awareness of the relevance of AAT qualifications to employers, entrepreneurs and vocations.</p> <p>Reinstating the Debater TV programme organised by SIRASA TV with AAT Sri Lanka as the main sponsor. The programme facilitates young debaters from schools across the island to reinforce their skills in front of a national audience and engage in professional debating. The programme is part of AAT Sri Lanka's overall strategy to attract the interest of Gen Z youth and, provide such students with the opportunity to improve their academic and professional qualifications with an internationally recognised qualification in the accounting field.</p>	<p>No. of organisations that recognise AAT for recruitment</p> <p>897</p>	<p>987</p>	<p>No poverty</p> <p>Decent work and economic growth</p>

Goals	Our approach to success	2022/23 delivery	2023/24 targets	SDG Goal alignment
4. High-performing team	The Governing Council is assisted in the management of human capital by the HR sub-committee, which seeks to attract, inspire, develop and retain a sufficient talent pipeline facilitating sustainable growth. Training and development Investing in rewards and recognition Enriching a performance driven culture Employee engagement activities	Staff retention rate		Reduced inequalities Decent work and economic growth Good health & well-being Gender equality
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 impact our ability to create sustainable value		81%	84%	
5. Transform value proposition	The Governing Council is assisted in the transformation of the value proposition through the IT Development Committee. Digitalisation IT infrastructure development	No of training opportunities		Quality education No poverty
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		498	510	

DELIVERING STRATEGY

Once crafted, our strategic impetus is put into action through an organizational 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 robust communication channels. Each responsible teams and departments are then set a series of action plans calculated to bring about positive outcomes and achieve set goals.

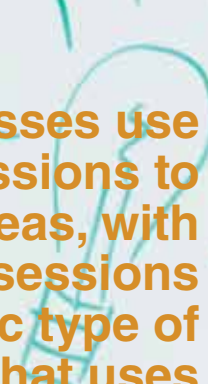
IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN

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.

INSPIRING
THE
NEXTGEN

CAPITAL REPORT



ideas?  Businesses use brainstorming sessions to generate new ideas, with whiteboarding sessions being a specific type of brainstorming that uses a whiteboard to visually represent ideas.



Business Plan:

- Products
- Markets
- Country
- Years
- Costs
- Trends



our strength

FINANCIAL CAPITAL



A not-for-profit education institute and professional qualification awarding body, AAT Sri Lanka relies on managing a robust asset base and cost management to meet financial capital goals which in turn fuel our other capitals. As such, effective management of our financial capital is integral to organization stability and value creation. Such efforts contribute to our overall objective of sustainable growth in line with United Nations sustainability goals.

SUSTAINABLE DEVELOPMENT GOALS - FOCUS AREAS UNDER FINANCIAL CAPITAL

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

Contributing to economic growth through empowering the SME sector with qualified accounting professionals

Increasing employability of students and members

10 REDUCED INEQUALITIES



REDUCED INEQUALITY

Providing internationally accepted, professional qualifications and skills at affordable rates

Enhancing the value of the SME sector in the country through knowledge facilitation



MANAGEMENT APPROACH TO FINANCIAL CAPITAL

Integrity and vision are at the core of our approach to financial capital management. We wish to ensure a stable financial outlook at all times to safeguard the interests of our employees, students and members. We focus on investment management, cost management, risk management and profitability using budgetary control measures. In 2022, the financial crisis further reinforced the necessity to rely on this management approach to maintain profitability whilst protecting our students from additional expenses. As such, we implemented effective cost management tactics and refrained from increasing examinations fees unduly. The combination of budgetary controls and our investment income increase allowed AAT to perform well financially during the year under review.

FINANCIAL PERFORMANCE

AAT's proactive and pragmatic risk mitigation tactics worked in favour of the association, leading to a surplus of Rs.129Mn (FY2021/22 – Rs.98Mn), recording a year-on-year increase of 32%. The Association's income rose by 20% at Rs.382Mn (FY2021/22 - Rs.318Mn) recording the highest ever in the history of AAT Sri Lanka. The Association's interest income for the year was Rs.142Mn (FY2021/22 – Rs.36Mn) recording the highest ever growth at 294%.

Meanwhile, the accumulated fund grew by 14% at Rs.1,039Mn (FY2021/22 – Rs.914Mn). As a not-for-profit education institute, AAT Sri Lanka's financial capital involves accumulated funds including surpluses and deficits generated over the years that is utilised to fund the operations. During the financial year 2022/23, AAT Sri Lanka's investment portfolio grew by 30% while the total asset base rose by 21%, both figures illustrating the highest ever recorded in the history of the Association.

AAT Sri Lanka's liquidity ratio of 3 times indicates the stability of the organisation's robust financial position.

REVENUE

AAT Sri Lanka's bottom line grew by 32% during the financial year under review fuelled by an income generation of Rs.382Mn. Income generated from examination accounted for 56% of the total income which is Rs.213Mn. Student registration and renewal for the year was at Rs.89Mn respectively while education and training income was at Rs.16Mn.

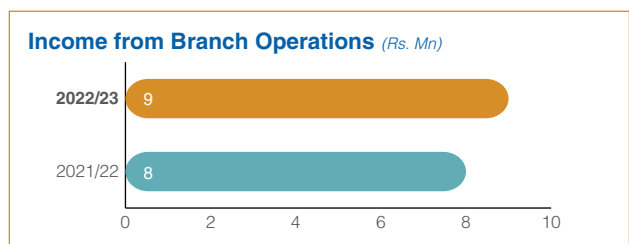
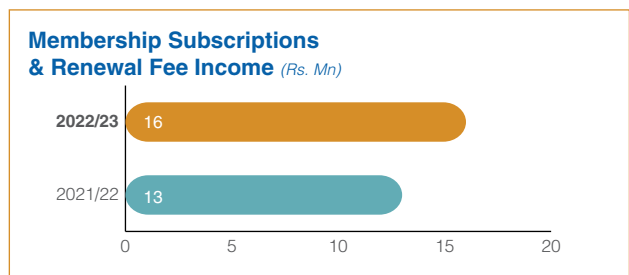
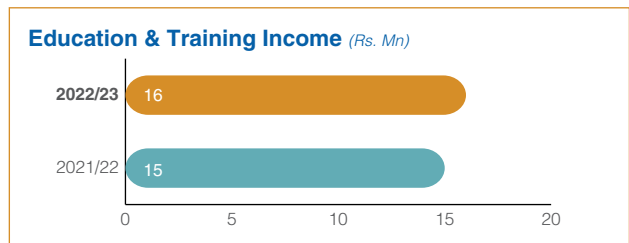
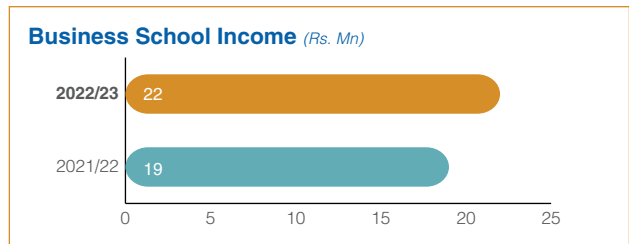
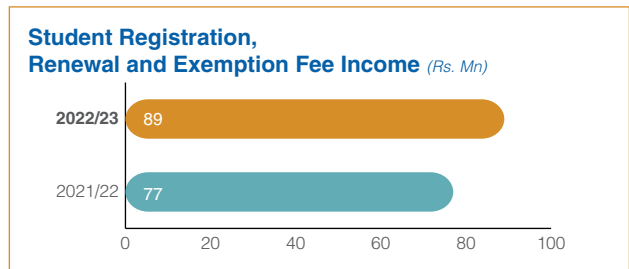
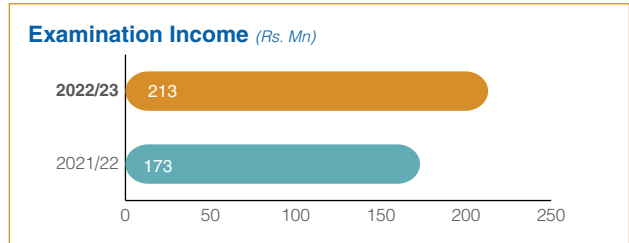
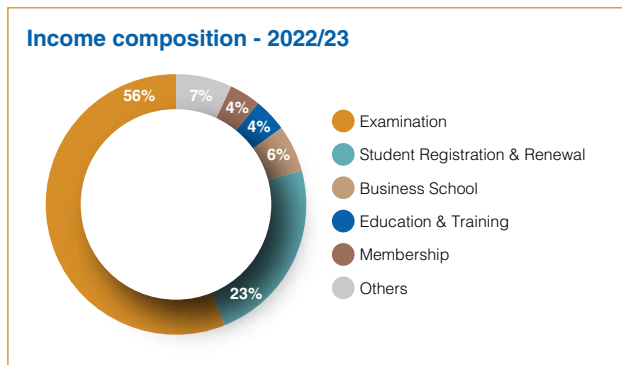
In response to the changing dynamics of the education sector, AAT Sri Lanka intensified outreach to attract more students during the past few years. As a result, student renewals and new registrations surged by 13% during the year 2022. The membership base grew by 9%, recording an income of Rs.16Mn.

AAT business school activities have been on an upward trajectory for the past few years, and as a result, the business school's topline grew by 15% during the year under review, posting Rs.22Mn.

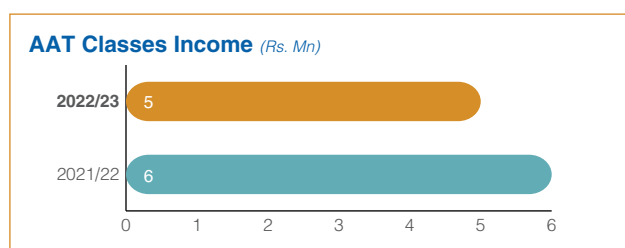
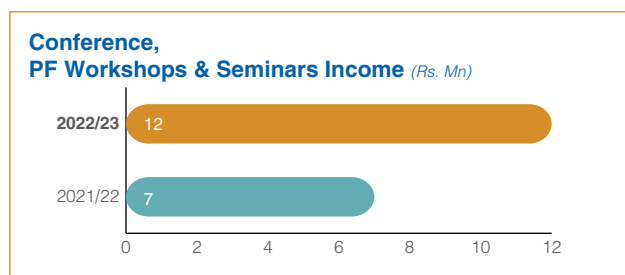
Income generation from examination activities grew by 23%, while student registration and renewal income generation grew by 16%. Education and training income grew by 8%. Income generated from passed finalist workshops grew by 88% at Rs.9Mn. Income from the branch network grew marginally by 7% at Rs.9Mn. Meanwhile, due to inflation cost income generation from AAT classes indicated a drop by 21%.

Meanwhile, there was a decline in the number of students taking part in online classes as the AECs began physical classes. AAT Sri Lanka held four workshops during the year under review where as it was only one workshop and few photo shooting events during the previous financial year.

The below chart illustrates the composition of income generation:



FINANCIAL CAPITAL



GROSS SURPLUS

Financial year 2022/23 closed with Rs.180Mn gross surplus marking the ever highest gross surplus in Association's history (FY2021/22 – Rs.170Mn) which is 47% of sales.

While the Association's income grew by 20%, the gross surplus rose by only 6%. This was due to the introduction of the social security levy on income by the government of Sri Lanka with effect from 1st October 2022, which heavily impacted the cost of services at AAT Sri Lanka.

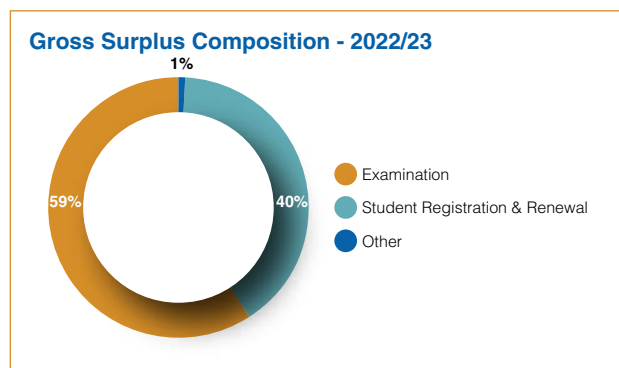
In addition, as an education service provider, AAT Sri Lanka is obliged to post key documents such as student ID cards, examination applications and admission papers. Even though we are on a digitalization drive, the increase in the postage cost by 140% impacted our cost of services.

Membership related costs too soared during the year under review as a result of the increase in physical events when compared to the virtual delivery that took place during the previous year due to logistical difficulties arising from fuel shortages and pandemic restrictions during the early months of 2021.

In spite of the challenging circumstances, the Association supported students in need through the 'Nena Waruna' scholarship program, which in turn contributed to further increasing the cost of services.

Examination activities contributed the highest percentage to gross surplus at Rs.106Mn indicating a contribution of 59%, closely followed by student registration and renewal activities which contributed to 40% of gross surplus at Rs.72Mn. Gross surplus contribution from the business school was Rs.6Mn, and membership earnings contributed Rs.5Mn. The gross surplus contribution from conducting AAT classes was Rs.1Mn.

The below chart depicts the gross surplus contribution:



In spite of the increase in the cost of services, gross surplus generated from examination, student registration and renewal and business school activities grew year-on-year by 18%, 10% and 28%. However, due to external pressure such as hyperinflation and financial instability gross surplus from membership, conducting AAT classes and publication sales and other events illustrated a decline YoY.

SURPLUS AFTER TAX

Prudent financial management and timely investment decisions allowed the association to record an increased surplus after tax of 34% as at the end of the financial period which is 32% year on year growth.

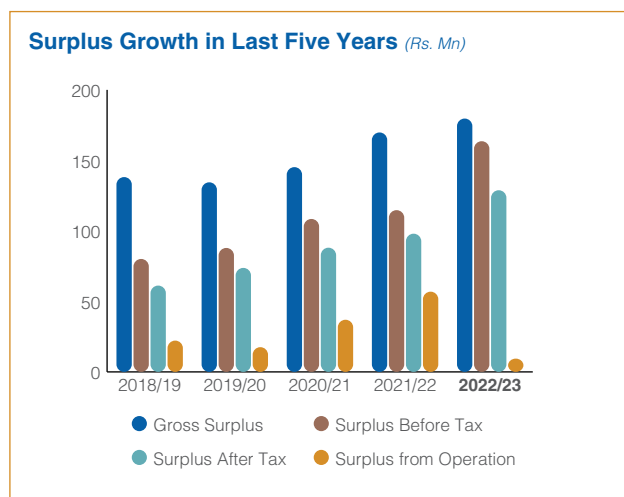
In response to the rapid increase in fixed deposit rates offered by banks, AAT Sri Lanka took the courageous decision to convert the majority of short-term investments into long term investments at higher interest rates, which led to other income growth of 168%.

Meanwhile, administration and establishment costs rose by 28%. This was largely due to the reinstatement of participation in international conferences in line with long-term growth targets, which was on the back burner in 2021 due to the pandemic and economic crisis challenges. In addition, the increase in foreign exchange rates impacted the annual subscription cost for both IFAC and CAPA.

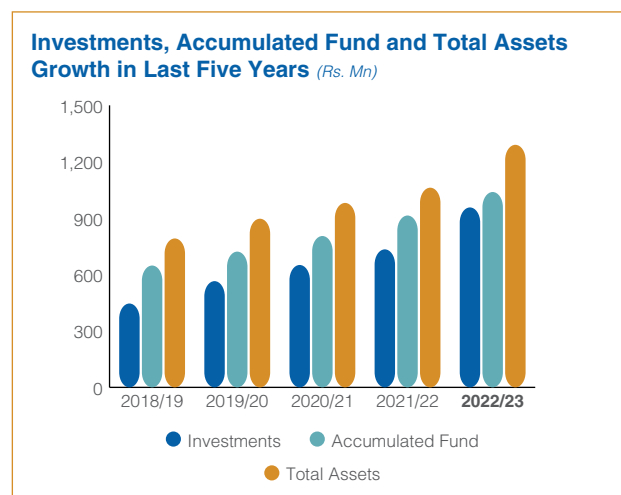
The Association's energy cost rose substantially due to having to resort to renting a diesel-fueled power generator to meet the daily needs during scheduled power cuts that prevailed during the year under review. Moreover, hyperinflation increased the cost of services such as security, cleaning, provision of refreshments, printing and fuel.

Student promotion costs soared (161%) as the association launched season 4 of the Debater program with SIRASA TV with an investment of Rs.27Mn. However, this investment is part of our larger sustainable development ventures, which will increase AAT Sri Lanka's brand image and financial position by attracting a large number of students via the interest and exposure generated through the Debater programme.

Income tax expenses increased in the financial year 2022/23 as a result of the government's decision to increase income tax. AAT Sri Lanka paid an income tax of 30% during the latter part of the financial year, indicating a considerable increase in income tax proportion (108%) when compared to 14% paid during the previous financial year.



In line with the Association's commitment to maintaining a robust financial position, AAT Sri Lanka continues to look into safeguarding and developing financial capital to create more value for all stakeholders including students, members and the larger public. The Association's total assets grew from Rs.1,062Mn in 2021/22 to Rs.1,290Mn during the year under review.



Income Statement	2022/23 (Rs.)	2021/22 (Rs.)	YoY growth
Income	381,957,725	317,828,432	20%
Cost of services	(202,312,634)	(148,043,651)	37%
Gross surplus	179,645,091	169,784,781	6%
Other income	157,691,029	58,760,520	168%
Admin & establishment expenses	(117,861,785)	(92,401,758)	28%
Student promotion expenses	(55,897,516)	(21,453,310)	161%
Income tax	(34,767,508)	(16,696,760)	108%
Surplus after tax	128,809,311	97,993,474	32%

ANALYSIS OF FINANCIAL POSITION

As a not-for-profit organization that invests the surplus back into the association, AAT remains a debt free entity with assets largely funded by the accumulated fund which grew by 14% year-on-year. The organisation's accumulated fund account for 81% of the total assets. AAT Sri Lanka increased focus on investments in the year 2022/23 which resulted in higher income from investments.

THE WAY FORWARD AND CHALLENGES AND STRATEGIES OF MANAGING FINANCIAL CAPITAL

As the country moves on a steady path to recovery, we expect the next few years to present challenges in protecting our financial capital. However, our leadership team relies on a risk averse, proactive approach to protect and grow the Association's accumulated fund and asset base. This strategy will support AAT Sri Lanka in nurturing our Financial Capital to create value in a sustainable manner.

Challenges	Strategies
Interest income volatility amidst a financial crisis	Adopting a viable investment portfolio and comprehending risk factors ahead of time to take mitigating actions.
Decrease in disposable income of potential students	Concentrated marketing efforts to illustrate the far reaching benefits of AAT qualifications for economic progress.

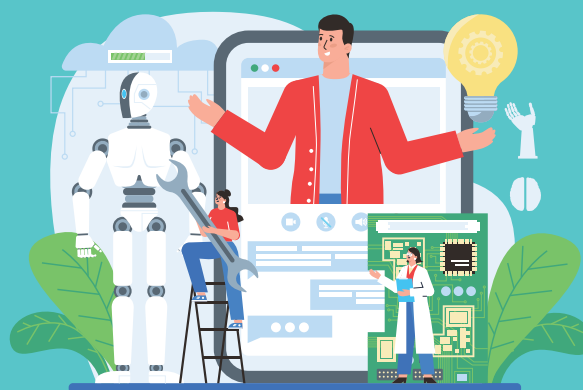
MANUFACTURED CAPITAL



AAT Sri Lanka’s manufactured capital comprises its physical and digital infrastructure that supports its growth and contributes to our social and relationship capital. Our properties, office buildings, and equipment create a safe space for all our stakeholders to benefit from our services as well as the value created.

MANAGEMENT APPROACH TO MANUFACTURED CAPITAL

Our investments in manufactured capital help us enhance the experience of our stakeholders and gain financial capital to create value. AAT Sri Lanka invests in manufactured capital for the purposes of financial stability and to achieve growth targets through relying on ample physical and digital resources and infrastructure.



PERFORMANCE INDICATORS

	Value addition during the FY 2022/23 (Rs.)	Net book values at 31/03/2023 (Rs.)
Composition of Property, Equipment and Intangible Assets		
Building – Head office	-	41,430,121
Building - Maligawatte	-	10,915,577
Office equipment & name board	1,353,900	3,331,214
Furniture & fittings	123,950	1,341,741
Computers & communication equipment	3,681,648	6,339,497
Computer software & website	42,200	2,326,980

SDG FOCUS AREAS UNDER MANUFACTURED CAPITAL

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



INDUSTRY INNOVATION AND INFRASTRUCTURE

We have implemented a far-reaching digitalization drive to prepare our stakeholders, for the next phase of the digital revolution. Our investments in property contribute to our financial capital.

OUR PHYSICAL PRESENCE

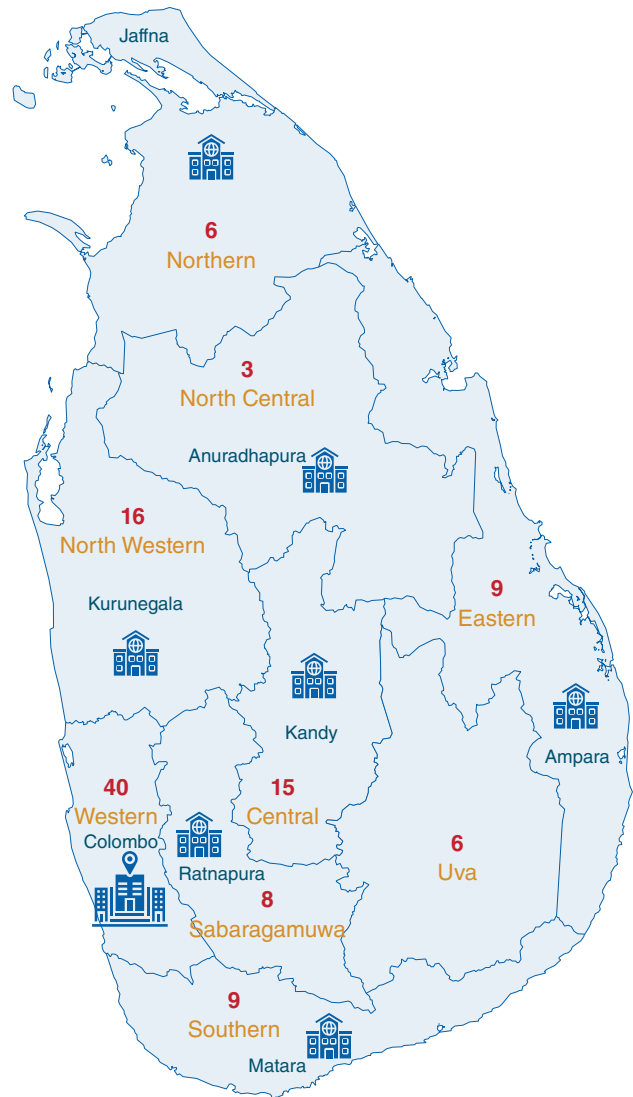
In view of the economic downturn, we refrained from unnecessary branch expansion during the year under review. We maintained close monitoring of our branches' network's functioning as well as AEC (Accredited Education Centres) on their education delivery.

AECs PROVINCES BREAK-UP

Province	No. of AECs
Western	40
Eastern	9
Central	15
North Western	16
Uva	6
Sabaragamuwa	8
Northern	6
Southern	9
North Central	3
Online	9
Total	121

AECs MEDIUM BREAK-UP

Medium	No of AECs
All three mediums	4
Sinhala & English	21
Sinhala Only	63
English Only	12
English & Tamil	4
Tamil Only	17
Total	121



 Branch Network  Accredited Education Centres

STRENGTHENING OUR DIGITAL REACH

As the world prepares for the next phase of the digital revolution 4.0, AAT Sri Lanka is well on our way to embrace an increasingly digital world. During the year under review, we encouraged our students to switch to digital content through our web portals and e-study texts. In FY2022/23, a larger number of students switched to registering through our online portal. Meanwhile, we consistently work towards improving our social media interactions. We also use both WhatsApp and Viber to connect with our students and members.

Strengthening our digital reach is part and parcel of our growth strategy. During the year under review, we increased our Instagram follower base by 2,500 bringing the overall count to 10,700. We also reached 20,500 subscribers on our Youtube channel and witnessed 1,019,000 total views. Over 10,200 followers subscribe to our LinkedIn profile and our Tik Tok account has gained 5,400 followers. Meanwhile, AAT Sri Lanka's Facebook page enjoys 100,000 followers. Our social media reach allows AAT Sri Lanka to penetrate a wider audience and garner interest from youth across the nation.

The social media platform insights we have received indicate that our social media strategy has yielded positive results. We will continue to reinforce our social media presence to reach out to the digitally savvy and connected younger generation.

MANUFACTURED CAPITAL

Meanwhile, our website facilitates interactions in Sinhala, Tamil, and English mediums, providing access to a wider section of students from across the nation. In addition, we provide remote network connections to our branches in order to streamline and improve work. During the year under review, AAT Sri Lanka provided access to MS Office 365 software to students and members free of charge.

NAVIGATING CHALLENGES

In the current economic status quo, developing our manufactured capital remains a daunting task. However, our insightful approach to developing the digital component of our manufacturing capital allows us to maintain momentum and seek progress in our manufactured capital in line with organizational aspirations. We will continue to look into all potential avenues of growth that fall in line with our growth targets to create value through manufactured capital.

FUTURE OUTLOOK

As the country moves forward on a path of recovery from the unprecedented economic crisis, we expect setbacks in our ability to grow our manufactured capital. Nevertheless, we are prepared to implement necessary risk assessments and mitigation tactics to develop our manufactured capital in line with our overall goals.

INTELLECTUAL CAPITAL



Our Intellectual Capital is the driving force behind our growth as an education institute. Our intangible assets of knowledge, governance framework, partnerships and value proposition contribute to AAT Sri Lanka’s intellectual capital.

MANAGEMENT APPROACH

AAT Sri Lanka’s theoretical and technical knowledge, expertise and experience combine to enhance our brand value and facilitate the growth of our students, members and passed finalists. Mindful of this, we consistently improve each element of our intellectual capital by reinforcing our expertise, partnerships and knowledge.



SDG FOCUS AREAS UNDER INTELLECTUAL CAPITAL

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



INDUSTRY INNOVATION AND INFRASTRUCTURE

Work towards educational reforms and digitalization for better facilitation of knowledge and skill acquisition

10 REDUCED INEQUALITIES



PARTNERSHIPS FOR GOALS

Partnerships with education institutes, universities and professional bodies to enhance knowledge and opportunities for stakeholders

PERFORMANCE INDICATORS

Partnerships – Government Bodies	Conditions	Benefit offered to AAT Members
Inland Revenue Department of Sri Lanka	10 years post-qualifying experience	Can serve as an Authorized Representative for Inland Revenue
	FMAAT	“Approved Accountant” status
Tertiary and Vocational Education Commission (TVEC)	W.e.f. 2015 July exam (AAT Passed Finalist from 2015 July exam onwards + 01 year practical training + PLS workshop)	NVQ Level 5 - Diploma Level recognition for AAT qualification. Opportunities to enter for higher studies in most of the foreign universities.

INTELLECTUAL CAPITAL

Partnerships	Membership Category	Qualifications / Benefits offered to AAT Members
Institute of Public Accountants (IPA) of Australia	MAAT	AIPA
	SAT	MIPA
	FMAAT	MIPA
	FMAAT with FCASL	FIPA
Institute of Financial Accountants (IFA) of United Kingdom	AAT membership with AIPA (AAT)	IFA (UK) Membership
Saegis Campus (Pvt.) Ltd in collaboration with Canterbury Christ Church University UK	AAT membership with more than 2 years managerial experience	Eligible to enter into the Master of Business Administration (MBA) programme conducted locally at Saegis Campus (Pvt.) Ltd

Partnerships with Professional Bodies	Exemptions offered to AAT Passed Finalists and Members	
Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	Business Level I	Complete exemption from all subjects
	Business Level II	Audit, Business Processes and Digitalisation Business Taxation
Institute of Certified Management Accountants of Sri Lanka (CMASL)	Foundation Level	Complete exemption from all subjects
	Operational Level	Advanced Financial Accounting & Finance Commercial Law and Taxation
		Business English II
Chartered Institute of Management Accountants (CIMA-UK)	Certificate Level	Complete exemption from all subjects
Association of Chartered Certified Accountants (ACCA-UK)	Applied Knowledge Module	Complete exemption from all subjects
	Applied Skills Module	Financial Reporting
Chartered Institute of Personnel Management (CIPM)	Chartered Qualification in HRM	Registration for chartered qualification in HRM with ACHRM
Institute of Chartered Corporate Secretaries of Sri Lanka (ICCS)	Foundation Stage – A	Exemption for Economics and Business Management subjects
	Foundation Stage – B	Exemptions for 4 subjects (Financial Accounting, Business Statistics, Human Resource Management and Corporate Administration)
	Professional Part II	Exemption for Taxation subject

Partnerships with Universities / Higher Education Institutes - Local	Benefits to the AAT Passed Finalists and Members	
University of Sri Jayewardenepura	Eligible to apply for external degrees	B. Com
		B. Sc. - Business Administration
		B. Sc. - Public Administration
University of Colombo – Faculty of Graduate Studies	Eligible to register for	Executive Diploma in Business Administration.
University of Kelaniya	Eligible to register for	BA (General / Special) external degree
The Open University of Sri Lanka	Eligible to apply for	Diploma in Management
AAT Business School	Higher Diploma in Accounting & Finance (HDAF) Program	Complete exemption from the 1st year
Sri Lanka Institute of Advanced Technological Education (SLIATE) / Technical Colleges in Sri Lanka	HNDA Course	Complete exemption from the 1st year

Partnerships with Universities - Foreign	Conditions	Benefits to the AAT Passed Finalists and Members
National Institute of Business Management (NIBM) in collaboration with Coventry University UK	Interview + English test + minimum 3 months industry experience	Eligible for first year exemption from BA [Hons] Degree in Professional Accounting
BMS - Business Management School in collaboration with Northumbria University – UK	Completed the entire AAT qualification in English	Eligible to enter Level Four (second year) of BA (Hons) Accounting & Finance Program
	Satisfying the English Language requirements of Northumbria University	
BCAS Campus in collaboration with the Southampton Solent University (UK)	Completed the AAT qualification in English	Eligible to apply for the B.Sc. (Hons) Accounting & Finance degree
European City Campus in collaboration with the City University, Malaysia and University of Pacific, Nicaragua, Central America	Eligible to do only the final year to obtain	Bachelors of Business Administration (Hons) - City University, Nicaragua, Central America
		Bachelors of Business Administration - University of Pacific, Nicaragua, Central America
		Bachelors of International Business - University of Pacific, Nicaragua, Central America

OUR LEGACY

AAT Sri Lanka has been instrumental in shaping a generation of professional accountants that uphold the financial management of SME industries in the country. SME plays a pivotal role in Sri Lanka's economic stability, and robust financial management is integral for the sector's growth. Over the years, AAT Sri Lanka has become a driving force in providing opportunities and career pathways to students at an affordable cost and enhancing skills, proficiency and networking prowess of members. Over the years, we have gained a robust reputation as a leading contender in accounting qualifications. Our inherent values of fostering growth through education hinges on our assets of a knowledgeable Governing Council, management team and employee base. AAT Sri Lanka's Governing Council is made up of leading and well-regarded accounting professionals in the country. We also have a separate committee that looks into the requirements of accounting professionals and the general public at any given time to organise curated public seminars and professional development programmes. Meanwhile, we encourage our employees to consistently improve their skills and knowledge through timely training.

During the year under review, we laid the foundation for nurturing our intellectual capital in line with our strategic aim to become an integral player in educational reforms.

AAT BRAND

During the year under review, we increased our social media reach and carried out multiple social media campaigns and reached out to students. We also set up the stage for the 'Debater' programme with SIRASA TV to provide a stage for school children to polish their critical thinking and analytical skills, and in turn, enhance the stronghold of the AAT brand.

IMPROVING KNOWLEDGE AND PROCESSES

Our knowledge and internal processes are part and parcel of our intellectual capital. As such, we periodically conduct evaluations to improve our knowledge base and upgrade our content offering to students and members. Our students benefit from access to e-study texts in English, Sinhala and Tamil languages available via our web portal.

Our process development strategy looks to deliver value to our students and members. Improving our examination process is included in this approach. In spite of the logistical challenges, we released examination results within 44 days during the year under review.

INSEARCH MAGAZINE

Published biannually, InSearch is the signature magazine of AAT Sri Lanka. The magazine contains a wealth of invaluable insights from industry experts, academia and peer members of the Association as well as information about AAT Sri Lanka's new programmes and offerings. The magazine 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 that are relevant and impactful.

We published the first issue of InSearch 2022 in August 2022 under the theme "Navigating through the crisis." The second issue was out in January 2023 which discussed various topics under the theme – "A Green Future."

Apart from the bi-annual publication, the membership committee of AAT Sri Lanka initiated a monthly issue of the

INTELLECTUAL CAPITAL

InSearch under “InSearch Monthly Bulletin” from September 2022. This has made a conducive platform in updating members on a frequent basis and enhancing the AAT - Member relationship.


STUDENTS’ NEWSLETTER


AAT Student’s Newsletter is published biannually, in June and December. The newsletter contains important updates regarding AAT examinations, AAT publications, AAT Job Bank, AAT business school and other news and events of AAT Sri Lanka. Further, the newsletter contains subject related knowledge sharing articles for students.


ADDING NVQ ACCREDITATION FOR AAT QUALIFICATION


During the year under review, AAT Sri Lanka obtained National Vocational Qualification (NVQ) framework status. Introduced in 2005 under the Tertiary and Vocational Education Act No 20 of 1990, the National Vocational Qualification (NVQ) framework is nationally and internationally recognised and allows students to enter the global job market as qualified professionals. NVQ accreditation is a nationally recognised system to obtain vocational education including certificates and other academic distinctions.

The below illustration depicts the (NVQ) System:

 CERTIFICATE	▲ NVQ Level 01
	▲ NVQ Level 02
	▲ NVQ Level 03
	▲ NVQ Level 04

 DIPLOMA	▲ NVQ Level 05 AAT Qualification
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 HIGHER DIPLOMA (HND)	▲ NVQ Level 06 HDAF Program - AAT Business School
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 DEGREE	▲ NVQ Level 07
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AAT Sri Lanka’s passed finalists who obtained qualifications from July 2015 onwards, and possess a year’s practical training along with participation in the PLS (People and Leadership Skills) programme are entitled to the NVQ 5 status.

ENHANCING IT PROCESSES

In line with our overall digitalisation drive, AAT Sri Lanka is geared to improve IT processes both internally and offer guidance to Accredited Education Centres in using IT processes and digital platforms to create value.

AAT BUSINESS SCHOOL

AAT Business School is an integral component of the Association’s intellectual capital. The Business School operates in the role of adding relevant and impactful value to our students and members. The resources offered by the Business School look to fill gaps in the competencies of accounting professionals, in line with global trends and requirements. At present, AAT Business School concentrates on four core areas of knowledge enhancement.

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

During the year under review, we introduced online examinations in the business school and went live with two subjects – namely; Computerised Accounting and Microsoft Office application.

HIGHER DIPLOMA IN ACCOUNTING & FINANCE

The Higher Diploma in Accounting & Finance (HDAF) is designed to provide a sound understanding of advanced concepts and principles of accounting, finance, management, economics and other related social sciences and apply that knowledge in the decision-making process. Also, this improves the critical thinking ability, communication, negotiation, analytical and problem-solving skills in professional and business contexts. On successful completion, “Higher Diploma in Accounting and Finance” by AAT Business School is deemed to be equivalent to National Vocational Qualification (NVQ) Level - 6

FUTURE OUTLOOK

In the aftermath of the pandemic and the economic crisis, the education landscape is changing parallel to the future requirements of the workforce. We look forward to playing an integral role in spearheading education reforms in the near future in collaboration with the government as well as education partners.

HUMAN CAPITAL



Our investments in human capital translate into intellectual as well as social and relationship capital. Therefore, we use a holistic approach to develop our employees and provide them opportunities for growth. At AAT Sri Lanka, we adhere to best practices in managing human capital to offer a comprehensive value proposition to our employees.

MANAGEMENT APPROACH

Our employees create the value that drives our social and relationship capital as well as intellectual capital. As such, we focus our efforts on acquiring the best talent available in the industry, retaining employees and driving their individual growth. Our employees essentially help us to translate our strategy of becoming a catalyst of educational reforms and economic progress into reality. Our human capital development efforts aim to fulfil this core aim.



PERFORMANCE INDICATORS

Number of employees	67
Average training hours per employee	3
Total training hours	211
Investment in employee well-being including staff training	Rs.9.2 Mn
Staff promotions	5
Retention rate	81%

HUMAN CAPITAL GOVERNANCE

Our Governing Council oversees the management of the Association's HR policies and governance. The HR subcommittee implements the decisions approved by the Governing Council to ensure the overall transparency in HR governance. The human resources department manages the life cycle of our employees beginning from recruitment, orientation, training and administrative tasks related to HR.

Our organizational structure clearly outlines responsibilities of each division in the organization. Our team, processes and policies allow us to create an organizational culture geared for growth.

SDG FOCUS AREA UNDER HUMAN CAPITAL

5 GENDER EQUALITY

GENDER EQUALITY

Gender equality is an important part of AAT Sri Lanka's culture. We actively encourage our female employees to obtain training and focus on growth.

8 DECENT WORK AND ECONOMIC GROWTH

DECENT WORK AND ECONOMIC GROWTH

During the economic crisis, we implemented special measures to ensure employee well-being

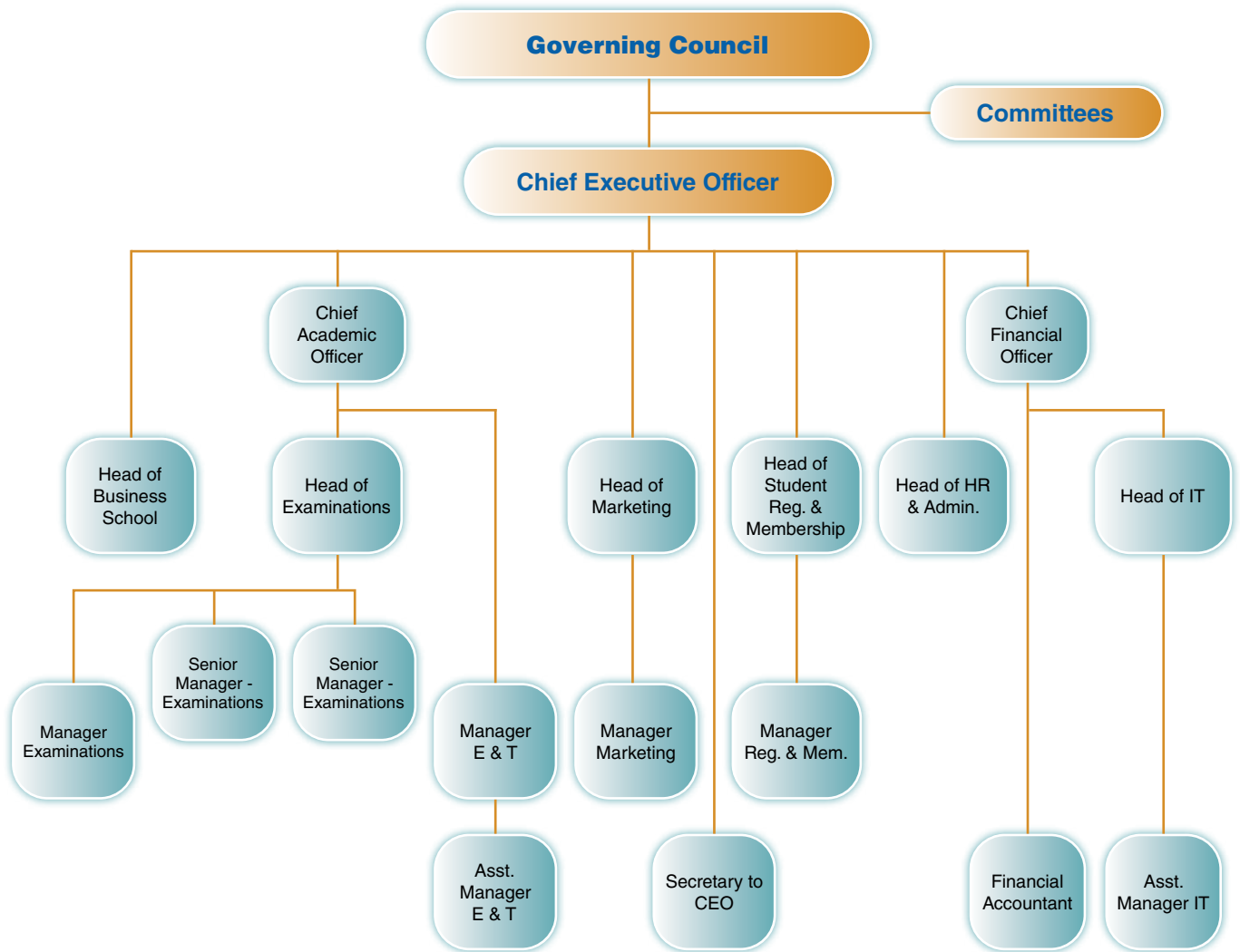
10 REDUCED INEQUALITIES

REDUCED INEQUALITIES

As a non-discriminatory organization, we uphold every citizen's right to fair employment within their capacity and ample remuneration



HUMAN CAPITAL



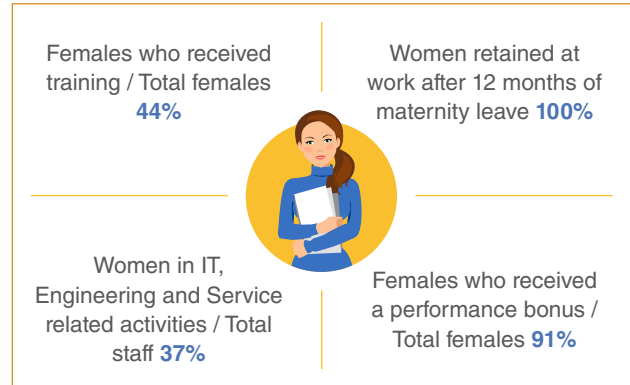
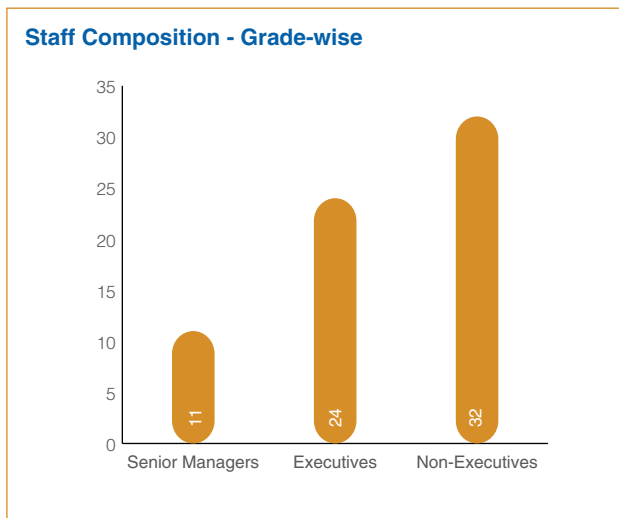
The policies and procedures entailed provide structure, control and consistency in HR governance. Aligning with these policies enable us to create a corporate culture that thrives in a growth-conducive environment.

HR POLICIES



OUR TEAM'S COMPOSITION

AAT's employee composition reflects our diversity, inclusiveness whilst our commendable retention rate indicates the healthy work environment that we have created. At present, AAT Sri Lanka's human capital consists of 67 staff members that oversee the implementation and successful conclusion of set strategies.



Gender	Number of promotions
Male	2
Female	3
Total	5

Gender	Staff training provided during the FY 2022/23 – In hours
Male	67
Female	144
Total	211

GENDER PARITY

In our role as an educator, we model equality, fairness and non-discrimination. At AAT, we do not discriminate employees based on their gender or sexual orientation. We strive consistently to provide equal opportunities to men, women and non-binary against employees, based solely on their professional performance.

Staff composition – Gender-wise	
Male	31
Female	36
Total	67

Employee by Key Departments		
7	Examinations	4
2	Registration & Membership	7
1	Education & Training	2
2	Business School	2
4	Marketing	3
-	Branch network	7
15	Finance, IT, Admin & HR	11

OUR RECRUITMENT POLICY



As a not-for-profit organization, we operate with a minimum number of staff. As such, when we recruit people, we focus on providing equal opportunities to deserving individuals who show potential to be a good fit for our organization. We adhere to our non-discriminatory policies in recruiting new team members and provide them with ample training and guidance to integrate to the team and grow.

	Number of New Recruitments	Number of Resignations
	5	10
	5	3

HUMAN CAPITAL

Age	20 - 30 Years	31 - 40 Years	41 - 50 Years	> 50 Years
New Recruitments	7	2	1	-
Resignations	6	4	2	1

Retention Rate	
All staff	81%
Male	72%
Female	92%

Employee by Major Geographic Location		
		
28	Western Province	26
1	Southern Province	3
1	Central Province	1
-	Sabaragamuwa Province	1
-	Northern Province	1
-	North Western Province	1
1	North Central Province	1
-	Eastern Province	2

OUR PEOPLE MANAGEMENT MODEL AND VALUE PROPOSITION

Our people management model adheres to internationally accepted best practices as well as labour laws. As our people drive our social and relationship capital and intellectual capital, we make it a priority to develop each employee to reach their full potential. In the meantime, we ensure their health and safety and personal well-being is met by offering support in a timely manner.

MEDICAL CAMP

AAT Sri Lanka held the medical camp 2022 on July 30 following a one year hiatus due to the COVID-19 pandemic and the economic downturn which created logistical difficulties. Held in collaboration with the Ninewells Hospitals, the medical camp facilitated a full body checkup, vision check, doctor consultation as well as awareness programmes to lead a healthier life.

During the course of the medical camp, our employees learnt valuable information regarding living a healthier life based on a good diet, exercise and mental well-being. The medical officers also created awareness about common health concerns in Sri Lanka and provided factual guidance to identify potential health problems early.





TRAINING AND DEVELOPMENT

Training and development remain a core value proposition of AAT Sri Lanka. During the pandemic years, we implemented numerous training opportunities on online platforms. During the year under review, we provided training via a hybrid model of virtual courses as well as training provided at the office premises. Meanwhile, we reinforced our automated Performance Management System during the year under review.

In 2022, AAT Sri Lanka provided IT training to staff in collaboration with the AAT Business School and IT team to enhance our staff's practical application skills in a digitalized environment. The programme consisted of a two day theoretical training followed by practical training.

Staff Training Provided During FY 2022/23 – in Hours	
Senior managers	78
Executives	74
Non-Executives	59
Total	211

REWARDS AND RECOGNITION

We conduct annual performance appraisals to gauge employee progress and provide rewards and remuneration appropriately. AAT Sri Lanka's performance driven culture shapes an environment in which each employee obtains feedback from their respective head of department and receives guidance for future development. The performance appraisal determines the remuneration as well as future training needs. While the HR sub committee decides rewards and remuneration, the Governing Council oversees this process. The HR subcommittee takes into account the recommendations of department heads when making decisions in line with the Association's formal remuneration policy.

GRIEVANCE HANDLING

AAT Sri Lanka has in place a robust grievance handling process that hinges on our ethical, non-discriminatory framework. The process functions smoothly to allow concerned employees to feel secure in seeking guidance and making their grievances heard. The Human Resource subcommittee plays a vital role for the smooth functioning of the grievance handling process. The committee is equipped to resolve grievances while the Governing Council gets involved in incidents that are beyond the scope of the subcommittee.

ENSURING EMPLOYEE WELL-BEING

During the financial year under review, AAT Sri Lanka staff welfare expanded its role to facilitate financial support to employees during the economic crisis and organized many interactive events including the 3 day staff family outing to ensure employee unity.

MANAGING HUMAN CAPITAL DURING THE ECONOMIC DOWNTURN

The economic crisis negatively impacted our plans for human capital development and created a myriad of difficulties for our employees in carrying out their day-to-day duties. In this backdrop, the staff welfare society and the HR department took the initiative to facilitate operational continuity by helping individual employees to manage logistical difficulties and take care of their emotional well-being in a challenging climate.

FUTURE OUTLOOK

As the country looks to recover from the economic difficulties, we will continue to develop our human capital in line with global best practices to create optimal value for our employees. Our human capital development strategies would include interactive employee engagement activities, enhanced training aligned to our organizational goals of digitalization and becoming a key contributor of educational reforms.

happy Women's Day



WOMEN'S DAY CELEBRATION

Celebrating International Women's Day, AAT Sri Lanka gifted a pair of hand crafted earrings and necklaces to all the female employees.





SOCIAL AND RELATIONSHIP CAPITAL



AAT Sri Lanka’s core goal is deeply aligned with educational reforms and social progress through empowering the SME sector. As such, Social and Relationship Capital is one that is materially vital to our growth. Therefore, we consistently prioritize relationship management with all our stakeholders to nurture our social and relationship capital.

MANAGEMENT APPROACH

The long-term success of AAT Sri Lanka hinges on how we nurture mutually beneficial partnerships with our stakeholders. Students, Passed Finalists, Members, Accredited Education Centres, Regulators, Professional Accounting Bodies and Universities, Employers, Employees and the Community at large are part and parcel of our social and relationship capital. Mindful of this, we take efforts to strengthen our relationships with each group through engagement and proactive concern for their well-being. Our interactions with each of these stakeholder groups are built into our growth strategy.



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



Members

- ▲ Enhance knowledge, skills and competencies
- ▲ Facilitate networking opportunities
- ▲ Provide career development assistance



Passed Finalists

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



Accredited Education Centres

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



Professional Accounting Bodies and Universities

- ▲ Strengthen relations and build networks
- ▲ Enable knowledge sharing

Employees

- ▲ Offer skill advancement programmes and opportunities.
- ▲ Create networking opportunities.





Employers

- ▲ Strengthen relations with business organizations.
- ▲ Conduct research into present and future requirements from employees.

Government and Regulators

- ▲ Regulatory compliance
- ▲ Advocacy



PERFORMANCE INDICATORS

	Year 2022	Year 2021	Year on Year Growth
Active student base	32,233	28,501	13%
Active member base	6,750	6,184	9%
New Passed Finalists	3,866	2,251	72%

SDG FOCUS AREAS UNDER SOCIAL AND RELATIONSHIP CAPITAL

1 NO POVERTY



NO POVERTY

AAT Sri Lanka operates primarily to promote skills development of qualified and professional accountants, who then go on to serve the country's SME sector, which in turn contributes to the economic progress of a large section of otherwise marginalized communities in the nation.


4 QUALITY EDUCATION



QUALITY EDUCATION

Providing students, passed finalists and members with knowledge acquisition and skills development opportunities on par with global standards.

5 GENDER EQUALITY



GENDER EQUALITY

AAT Sri Lanka provides education opportunities to males, females and non-binary individuals without discrimination.

8 DECENT WORK AND ECONOMIC GROWTH



DECENT WORK AND ECONOMIC GROWTH

AAT Sri Lanka provides academic and professional development opportunities to a large section of youth to obtain career progress along with satisfactory monetary compensations.

10 REDUCED INEQUALITIES



REDUCED INEQUALITIES

Through providing affordable and quality education, AAT Sri Lanka contributes to reducing inequalities in the society.

SOCIAL AND RELATIONSHIP CAPITAL

HOW WE CREATE VALUE FOR STUDENTS

Students are an integral part of our social and relationship capital. The Association looks to create opportunities for students to acquire necessary skills to thrive in an evolving arena where accounting standards, tools and expectations from professionals change in tandem with the market. AAT Sri Lanka offers professional qualifications in accounting by conducting examinations in Sinhala, Tamil and English languages. Our affordable fee structure, innovative education tools and relevant and futuristic content delivery promote a culture of true progression on behalf of students.

During the year under review, we faced a myriad of challenges in taking care of our student base and retaining their interest. The economic crisis and logistical difficulties proved to be daunting challenges that negatively impacted the motivation and capability of students to pursue goals. In response, we adopted conscious strategies to support students in pursuing their academic and career goals.

In 2022, we witnessed the largest number of passed finalists in the history of AAT. This was the result of our strong recruitment drives using social media platforms as well as reaching out to school children through O/L and A/L webinars and academic support.



CURRICULUM DEVELOPMENT

At present, we are working towards curriculum development and changes targeting the year 2025. A special committee will look into current and futuristic developments and incorporate necessary changes into the curriculum. We will also obtain input from the corporate sector as well as other employers on redesigning the curriculum from the year 2025.

GROWTH IN E-ADMISSION

As we discuss in our manufactured capital, we have reinforced our focus on digitalization. In 2022, AAT Sri Lanka conducted demonstrations and reached out to potential students about the E-admission portal. As a result, we witnessed a significant increase in E-admissions during the year.

STUDENT NEWS LETTER

During the FY2022/23 two news letters were released to the students with the themes of “The key to balance your life account” as well as “Benefits of AAT suggested answers”.



THE FOLLOWING EVENTS WERE HELD ON BEHALF OF STUDENTS DURING THE YEAR UNDER REVIEW:

AAT REGISTRATION DRIVE

We conducted a one day registration drive at the Kurunegala branch for the first time as well as a two day at head office for the second time. We reached out to a widespread audience via social media to attend the event. These events attracted over 150 students. The participants submitted their applications and relevant documents at the event venue and each student completed registration within mere 30 minutes.

VIRTUAL DAY FOR NEW REGISTRATION INQUIRIES

We held a ‘Virtual day’ event for G.C.E. Ordinary Level students who were interested in registering for AAT qualifications. The students received guidance on all aspects of applying for AAT qualifications and available academic

resources. Catering to the 'Gen Z' social media users, we announced the event on digital platforms, and reached out to a large number of students.



STUDENT ORIENTATION WEBINARS

We held two virtual orientation webinars for students who signed up for the July 2022 and January 2023 intakes. The students received guidance on available resources to further their academic and professional careers.

PARTICIPATION IN ISLANDWIDE EDUCATIONAL EXHIBITIONS

Annual participation in education exhibitions is part of our recruitment drive. During the year under review, we took part in seven education fairs that cater to a younger demographic spread across the country.

- ▲ Future Minds held at the Kandy City Centre in September 2022
- ▲ EduFirst Educational Fair held at the Kandy City Centre in February 2023
- ▲ Wayamba EXPO education exhibition held in Kurunegala in March 2023
- ▲ Educate Sri Lanka exhibition held in Gampaha
- ▲ Future Minds held at the BMICH
- ▲ Galle Education Fair
- ▲ Jaffna Education Fair

AAT JOB FAIR PHASE 2, 3 & 4

AAT Sri Lanka conducted three job fairs during the financial year under review at the head office auditorium to cater to the requirements of students who are looking for training and employment opportunities. We invited leading corporate organizations in the country to the Job Fair to allow our participants to explore various opportunities. We reached out to a widespread audience in addition to our students we announced the event via social media platforms.

Companies such as BDO Partners, BiZSecretairs, B. R. De Silva & Company, Cyril Chandraratne & Co, Deloitte, D. P. H. Munaweera, Ernst and Young, FBC Asia Pacific, Fernando & Co, Frontier Advisory (Pvt.) Ltd, Infomate (Pvt) Ltd., Kreston Sri Lanka, Moore Aiyar, RTA Sri Lanka, Sampath Bank, S. C. B. Corporates, Serendib Associates, Seylan Bank PLC and Siyapatha Finance representatives participated as partners and conducted walk-in interviews.



PERSONAL GROOMING SESSION WITH JOEL OUTSCHOON

In line with offering guidance that goes beyond mere academics, AAT Sri Lanka organized a personal grooming session with Joel Outschoon. The session discussed personal grooming tips, preparing for and facing interviews. Over 150 students took part in the live Zoom session.

PRIZE WINNER AWARD CEREMONY – JANUARY 2022 BATCH

AAT Prize Winners' Award Ceremony for students from the January 2022 batch was held at the AAT centre in June 2022.



SOCIAL AND RELATIONSHIP CAPITAL

PRIZE WINNER AWARD CEREMONY – JULY 2022 BATCH

AAT Prize Winners' Award Ceremony for students from the July 2022 batch was held at the AAT centre on October 25, 2022.



liked lantern' and the 'Most creative lantern' categories respectively.



AAT DIGITAL AVURUDU KUMARA AND KUMARIYA

AAT Sri Lanka held the AAT Digital Avurudu Kumara and Kumariya competition for the third consecutive year. Over 100 current students took part in the digital competition, further increasing AAT's social media reach and influence. Rasheeda Kaweeshwara from Matara won the Avurudu Kumara title and Sherani Hansima from Marawila won the Avurudu Kumariya title.

PARTNERED ACCREDITED EDUCATION CENTERS TO ENHANCE DELIVERY COMPETENCY

Our partner Accredited Education Centres provide guidance and content to our students to obtain qualifications through our programmes. AAT Sri Lanka maintains robust relations with the AECs to ensure high standards of education delivery. As at the end of the year 2022/23 we had ongoing partnerships with 121 AECs.



HOW WE CREATE VALUE FOR PASSED FINALISTS

AAT SRI LANKA ACHIEVERS' NETWORK

AAT Sri Lanka achievers' network is a platform for passed finalists to maintain liaisons with the association until such time they achieve membership status. The Governing Council took this decision in response to the gap period between a student's final examination and membership status. The platform allows passed finalists to explore career development avenues.

VESAK LANTERN COMPETITION

AAT Sri Lanka held a vesak lantern competition on behalf of students in May 2022. Held for the second time in the history of AAT, the competition drew a lot of interest from students. The participants had used eco-friendly items or upcycled items to create unique lanterns. Pramuditha Pranadu from Lunuwila and Dinushi Perera Hanguranketha won the 'Most

Obtaining NVQ level 5 qualifications

During the year under review, AAT Sri Lanka obtained NVQ Level 5 qualification status. This achievement would allow our students to obtain a diploma level qualification at a young age and pursue their career aspirations. NVQ Level 5 qualification facilitates middle level technical knowledge for accelerated career development. This opens up a vast number of opportunities for students such as the opportunity to directly enter into the 2nd year of most foreign university bachelor programmes.



University and education institute affiliations

Over the years, we have forged partnerships with a number of professional bodies, universities and education institutes to facilitate exemptions on higher studies for AAT students upon completion of our programmes.

Passed Finalists' certificate awarding ceremony – July 2021 batch

The Passed Finalists' certificate awarding ceremony for the students who have successfully completed the final level of AAT examinations held in July 2021, was held on June 15, 2022 at the main conference and concert hall of Bandaranaike Memorial International Conference Hall Colombo. We awarded certificates to 1,199 students from all districts across the island at the event.



Passed Finalists' certificate awarding ceremony – January 2022 batch

The Passed Finalists' certificate awarding ceremony for the students who have successfully completed the final level of AAT examinations held in January 2022, was held on August 04, 2022 at the main conference and concert hall of the Bandaranaike Memorial International Conference Hall Colombo. We awarded certificates to 1,057 students from all districts in the island at the event.



Passed Finalists' certificate awarding ceremony – July 2022 batch

The Passed Finalists' certificate awarding ceremony for the students who have successfully completed the final level of AAT examinations held in July 2022, was held on January 10, 2023 at the main conference and concert hall of the Bandaranaike Memorial International Conference Hall Colombo. We awarded certificates to 1,610 students from all districts in the island at the event, which was conducted in 2 sessions.



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.

SOCIAL AND RELATIONSHIP CAPITAL

Training placements during the year 2022/23



HOW WE CREATE VALUE FOR OUR MEMBERS

AAT Sri Lanka's relationship with members is mutually beneficial. While we provide access to knowledge, skills, new developments as well as networking opportunities to our members, they remain ambassadors who promote the AAT brand in the corporate arena as well as amongst the general public.

Webinars on continuous professional development

During the financial year 2022/23, we conducted thirteen webinars to discuss tax changes and how those impact the role of accounting professionals as well as on following subjects focusing students, passed finalists, members and all other interested parties.



- ▲ Personal and business success through economic crisis
- ▲ Build your business in a recession
- ▲ Basic labour laws for non HR professionals
- ▲ Latest tax amendments – In June 2022
- ▲ Revenue recognition SLFRS 15
- ▲ Interim budget highlights 2022
- ▲ Latest tax amendments – In October 2022
- ▲ Data analytics
- ▲ Annual budget highlights 2023
- ▲ Cloud accounting
- ▲ Future proofing accountants' knowledge in a digital world
- ▲ Latest tax amendments – In February 2023
- ▲ An overview of current economic status & stock market

On top of the above sessions 8 more webinars from CA Sri Lanka were shared with the AAT member base.

AAT Facebook page

AAT Facebook page is an interactive platform and community that enables reaching out to our target audience of digitally engaged youth. The page initiates professional discussions, activities and knowledge sharing.

THE FOLLOWING EVENTS WERE HELD DURING THE YEAR FOR MEMBERS:

Orientation seminar for new members

AAT Sri Lanka held the orientation seminar for the newly enrolled and upgraded members on November 27, 2022 at the auditorium of the University Of Colombo School of Computing. Over 400 members participated in the seminar during which resource personnel shared valuable insights on dining etiquette, dream big and act smart, Code of Ethics and Continuing Professional Development, importance of the communication and leadership skills and objectives, culture & the operations of AAT.



AAT Sri Lanka Conference 2022- “Revival-Survival: Gaining the Edge”

The AAT Sri Lanka conference 2022 pivoted on the theme “Revival - Survival: Gaining the Edge” as a hybrid event on December 08, 2022 at Hotel Galadari to contribute to the discourse on economic recovery and the role of corporates, accounting professionals and entrepreneurs in this regard. The discussions explored the challenges and opportunities in the crisis and how individuals can leverage on the latter. The technical session of the conference focused on topics such as ‘Gaining Sustainability’, ‘Discover the Change’ and ‘Mindset: The Formula for Success.’

The 30th Annual Convocation of AAT Sri Lanka

AAT Sri Lanka held our 30th Annual Convocation, themed ‘Dream Big – Act Smart’ on November 29, 2022 at the main conference and concert hall of the Bandaranaike Memorial International Conference Hall (BMICH). The convocation awarded membership in respective categories to 774 members. While 694 Passed Finalists received membership status, 17 Senior Members (SAT) and 18 Fellow Members (FMAAT) were awarded their membership upgrades.

AAT Members have completed a comprehensive curriculum to achieve the essential technical knowledge, professional experience in accounting and finance, and gained leadership, communication skills and competencies to work locally and globally. Their contribution to the SME industry has been invaluable.



AAT Toastmasters club

AAT Toastmasters club is an award winning public speaking club which was formed with the objective of developing soft skills of AAT members.

AAT Emerging Toastmasters club

The Emerging Toastmasters club provides an opportunity for AAT members who live in far corners of the country as well as overseas to nurture their public speaking and presentation skills.



AAT members’ cricket tournament 2022

AAT members’ welfare committee organized and held the AAT members’ cricket tournament 2022 on December 4, 2022 at the Chandra Silva Ground, Obeysekarapura, Rajagiriya. Recording the highest ever participation at an AAT members’ tournament, 15 teams battled for the championship. Team ‘Lucky All Young’ captained by Mr. Chathuranga Thilakarathna won the championship while team ‘Thennakon Lions’ became the runners up of the championship. Mr. Kasun Kumara became the man of the match as well as man of the series. Ms. Dilki Saumya became the woman of the series while Mr. Dhanushka Sanjeewa and Mr. Sidath Jayawickrama became the best batsman and best bowler.

SOCIAL AND RELATIONSHIP CAPITAL

AAT new year celebrations 2022

AAT Sri Lanka New Year celebrations were held on April 24, 2022 at 'Ape Gama' Battaramulla. The event was organised with many fun activities for the members as well as their family members.

AAT poson bathi gee competition 2022

AAT members' welfare committee organised a 'Poson bathi gee' competition on June 22, 2022. Three groups and 13 individuals took part in the competition. The group led by Mr. W.M.P Dhanusekara won the group competition while Ms. J.P.N Gunasekara won the individual category.

AAT members' get together 2022

We held the AAT members' annual get together at CAMELOT Beach, Negombo on October 22, 2022. A large gathering including Governing Council members, AAT members and their families participated in the event.

AAT members' night 2022

The most colourful and glamorous event organized by the AAT members' welfare committee was held on Friday, 16th December 2022 at AAT Center. Hidden singing and dancing talents made the year-end celebrations memorable for a long time.

Launch of AAT Theme song

AAT Sri Lanka launched the 'AAT Theme Song' in November 2022 at a ceremony held at the AAT Auditorium.



Lyrics / Creative Direction - Mr. Bandula Nanayakkarawasam

Music / Melody - Mr. Kapila Poogalarachchi

Music Track - Mr. Darshana Rajamanthri

HOW WE CREATE VALUE FOR COMMUNITIES

AAT Sri Lanka's inherent values focus on creating value for communities in Sri Lanka by empowering accounting professionals and in turn the SME sector with robust financial management. In addition, we engage in various activities to support marginalized communities as well as school children across the nation.

THE FOLLOWING EVENTS WERE HELD DURING THE YEAR TO CATER TO COMMUNITY NEEDS:

Debater program with SIRASA TV

The Debater programme - AAT's Rs.27Mn investment engages school children in Sri Lanka in a scintillating debate championship. The CSR programme was crafted to build a platform for school children to polish their skills on a popular media platform. In the past, the Debater programme attracted the attention of millions of viewers, and contributed to building the AAT image amongst youth and their parents.



AAT 'Nena Waruna' scholarship programme

AAT 'Nena Waruna' scholarship awarding ceremony of 2023 was held at the AAT auditorium on March 2, 2023. Launched in collaboration with the Ministry of Education, the programme provides financial and non-financial scholarships to students who perform well in their Ordinary Level examination. We awarded 50 scholarships (two students per district) each valued at Rs.40,000 to selected students to provide financial assistance throughout the duration of their G.C.E. Advanced Level qualification pursuit in the commerce stream.



The 100 non-financial scholarships enable students to complete their AAT qualifications early and become middle level accountants. This scholarship consists of the waiver of all relevant fees payable to AAT Sri Lanka.

The scholarship programme looks to achieve the following objectives:

- ▲ Provide financial support to high performing A/L, commerce stream students who experience financial difficulties. The scholarship provides students with the ability to meet their essential expenses and thereby enable them to achieve better results.
- ▲ Contribute to uplift the social and economic status of high performing students from low-income earning families.
- ▲ Encourage and facilitate high performing students sitting for A/Ls in the Commerce stream to obtain professional Accounting qualification at an early age while pursuing their secondary education.

Career Guidance

AAT Sri Lanka held a Career guidance session targeting youth. Dr. Nirmal De Silva led the session and discussed topics such as skills to develop, planning your career, the trajectory of demand for skills in the future and how to focus on the journey rather than the destination.



Giveaway of Computers

Despite the advancement of technology, it is no secret that there are still many schools in our country without the basic facilities of technology. During the year under review, AAT Sri Lanka made a contribution of 6 computers to three underprivileged schools. This benevolence was aligned with our CSR aspirations. The schools were namely; Samanala Central College, Gilimale - Ratnapura, Punchigama Siduhath Junior School, Gallella - Ratnapura and Sri Sobitha School, Watareka - Galle.

Seminars for O/L and A/L students

AAT Sri Lanka conducted 68 seminars in Sinhala, Tamil and English mediums targeting more than 22,000 students to offer additional support to those facing their G.C.E. Ordinary and Advanced Level examinations. During the seminars held at schools, the students also learnt about available pathways for those interested in becoming qualified accountants.



Sponsoring tuition classes

AAT Sri Lanka sponsored the final class of the G.C.E. Ordinary Level seminar conducted by Mr. Chathuranga Amarasooriya, a reputed Commerce teacher in Colombo. We plan on expanding this initiative in the near future to reach out to a larger number of students.

Commerce Day sponsorships

We sponsored 11 schools islandwide to celebrate Commerce Day. This was part of our awareness drive to reach out to more students interested in obtaining accounting qualifications.

SOCIAL AND RELATIONSHIP CAPITAL

Teacher training programme

AAT Sri Lanka conducted 10 teacher training programs for over 700 teachers in the G.C.E. Advanced Level Commerce stream. Organized with the support of the Department of Education, the events were held in Colombo, Gampaha, Kaluthara, Galle, Matara, Rathnapura, Dehiattakandiya and Jaffna.

Biscuit distribution at fuel queues

Standing in solidarity with citizens during the fuel crisis of 2022, AAT Sri Lanka provided biscuits to people who were lining up for petrol in Narahenpita, Havelock Town, Bambalapitiya and Police ground fuel stations.

AAT BUSINESS SCHOOL

First established to facilitate additional skills development of both students and members, AAT business school has evolved over the years in its own right as a cornerstone of growth and progressive educational changes. The business school facilitates skill and competency development in line with market requirements. During the year under review, the business school laid the foundation to expand our reach to facilitate, pursuing business analytics, digital entrepreneurship and digital accounting.

The following list illustrates the type of programmes that AAT Business School facilitate.

- ▲ Certificate course in Microsoft Office applications
- ▲ Certificate course in Computerized Accounting for SMEs
- ▲ Advanced Microsoft Excel for Data Analysis
- ▲ Certificate course in Taxation
- ▲ Diploma in Applied Taxation
- ▲ Diploma in Accounting & Finance
- ▲ Higher Diploma in Accounting & Finance
- ▲ People and Leadership Skill workshop

In spite of the economic crisis, the business school performed well, both financially and operationally and added value to all stakeholders. During the year under review, we conducted a series of events targeted at supporting economic revival efforts.

The role of SMEs in the time of crisis was a free webinar offered to the SME sector in the nation, while the webinar of future of exports in Sri Lanka focused on SMEs with particular emphasis on export oriented goods.

The business school also successfully conducted the people and leadership development workshop for passed finalists.



In line with the Association's overall digitalization drive, the business school further developed online examination modules during the year under review. As a first step, we conducted online examinations for the programs – Computerized Accounting and Microsoft Office Application.

AAT business school conducted a number of seminars and webinars on various timely topics to cater to the current economic climate and contribute to knowledge distribution. The below table illustrates the list of seminars held during the year under review.

- ▲ The future Developments of exports in Sri Lanka
- ▲ Need of the hour; Explore opportunities to earn foreign currency
- ▲ The role of SMEs in a time of crisis; challenges, opportunities and tactics to sustain

During FY 2022/23, 45 students officially graduated as Higher Diploma Holders.

MoU signing with Saegis Campus

AAT business school officially signed a Memorandum of Understanding with Saegis Campus on 17th January 2023. As per the MoU, all Higher Diploma in Accounting & Finance graduates of AAT business school will obtain direct eligibility to the BA (Hons) Business Management (Top-up) by Canterbury Christ Church University, UK offered by Saegis Campus in Sri Lanka.



During the year 2022/23, AAT Sri Lanka pivoted our goals on becoming part of educational reforms and pathways that meet the demands of a new era. As such, we placed vital importance on building our social and relationship capital by engaging with our students, members and communities. We will continue to build on this momentum to become a leading education entity in the accounting field.



NATURAL CAPITAL



AAT Sri Lanka is committed to minimizing the negative impact of our natural resource utilization. We consistently strive for responsible consumption, and creating a positive environmental impact through our day-to-day activities. We continue to adopt environmental sustainability measures whenever possible to achieve this goal.

PERFORMANCE INDICATORS

	2022/23	2021/22
Electricity Consumption (Kwh)	182,376	195,343
Water Consumption Litres (Mn)	1.38	1.22
Paper Recycled (Kg)	1,339	1,787



SDG FOCUS AREAS UNDER NATURAL CAPITAL



AFFORDABLE AND CLEAN ENERGY
Implementing energy conservation measures across the organization



RESPONSIBLE CONSUMPTION AND PRODUCTION
Paper recycling and implanting digital communication and interactions to reduce paper usage



CLIMATE ACTION
Work towards efficient usage of energy and reduced water consumption

MANAGEMENT APPROACH TO NATURAL CAPITAL

Our approach to natural capital is one of responsible consumption of natural resources. In the meantime, we strive to adopt environmental sustainability measures that are applicable and relevant to the nature of our business.

ENERGY CONSUMPTION

We purchase electricity from the national grid to power the operations of our head office and branches. In line with our environment sustainability initiatives, we strive to minimize the usage of electricity. AAT Sri Lanka relies on the below tactics to efficiently manage electricity consumption.

- ▲ Use of virtual platforms for training and content delivery whenever possible.
- ▲ Switching to energy efficient appliances at the office premises
- ▲ Monitoring energy usage at the office premises
- ▲ Educating employees on optimal use of energy

WATER CONSUMPTION

At AAT Sri Lanka, water usage is mainly for sanitary and drinking purposes, and we source water from the National Water Supply and Drainage Board for sanitation purposes. We regularly monitor the water consumption as well as maintain an efficient plumbing system to ensure zero wastage and raise awareness within the association about the responsible usage of water. Nevertheless, in 2022 our water consumption increased when compared to the previous financial year, as employees resumed returning to office in the aftermath of the fuel crisis that prompted work from home.

MANAGING OUR CARBON FOOTPRINT

Managing our carbon footprint is an integral part of our contribution to ensuring environmental sustainability. AAT Sri Lanka relies on the 3 R approaches – Reduce, Recycle and Reuse to reduce our carbon footprint. In addition to optimizing our usage of natural resources for daily operations, we have launched an ongoing digitalization drive to reduce our paper usage.

PAPER USAGE

The nature of our organization requires reliance on paper to execute day-to-day operations. However, we have begun a comprehensive digitalization drive to reduce paper usage whenever possible. In 2022/23, AAT Sri Lanka encouraged online registration of students through its digital portal, using social media platforms and demonstrations to encourage students to switch to digital. We automated systems and procedures and used the following tactics to reduce paper usage in our operations.

- ▲ Digitalization drive to switch to online platforms in student registration process, examination application and issuing examination admission process.
- ▲ Implementing E-study text portal.
- ▲ Discontinued the printing and distribution process of student guide booklets by enabling all the resources on our trilingual website.
- ▲ Discontinued printing and circulating monthly bulletins, bi-annual magazines and circulars to members, newsletters to students, correspondence with AECs by shifting into e-versions and e-communication methods.
- ▲ Widespread adoption of online delivery modes for teaching, training, professional development programs and meetings.
- ▲ Discouraged purchasing hard copies of past papers, suggested model answers and other applications / forms by making them available on the website.
- ▲ Circulating Council and Committee papers, reports and other relevant documents via a secure electronic system.

WASTE MANAGEMENT

AAT Sri Lanka has in place an efficient waste management system, which separates waste into categories and before disposing of the waste in an environmentally friendly manner. We use a colour coded waste separation system to increase efficiency. Internally, we communicate messaging around responsible waste management to minimize waste generation and dispose of the generated waste in an eco-friendly manner. AAT Sri Lanka relies on municipal council facilities to manage waste.

In the near future, we plan on intensifying our focus on building and managing our natural capital in line with acceptable environmental regulations and guidelines.

STEWARDSHIP





INSPIRING THE NEXTGEN

Technology has revolutionized bookkeeping, making it faster and more demanding with the use of innovative applications by top accounting firms.

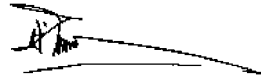
GOVERNANCE REPORT OF THE GOVERNING COUNCIL

The year 2022/23 brought forth a multitude of challenges, most notably the economic crisis that unfolded at the beginning of the financial year. Faced with these unprecedented circumstances, the Governing Council was compelled to swiftly reassess its approaches and strategies in order to navigate through these crises. It is with great pride and honour that I present the governance report for 2022/23 on behalf of the esteemed Governing Council, recognising the pivotal role played by our robust governance framework in enabling AAT Sri Lanka to effectively respond to the prevailing circumstances.

This report delves into the governance principles that have been adopted, applied, and put into practice by the Governing Council in administering and managing the day-to-day affairs of the Association. AAT Sri Lanka, in alignment with our unwavering commitment to good governance, consistently endeavours to attain transparency, accountability, and integrity in our pursuit of short, medium, and long-term growth.

AAT Sri Lanka's governance report voluntarily adheres to the Code of Best Practice on Corporate Governance 2017, jointly issued by the Institute of Chartered Accountants of Sri Lanka and the Securities & Exchange Commission of Sri Lanka. The Governing Council for the year 2022-2023 was appointed in 2022 and has been actively operating throughout the year, aiming to establish stability, operational integrity, sustainability, and long-term growth through a robust governance approach within the association. Comprised of a diverse team with exceptional business acumen and experience, the Governing Council is currently taking significant measures to determine the Association's growth strategy.

I hereby declare that all members of the Governing Council and employees of AAT Sri Lanka have acted in full compliance with all applicable laws and regulations. Furthermore, they have diligently fulfilled their duties in accordance with the policies, procedures, and standards collectively agreed upon by our esteemed association.



Mr. A. Naleen Dhammika De Silva

President

Association of Accounting Technicians of Sri Lanka

25 May 2023

GOVERNANCE

Corporate governance sets the strategic impetus to facilitate long-term growth of the Association of Accounting Technicians of Sri Lanka. Our corporate governance framework strictly adheres to industry best practices and follows the guidelines set 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. The Governing Council is primarily responsible for setting the strategic direction and outlining the Corporate Governance approach practiced within the association. The Governing Council oversees and maintains the set governance framework, designed specifically to integrate transparency and integrity into the operations of AAT Sri Lanka. The governance framework looks to fulfil the goals and objectives of AAT Sri Lanka, and balance the requirements of all stakeholders. While the association consistently strives to improve the governance approach to raise the bar, the current corporate governance structure incorporates industry best practices and well-established processes and procedures that enable consistent performance improvement and encourage robust monitoring of implementation as well as accountability and transparency.

AAT SRI LANKA COMPLIANCE WITH CODE OF BEST PRACTICES ON GOVERNANCE

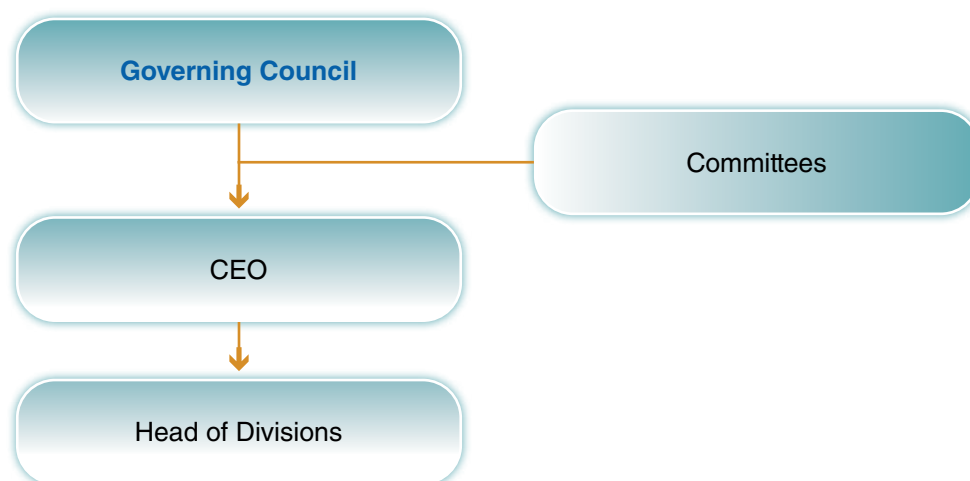
The below table presents in detail how AAT Sri Lanka adhered to the Code of Best practices on corporate governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka during the financial year 2022/23:

SECTION 1 : THE ASSOCIATION				
A	Governing Council Members			
Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1	The Governing Council	The Association should be headed by an effective Governing Council, which should direct, lead and control the Association.	<p>The Governing Council comprises sixteen eminent professionals who serve in the capacity of non-executives. Eight out of them are nominated by CA Sri Lanka, and 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 the 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 in every other year to elect members to the council. Following the election, the outgoing council holds a comprehensive orientation for the new appointees to ensure smooth transition and continuity.</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 of 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 committees are required to ensure the followings:</p>	✓

GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
			<ul style="list-style-type: none"> ▲ Comprehensive handling of oversight assigned to the committee ▲ Supporting progress in line with strategic plans ▲ Periodical reporting of the progress of set plans to the Governing Council <p>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.</p>	

An overview of the Association's governance structure which depicts clear reporting lines as well as the list of the Committees together with its roles elaborates the greater accountability as shown below.



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 Associations Financial Reporting Process.</p> <p>Monitoring the following subcommittees.</p> <ul style="list-style-type: none"> ▲ Strategic Plan ▲ Procurement ▲ HR ▲ International Affairs

Committees of the Association	Role of the Committee
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	Formulating business school strategy, direction and control of the programs conducted by the business school. Promote and conduct Diploma programs for the membership and the general public with a view to enhance knowledge to facilitate employability and career advancement.
Conference	Organise the Annual Accounting Technicians' conference with a view to update the membership with changes in technology, legal and regulatory matters, current trends and developments in the local and global economy which are having and bearing on the accounting profession and to promote AAT amongst society and corporate community.
Membership	Regulate enrolment, upgrading and renewal of membership while maintaining a satisfactory level of active membership and maintaining a membership policy of AAT Sri Lanka. Enhance competencies of members through communications and promoting them to actively participate programs conducted by AAT Sri Lanka and its Business School such as seminars, conferences, workshops and higher study programs. Foster leadership, entrepreneurship and entrepreneurship among members and contribute to national development efforts by building human resource capabilities.
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.
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 utilizing skills of the middle level accountants - the SME sector and public sector- to enhance their professional skills.
SME Committee	Address all issues relevant to SMEs.

GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.1	Governing Council Meetings	The Governing Council should meet regularly. Governing Council should be held at least once in every quarter of a financial year in order to effectively execute the Governing Council's responsibilities, while providing information to the Governing Council on a structured and regular basis; ideally monthly, or as agreed by the Governing Council. The regularity of Governing Council meetings and the structure and process of submitting information should be agreed to and documented by the Governing Council.	<p>The Association has a policy for the frequency and the need for meetings which is minimum 12 meetings for a year. The council met 15 times during the financial year under review either physically or virtually depending on the convenience of the Governing Council member.</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 till 31st December 2022 and S. S. P. Corporates took over the secretarial matters thereafter. Proper record of the minutes were maintained in sufficient detail and circulated for review and discussion.</p> <p>Financial and operational results compared to previous periods and budgets are tabled on quarterly basis.</p> <p>Compliance report to update on compliances with laws and regulations were tabled on 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 2022/23

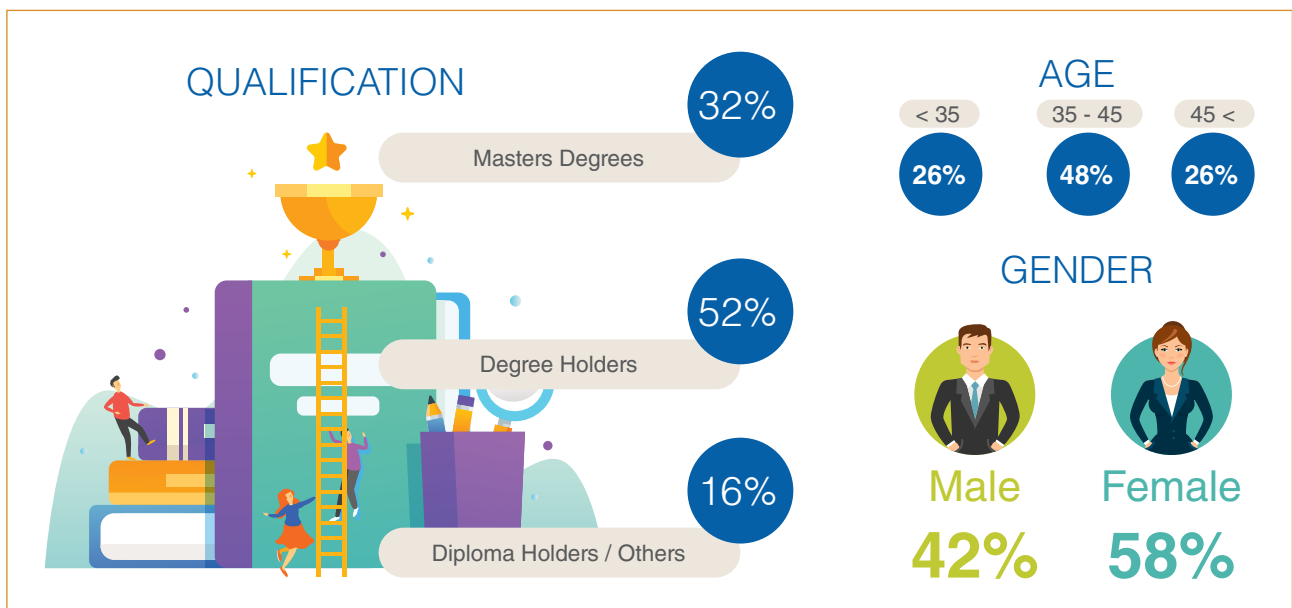
Governing Council / Council Committee		No. of Meetings Held
1	Governing Council	15
2	Audit, Compliance, Risk Management & Ethics	4
3	Finance & Administration	12
4	Examinations	10
5	Act of Incorporation	3
6	Business School	7
7	Conference	6
8	Membership	12
9	Members Welfare	11
10	Best Annual Report Competition	Competition was not held during FY 2022/23
11	Education & Training	12
12	Students Promotion & Brand Marketing	5
13	IT Development	4
14	Public Seminars & Professional Development	8
15	Public Sector Co-ordination	11
16	SME	3

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.2	Governing Council role and responsibilities	Governing Council role is to provide entrepreneurial leadership of the Association within a framework of prudent and effective controls 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. 	✓

GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	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 carry out 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 instill core values such as absence of self-interest with regard to business of the Association, integrity, maintaining an objective frame of mind when dealing with affairs of the Association and maintain confidentiality at all times.</p> <p>Periodic reporting strengthens the Association's good governance practices. The 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	Manner of Implementation	Compliance
A.1.3	Compliance with the Laws and access to independent professional advice	The Governing Council collectively and Governing Council members individually, must act in accordance with the laws of Sri Lanka.	<p>Provisions are made for the Governing Council members 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, Finance 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 Council review.</p>	✓
A.1.4	Access to the advice and services of the Association Secretary and removal of the secretary	All Governing Council members 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>S. S. P. Corporates (Pvt.) Limited functions as the Secretaries to the Association. The Secretaries are duly registered under the regulations and provide the necessary expertise and advice to the 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>	✓

GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.5	Independent judgment of Governing Council members	All Governing Council members should bring an independent judgment to bear on issues of strategy.	<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>	✓
A.1.6	Dedicate adequate time and effort to matters of the Governing Council and the Association	Every Governing Council member should dedicate time and effort to matters of the Governing Council and the Association.	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 Council meetings, they have attended subcommittee meetings and also have made decisions via circulars where necessary.	✓

ATTENDANCE OF THE MEMBERS OF THE GOVERNING COUNCIL AT THE MEETINGS – FY 2022/23

Council Member	No. of Meetings Attended / No. Meetings Scheduled
Mr. A. Naleen Dhammika De Silva – President	15/15
Mr. K. L. Jagath Nandana Perera - Vice President	15/15
Mr. Indraka P. Liyanage – Secretary	15/15
Mr. W. P. Russel P. H. Fonseka - Immediate Past President	10/15
Dr. D. B. S. Chamara Bandara	10/15
Ms. W. Chamila N. Cooray	12/15
Mr. R. Thilak Dharmarathne	15/15
Dr. Damith Gangodawilage	9/15
Mr. Lahiru Jayasinghe	12/15
Mr. P. D. Wasantha Kumara	14/15
Mr. Heshana Kuruppu	5/15
Ms. F. S. Naayila Marikkar	13/15
Mr. B. Kapila Ranasinghe	14/15
Mr. Sunil Wanigabadu	15/15
Ms. G. M. Iresha U. Bandara	4/15
Ms. Neelamani Malawiarachchi	2/15

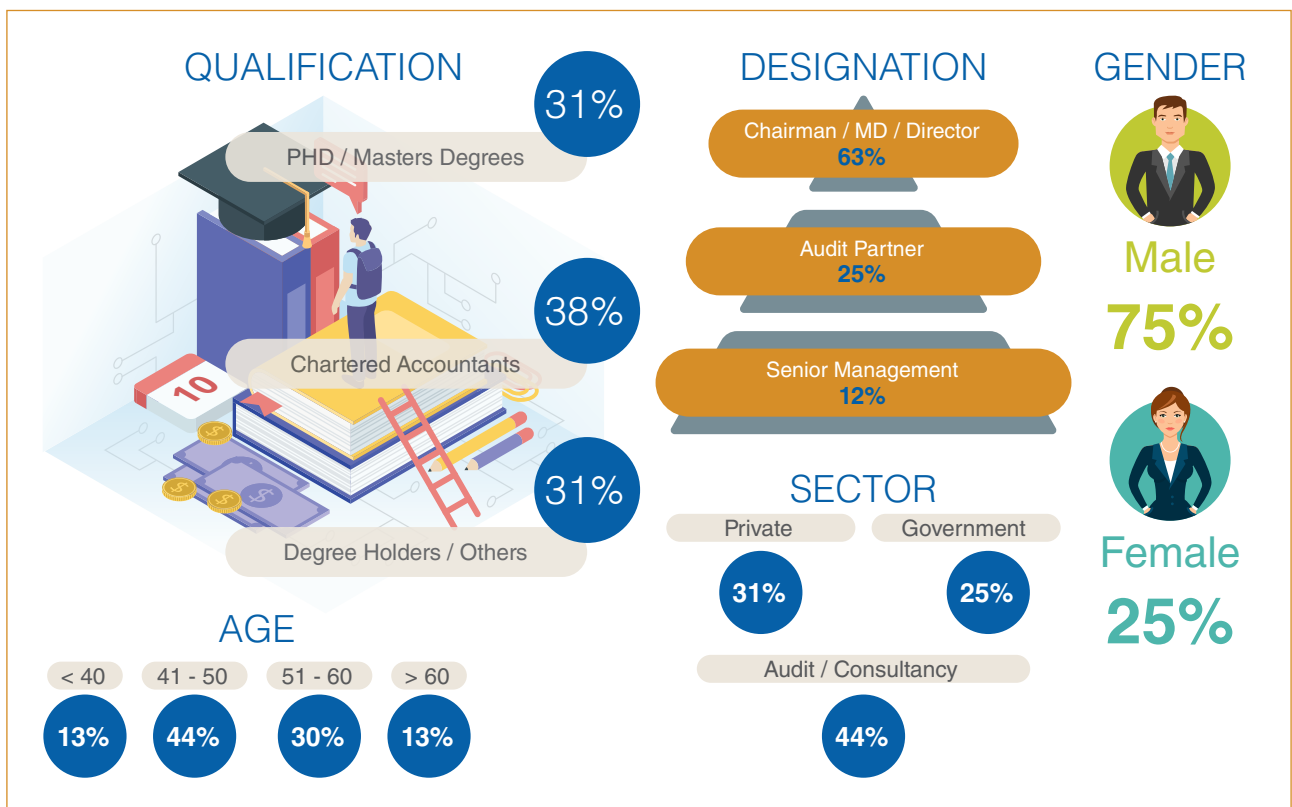
Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.7	Resolutions	One third of the Governing Council members to call for resolutions in the best interest of the Association.	No such requirements had arisen during the year under review.	N/A
A.1.8	Succession	Every Governing Council member 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 go through the orientation. The learning environment of the Association itself facilitates the Governing Council members to enhance their knowledge by attending continuous professional development programs and international conferences.</p>	✓
A.2 & A.2.1	President and Chief Executive Officer (CEO)	<p>There should be a clear division of responsibilities between the President and the Chief Executive Officer to ensure the balance of power and authority.</p> <p>Decision to combine the posts of President 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>

GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.3	President's Role	The President should conduct Governing Council proceedings in a proper manner and ensure an effective discharge of the Governing Council 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 thereafter 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> <p>A proper record of the minutes is maintained by independent Company Secretaries.</p> <p>Evaluate the Association's Strategy on quarterly basis against the plan, performance, risk profile and compliance with Governance. Recording of dissent at meeting in minutes.</p>	✓
A.4	Financial Acumen	The Governing Council should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.	<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>	✓

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.5	Governing Council Balance	It is preferable for the Governing Council to have balance of executive and non-executive Governing Council members such that no individual or small group of individuals can dominate the Governing Council decision-taking.	<p>The composition of the Governing Council is a critical element of the success of the Association as well as our ability to look after stakeholder interest. Hence, the Governing Council comprises of professionals with the requisite experience and proven leadership capabilities to set the strategic direction for AAT in a far-seeing, prudent and accountable manner.</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 President shall be a member nominated by CA Sri Lanka and the Immediate Past President shall also be a member of the Governing Council.</p> <p>Four out of sixteen members are females contributing to the gender balance.</p>	✓

COMPOSITION OF THE GOVERNING COUNCIL



GOVERNANCE

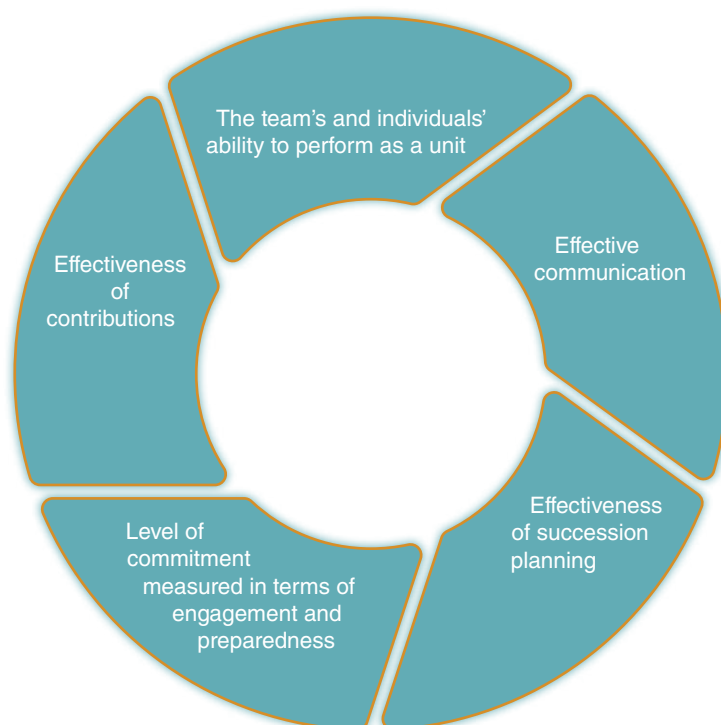
Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.6	Supply of Information	The Governing Council should be provided with timely information in a form and of a quality appropriate to enable it to discharge its duties.	<p>The Governing Council was provided 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 Governing Council	There should be a formal and transparent procedure for the appointment of new Governing Council members to the Governing Council.	<p>The appointment of new members to the Governing Council is carried out in a transparent manner.</p> <p>Governing Council for the year 2022 - 2023 was appointed as per the laid down procedure.</p>	✓

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	Manner of Implementation	Compliance
A.8	Re-Election	All Governing Council members should be required to submit themselves for re-election at regular intervals and at least once in every three years.	<p>The term of the Governing Council is two years and members are elected / nominated in every two years.</p> <p>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>Any casual vacancy in respect of CA and ministry appointments to the Governing Council member is to be filled by fresh nominations.</p> <p>Any casual vacancy in respect of elected Governing Council member is to be filled by the next in line from the elected list.</p>	✓

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
			<p>Any member appointed to fill the casual vacancies shall retain his office until the next election of the Association and then retire.</p> <p>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>	

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.9	Appraisal of Governing Council Performance	The Governing Council should periodically appraise its own performance against the targets in order to ensure that the Governing Council 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>	✓



GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.10	Disclosure of Information in respect of Governing Council members	Details in respect of each Governing Council member should be disclosed in the Annual Report for the benefit of the members.	<p>Profiles of each Governing Council member, including their name, qualifications, designation, expertise and other appointments held 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 to the Financial Statements.</p>	✓
A.11	Appraisal of Chief Executive Officer (CEO)	The Governing Council members should at least annually assess the performance of the Chief Executive Officer.	<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 subcommittee.</p>	✓
B	Governing Council Members' Remuneration			
B.1	Remuneration Procedure	Association should establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Governing Council members.	<p>As per the Articles of the Association, no Governing Council shall be entitled to any remuneration. Therefore, the requirement of forming a separate remuneration committee to fix Governing Council members remuneration, level & make up remuneration and disclosure of remuneration are not applicable.</p> <p>The 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.</p>	✓
B.2	The level and make up of remuneration			
B.3	Disclosure of Remuneration			
C	Relations with Members			
C.1	Constructive use of the Annual General Meeting and Conduct of General Meetings	The Governing Council should use the AGM to communicate with members.	<p>In its desire to maintain good relationships with Members, the Governing Council at AAT 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 Annual General Meeting 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>	✓

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
C.2	Communication with Members	The Governing Council should implement effective communication with the members.	<p>The notice of AGM including the final accounts link is circulated to Members well in advance of the AGM to enable the members to study.</p> <p>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.3	Major and Material Transactions	The Governing Council should disclose to members all proposed material transactions which have material impacts to the net assets of the Association.	No material transactions were proposed during the period under review to disclose.	✓
D	Accountability and Audit			
D.1	Financial and Business Reporting (The Annual Report)	The Governing Council should present a balanced and understandable assessment of the Association'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 2023.</p>	✓

GOVERNANCE

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
D.2	Risk Management and Internal Control	The Governing Council should have a sound system of internal controls to safeguard the Associations investments and assets.	<p>The Association's Audit, 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, Risk Management and Ethics committee.</p>	✓
D.3	Audit Committee	The Governing Council should have a formal and transparent arrangement in selecting and applying the accounting policies for financial reporting, internal control principles and for maintaining an appropriate relationship with the Association's auditors.	<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>	✓
D.4	Related Party Transactions Review Committee	The Governing Council shall establish a procedure to ensure that the Association does not engage in transactions with related parties in a manner that would grant such parties more 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> <ol style="list-style-type: none"> All Governing Council members are independent and serve the Association in non-executive capacity. All Governing Council members are required to issue a declaration of independence at the year-end audit. 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>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

Code ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
D.5	Code of Business Conduct and Ethics	The Association should develop a Code of Business Conduct and Ethics for Governing Council members and members of the senior management team.	The Association has developed a Code of Ethics and professional standards for all its members. Compliance of the code of ethics is monitored by the committees.	✓
D.6	Governance Disclosure	The Association should disclose the extent of adoption of best practice in governance.	The Governing Council members should include in the Association's Annual Report a Governance Report, setting out the manner in which Association has complied with the principles and provisions of this code. This requirement is met by including the corporate governance report to this Annual Report.	✓
SECTION 2 : MEMBERS				
E & F	Members & Other investors	Members are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.	Annual General Meeting is used to have an effective dialogue with the members on matters which are relevant and are of concern. The Association maintains a good relationship with the Members and potential investors. Members' concerns are addressed as and when raised.	✓
G	Internet of Things & Cybersecurity	The Governing Council should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance.	The Governing Council ensures the effectiveness of the cybersecurity risk management through IT Development committee. Risk relating to IT matters including that arising from cybersecurity are discussed at the IT Development committee and outcome is tabled at the Governing Council meeting. IT Development committee meets regularly for periodic review and assurance.	✓
H	Environment, Society and Governance	Association should establish a governance structure to support its ability to create value and manage risks in the short, medium and long term.	The Association believes that among others, environment, society and governance aspects are important part of the Association's values and the Governing Council is aware of its responsibility to ensure that such aspects are linked closely with the Association strategy. The Capital report of this Annual Report is a reflection of how the Association has performed and achieved long-term economic value, assumed corporate responsibility and contributed to sustainability development.	✓

RISK MANAGEMENT

The unprecedented events of recent years led to a greater emphasis on risk management within AAT Sri Lanka. The risk management framework and tools ensure the continuity of services, sustainable growth and value creation for all stakeholders. This in turn establishes the operational integrity of the association as well as its long-term value creation capacity. As we aspire to improve our risk management strategy, AAT Sri Lanka consistently reviews and updates the applicable frameworks and tools related to managing risk effectively.

Our risk framework consists of the below key components:

- ▲ Governance structure
- ▲ Policy framework
- ▲ Documented procedures
- ▲ Risk identification and management

During the year under review, AAT Sri Lanka employed timely risk management mechanisms to identify and address applicable risks in a timely and pragmatic manner. The appropriate application of risk management strategies allowed AAT Sri Lanka to steer ahead with caution amidst volatile external pressure to continue operations and perform well.

RISK GOVERNANCE

The Governing Council of AAT functions as the leading body to oversee risk management. The Council relies on the supportive role provided by the Audit, Compliance, Risk Management and Ethics committee to implement risk management strategies in line with the identified methodology. The aforementioned committee is responsible for periodical reviewing and updating of the risk management framework as well as monitoring of AATSL's risk performance.

AAT Sri Lanka maintains a frequently updated list of risks to identify the weight of the potential impact at any given moment as well as co-relation between risks. The Governing Council guides the relevant committees to prioritize risks based on the potential outcome and impact. The Audit, Compliance, Risk Management and Ethics committee supervises the implementation of chosen risk strategies to prevent or minimise risk. The Governing Council is responsible for overseeing the risk review process periodically.

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 are submitted to the Audit, Compliance, Risk Management and Ethics committee for necessary action and to be tabled at the Governing Council meetings.

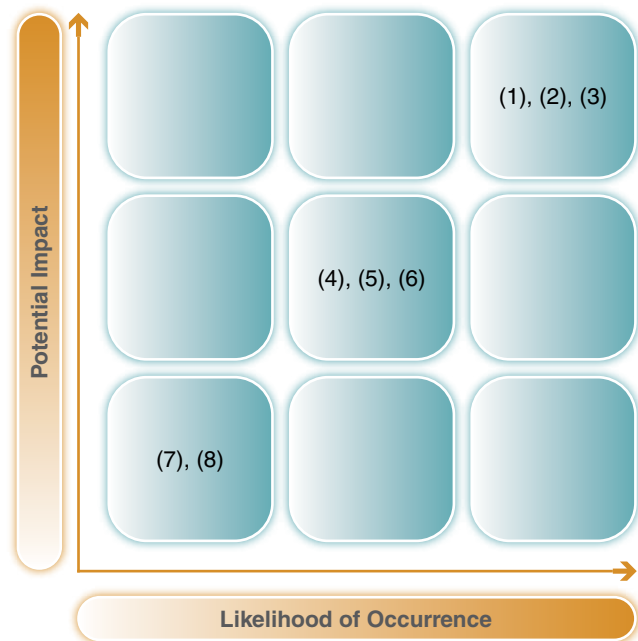
RISK MITIGATION

During the financial year 2022/23, AAT Sri Lanka implemented recognised and agreed upon risk mitigation measures to respond to the challenges stemming from the economic crisis, safeguard operational continuity from logistical challenges and revisit our investment portfolio to protect our financial stability in the short and medium term. In addition, we identified optimal investment opportunities and took measures to increase our ROE during the year under review. AAT Sri Lanka also periodically reviews the status of our insurance policies to ensure maximum protection.

RISK MANAGEMENT APPROACH

Our risk management approach utilises robust communication tools to effectively communicate identified risks and agreed upon risk alleviation methods to relevant entities within the organization.

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



The following Risk Register depicts the risks that the association currently faces and details risk strategies employed:

Risk Factor	Mitigating Actions	Grading
1. Economic challenges	<ul style="list-style-type: none"> ▲ Adopting prudent financial measures ▲ Revisiting the investment structure in response to market realities to achieve better ROI ▲ Obtaining insurance coverage to prevent loss of investment 	●
2. Political instability	<ul style="list-style-type: none"> ▲ Closely monitoring the political and social climate to respond in an effective and pragmatic manner to ensure continuity of services 	●
3. Industry competition	<ul style="list-style-type: none"> ▲ Investing in brand building strategies (Eg: sponsoring the Debater championship with Sirasa TV) ▲ Periodical market research to understand market needs and student expectations ▲ Improving social media outreach and digitalization to cater to Gen Z 	●
4. Information Technology and Infrastructure	<ul style="list-style-type: none"> ▲ Ongoing investments in strengthening the Association's IT Infrastructure ▲ Investing in systems and processes to counter cyber security risks and to ensure data security 	●
5. Changing employer demands and requirements	<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 ▲ Facilitating frequent training programs, seminars and conferences aimed at passed finalists and continuous professional development programs for members 	●
6. Talent Risk	<ul style="list-style-type: none"> ▲ Ongoing efforts to strengthen our employee value proposition by facilitating training and development ▲ Providing opportunities for career progression ▲ Maintaining a high level of employee engagement 	●
7. Changing dynamics in education	<ul style="list-style-type: none"> ▲ Investing in partnerships and alliances with key organizations in the education sphere ▲ Close collaboration with the government and advocacy for change 	●
8. Brand reputation risk	<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 	●

● High ● Moderate ● Low

THE AUDIT, COMPLIANCE, RISK MANAGEMENT AND ETHICS COMMITTEE REPORT

The Audit, Compliance, Risk Management and Ethics committee is primarily responsible for ensuring compliance with laws and regulations in financial reporting, internal control and auditing. The committee carries out its duties 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 committee assists the Governing Council to oversee and ensure the quality and integrity of the accounting, auditing and reporting practices of the association as well as compliance with legal and regulatory requirements. Furthermore, the Audit, Compliance, Risk Management and Ethics 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 non-executive members of the committee provide the committee with a wealth 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 as well.

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

Committee Members	Meetings attended / Meetings eligible to attend
Ms. F. S. Naayila Marikkar – Chairperson	4/4
Ms. G. M. Iresha U. Bandara - Alt. Chairperson	1/4
Mr. Kapila Ranasinghe	4/4

MEETINGS

The Audit, Compliance, Risk Management and Ethics committee met four 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 sans 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. The external auditors concluded that there was no cause for concern.

SUMMARY OF ACTIVITIES FOR THE YEAR 2022/23

- ▲ Review 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's financial reporting standards
- ▲ Ensure that the presentation of financial statements satisfies all applicable accounting standards relevant to the association along with relevant legal requirements
- ▲ Recommend reappointment of the external auditors in compliance with relevant statutes
- ▲ Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with the applicable standards and best practices
- ▲ Monitor the effectiveness of the Association's internal audit function
- ▲ Review the scope of the internal audit
- ▲ Ensure that the Association's internal controls and risk management procedures are adequate to meet the requirements of the Sri Lanka Auditing Standards
- ▲ Evaluate the risk profile of the Association as well as risk mitigation strategies

FINANCIAL REPORTING

The Audit, Compliance, Risk Management and Ethics committee reviewed the financial statements through the Finance and Administration committee before presenting them 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 between the period April 01, 2022 to March 31, 2023. The committee was satisfied based on the assessment and affirmed to the Governing Council that the 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 effectiveness of the audit process. External audit functions were carried out by Messrs. Ernst & Young (Chartered Accountants).

INTERNAL AUDIT

During the reporting period, the internal auditors conducted six internal audits and submitted reports to present 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

The findings detailed in the reports submitted by the external auditor and the internal auditor revealed to the committee the matters that called for action or improvements. The committee made recommendations with regard to the steps to be considered and reported accordingly to the Governing Council.

The Audit, Risk Management and Ethics committee are satisfied that the internal controls of the Association of Accounting Technicians of Sri Lanka provide a reasonable assurance that the affairs of the Association are managed in accordance with the policies of the Association and that the Association's assets are properly accounted for and adequately safeguarded.

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



Ms. F. S. Naayila Marikkar

Chairperson

Audit, Compliance, Risk Management and Ethics committee

25 May 2023

HUMAN RESOURCES DEVELOPMENT SUB-COMMITTEE REPORT

The Governing Council of AAT Sri Lanka established the Human Resources Development sub-committee as one of the sub committees that comes under the Finance and Administration committee to facilitate the efficient management and development of AAT Sri Lanka's human resource function. The primary objective of this sub-committee is to review, monitor, and provide recommendations to the Governing Council regarding AAT's human resources strategy and policies. Its role is crucial in ensuring that the organization's human resources are aligned with its overall goals and objectives.

The human resources sub-committee serves as a valuable source of feedback, expertise and guidance for the human resources department in the development, implementation, and operation of its programs. The members of this esteemed sub-committee are appointed by the Governing Council for a term of two years. In the event that a member of the sub-committee ceases to be a member of the Council, a replacement will be appointed to fulfil the remaining term of the sub-committee.

This sub-committee plays a crucial role in ensuring that the human resources department is equipped with the necessary resources and knowledge to effectively carry out its responsibilities.

RESPONSIBILITIES

The sub-committee is tasked with ensuring that AAT's human resources management activities are sufficient and efficient. To this end, the sub-committee will undertake the following specific responsibilities on behalf of the Governing Council:

- ▲ Optimized 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
- ▲ Define the organization structure
- ▲ Review current organizational 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 authorization and empowerment grid is maintained by the Association
- ▲ Develop a retention strategy and succession plan

OVERSIGHT AND ADVISORY

- ▲ Oversee the implementation of AAT's strategy on human resources arising from the AAT's strategic plan
- ▲ Monitor and review the implementation of policies for the provision and delivery of human resources services
- ▲ Advisory support for developing, implementing and monitoring of a sound performance management system in accordance with the achievement of Association's strategic objectives
- ▲ Regularly evaluate HR procedures in relation to industry benchmarks and provide suggestions as needed

MEETINGS

<u>Sub-committee member</u>	<u>Meetings attended / Meetings eligible to attend</u>
Mr. Jagath Perera - Chairman	13/13
Mr. Indraka Liyanage - Member	13/13

The sub-committee meetings are held at AAT head office physically or virtually. 13 sub-committee meetings were held during the financial year under review. The chairman of the sub-committee will head the sub-committee 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.

Activities that were done during the year

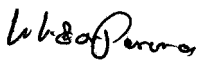
1. The sub-committee reviewed and ensured all salaries, incentives and statutory payments were paid on time
2. Continued with the staff insurance plans together with life insurance plus critical illness cover as well as personal accident cover with a 24-hour coverage for all staff members
3. Celebrated women associate on International Women's Day
4. Subcommittee reviewed all the staff salaries and allowance schemes and made recommendations to align with market rates

5. The sub-committee made recommendations, obtained council approval and paid the salary increments and staff promotions with effect from March 2023 onwards instead of April 2023 as per the usual plan. Until such a special allowance was paid to all non-executive staff in the month of February 2023 considering the prevailing high inflation rate within the country
6. Sub-committee reviewed the effectiveness of training programs
7. Ensure opening up of online EPF accounts for all staff members
8. Employee retention rate was maintained at 81% while the total staff strength stood at 67 staff members
9. Reviewed and supported to ensure that the employee engagement level towards work improved in efficiency and effectively especially during the current economic pandemic

The sub-committee is dedicated to addressing the overarching human resource challenges that the sector faces. This includes tackling the human resources-related proposals outlined in key policy documents and action plans. Additionally, the sub-committee focuses on the day-to-day operational human resources issues that arise.

The sub-committee endeavours to establish a platform for the discussion of pertinent human resource matters, the exchange of information, developed positions in relation to key human resource matters and finally promote positive working culture towards supporting and achieving the Association's strategic objectives.

On behalf of the human resources development sub-committee



Mr. K. L. Jagath N. Perera

Chairman

Human resources development sub-committee

25 May 2023

STATEMENT OF GOVERNING COUNCIL MEMBERS' RESPONSIBILITY ON INTERNAL CONTROLS

AAT Sri Lanka's Governing Council members act as the ultimate guardians of the adequacy and effectiveness of the internal control mechanism in place at the association. These internal controls have been crafted to manage the Association's risk. The Governing Council in its capacity as the highest governing body of AAT Sri Lanka employs applicable and necessary mechanisms to minimize risk and optimize opportunities in the pursuit of short, medium and long-term value creation. 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 process that the Governing Council relies on to identify, evaluate and manage potential risks is well-crafted in line with robust risk frameworks. The risk management process is driven by a comprehensive system of internal controls to improve financial reporting parallel to the developments in the operating environment. The committee appointed by the Governing Council 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 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.

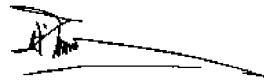
- ▲ The secretary of the Association records the minutes of the Audit, Compliance, Risk Management and Ethics committee meetings.
- ▲ Meeting minutes of the Audit, Compliance, Risk Management and Ethics committee is tabled for Governing Council's information/review which consists of major findings of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

CONFIRMATION

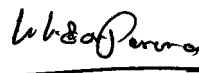
AAT Sri Lanka's Governing Council is confident that based on the above processes the financial reporting system of the Association provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. The Governing Council is 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, Risk Management and Ethics Committee

25 May 2023

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 is pleased to present the annual report of the Governing Council on the affairs of the Association together with the financial statements of the Association. The report contains an in depth analysis of the audited financial statements, the President's message, statement of responsibility, and auditors' report, governance report, capital reports and all other relevant information for the financial year ended 31st March 2023. The report adheres to the guidelines provided in the Companies Act No. 7 of 2007.

PRINCIPAL ACTIVITIES

AAT Sri Lanka's principal activity is the facilitation of professional accounting education. This activity includes registration of students for the award of qualification by conducting examinations, enrolment to membership and facilitating the continuous professional development of members. During the year under review, there were no considerable changes in the activities of the association. The members of the Governing Council can affirm that to the best of their knowledge, the Association has not engaged in activities that disregard laws and regulations stipulated by the country.

VISION, MISSION AND VALUES

As the Association strives to achieve the vision 'to be the most recognized qualification for middle-level accounting professionals', the Governing Council perpetuates a culture of integrity, professionalism and respect.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The key reports presented in the annual report detail 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 2023 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 2023 on behalf of the Governing Council and the auditors' report on the financial statements are provided on pages 142 to 143.

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:

	2022/23 (Rs.)	2021/22 (Rs.)
Income	381,957,725	317,828,432
Surplus after tax	128,809,311	97,993,474
Accumulated fund	1,038,944,288	913,908,764
Total assets	1,289,505,969	1,061,773,020

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 and 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 08 of the financial statements.

THE GOVERNING COUNCIL

The Governing Council of the Association as of 31 March 2023 consisted of sixteen nominated and elected members and their brief profiles are given in the leadership section of this annual report.

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

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 financial year 2021/22.

REMUNERATION TO GOVERNING COUNCIL MEMBERS

The Governing Council members serve in 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 the 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 the business at the rate of 24% up to 30/09/2022 at 30% thereafter.

GOING CONCERN

In determining the basis of preparing the financial statements for the year ended 31 March 2023, based on available information, the Governing Council assessed the existing and anticipated effects of the 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 continuously 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.

SUSTAINABILITY

The Association is well aware 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 of 31st March 2023.

EVENTS AFTER THE REPORTING PERIOD

The Association closely monitors the macroeconomic conditions to ensure that proper backup plans are in place for key activities relating to employees, students, members and other stakeholders.

The Association has made comprehensive action plans to address future risks associated with the economic crisis and political uncertainty. The Association will continue to monitor future developments and take relevant steps to mitigate risk to 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

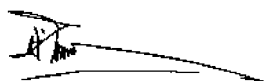
The members of the Governing Council approved the financial statements on 25 May 2023.

NOTICE OF MEETING

The annual general meeting will be held at the AAT Centre, No. 540, Ven. Muruththettuwa Ananda Nahimi Mawatha, Colombo 05, on 28 July 2023 at 5.00 pm onwards.

The notice of the annual general meeting appears on page 182.

For and on behalf of the Governing Council



Mr. A. Naleen Dhammika De Silva

President

Association of the Accounting Technicians of Sri Lanka

25 May 2023

FINANCIAL REPORTS



INSPIRING THE NEXTGEN



According to sources, augmented reality glasses will facilitate learning through sharing of information and data via lens technology.

INDEPENDENT AUDITORS' REPORT



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

Tel : +94 11 2463500
Fax Gen : +94 11 2697369
Tax : +94 11 5578180
eysi@k.ey.com
ey.com

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

Report on Audit of the Financial Statements

OPINION

We have audited the Financial Statements of The Association of Accounting Technicians of Sri Lanka ("the Association") which comprise the Statement of Financial Position as at 31 March 2023, 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 2023 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 in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF GOVERNING COUNCIL AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Council is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (hereafter "SLFRS for SMEs"), and for such internal control as council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, council is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless council either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▲ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▲ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

Partners: W R H Fernando FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, Ms. Y A De Silva FCA, W R H De Silva ACA ACMA, W R B S P Fernando FCA FCMA,
Ms. R R M Fernando FCA ACMA, Ms. L K H L Fonseka FCA, A P A Gunasekera FCA FCMA, A Herath FCA, D K Nungamawa FCA FCMA LLB (Lomb), H M A Jayasinghe FCA FCMA,
Ms. A A Ludowyke FCA FCMA, Ms. G D S Mahalinga FCA, Ms. P V K N Sajeewani FCA, N M Sulaiman ACA ACMA, B E Wijesuriya FCA FCMA
Principals: G B Gouthan ACMA, A A J R Perera ACA ACMA, T P M Ruberu FCMA FCCA

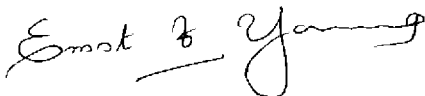
A member firm of Ernst & Young Global Limited

- ▲ 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.



25th May 2023
Colombo

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	2023 Rs.	2022 Rs.
Income	3	381,957,725	317,828,432
Cost of Services	4	(202,312,634)	(148,043,651)
Gross Surplus		179,645,091	169,784,781
Other Operating Income		3,525,000	950,000
Administration and Establishment Expenses		(117,861,785)	(92,401,758)
Student Promotion and Awareness Expenses		(55,897,516)	(21,453,310)
Surplus from Operation		9,410,790	56,879,714
Finance Income	7	142,239,827	36,421,638
Net Income from Investment Property	6	6,233,406	16,000,154
Other Income	5	5,692,796	5,388,728
Surplus for the Year before Tax		163,576,819	114,690,234
Income Tax Expense	9	(34,767,508)	(16,696,760)
Surplus for the Year		128,809,311	97,993,474
Other Comprehensive Income			
Gain / (Loss) Arising from Changes in Assumptions in Retirement Benefit Obligations (Net of Taxes)	20.2	(3,773,787)	11,198,935
Total Comprehensive Income for the Year		125,035,524	109,192,408

The Accounting policies and Notes on pages 148 through 169 form an integral part of the Financial Statements.

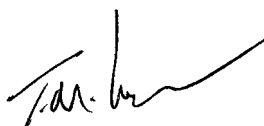
STATEMENT OF FINANCIAL POSITION

As at 31 March		2023	2022
	Note	Rs.	Rs.
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	10	127,878,372	129,588,162
Investment Property	11	133,415,577	136,144,470
Intangible Assets	12	2,326,980	4,366,649
Long Term Investments	13	623,783,504	-
Total Non-Current Assets		887,404,433	270,099,281
CURRENT ASSETS			
Inventories	14	24,502,640	12,867,553
Trade and Other Receivables	15	8,193,093	9,787,066
Short Term Investments	16	333,060,690	734,378,272
Deposits, Prepayments and Advances	17	22,766,460	11,970,446
Cash and Cash Equivalents	18.1	13,578,653	22,670,402
Total Current Assets		402,101,536	791,673,739
Total Assets		1,289,505,969	1,061,773,020
FUNDS AND LIABILITIES			
Accumulated Fund		1,038,944,288	913,908,764
Other Funds	19	44,653,828	33,994,847
Total Funds		1,083,598,116	947,903,611
NON-CURRENT LIABILITIES			
Retirement Benefit Obligation	20	26,710,684	18,328,313
Rent Received in Advance	21.1	33,841,528	20,818
Deferred Tax Liabilities	22	6,996,953	4,966,158
Total Non-Current Liabilities		67,549,165	23,315,289
CURRENT LIABILITIES			
Trade and Other Payables	23	88,096,979	41,869,610
Advances and Deposits Received	24	38,641,427	34,412,452
Rent Received in Advance	21.2	-	3,188,280
Income Tax Payable	25	1,935,263	8,046,943
Bank Overdraft	18.2	9,685,019	3,036,835
Total Current Liabilities		138,358,688	90,554,120
Total Funds and Liabilities		1,289,505,969	1,061,773,020

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

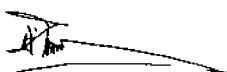


N. M. K. Ranasinghe
Chief Financial Officer

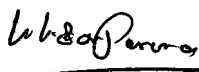


Tishanga Kumarasinghe
Chief Executive Officer

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



A. Naleen Dhammika De Silva
President



K. L. Jagath Nandana Perera
Vice President

The Accounting policies and Notes on pages 148 through 169 form an integral part of the Financial Statements.

25th May 2023
Colombo

STATEMENT OF CHANGES IN FUNDS

	Accumulated Fund Rs.	Other Funds Rs.	Total Rs.
Balance as at 01 April 2021	804,716,356	31,795,167	836,511,523
Surplus for the Year after Tax	97,993,474	-	97,993,474
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 31 March 2022	913,908,764	33,994,847	947,903,611
Surplus for the Year after Tax	128,809,311	-	128,809,311
Other Comprehensive Income (Net of Taxes)	(3,773,787)	-	(3,773,787)
Net Movement in Other Funds	-	10,658,981	10,658,981
Balance as at 31 March 2023	1,038,944,288	44,653,828	1,083,598,116

“Other funds” represent the funds which are created for non operational activities. (Refer Note - 19).

The Accounting policies and Notes on pages 148 through 169 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March		2023	2022
	Note	Rs.	Rs.
Cash Flows from / (used in) Operating Activities			
Net Surplus before Tax		163,576,819	114,690,233
Adjustments for			
Depreciation - Property and Equipment	10	6,869,288	8,406,204
Depreciation - Investment Property	11	2,728,893	2,728,894
Amortisation - Intangible Assets	12	2,081,866	2,699,986
Gain on Disposal of Property and Equipment	5	(24,997)	(68,286)
Provision for Gratuity	20	5,076,411	5,402,813
Interest Income	7	(142,239,827)	(36,421,638)
Net Income from Investment Property-before charging depreciation	6	(8,962,300)	(18,729,048)
Operating Surplus before Changes in Working Capital		29,106,153	78,709,158
Changes in Working Capital			
Increase in Inventories		(11,635,087)	(3,501,513)
Increase in Trade and Other Receivables, Prepayments and Deposits		(9,202,041)	(3,660,858)
(Decrease) / Increase in Trade and Other Payables		46,227,369	(3,143,265)
(Decrease) / Increase in Advances and Deposits Received		34,861,405	(16,155,325)
Cash Generated from Operations		89,357,799	52,248,197
Tax Paid		(37,231,055)	(19,232,345)
Gratuity Paid		(2,085,165)	(1,600,000)
Net Cash from Operating Activities		50,041,579	31,415,852
Cash Flows from/ (used in) Investing Activities			
Acquisition of Property and Equipment	10	(5,159,498)	(2,818,481)
Acquisition of Intangible Assets	12	-	(1,837,553)
Movement in Capital Working Progress - Intangible Asset	12	(42,200)	1,164,750
Interest Income	7	142,239,827	36,421,638
Net Income from Investment Property	6	8,962,300	18,729,048
Net Movement in Short-term Investments		401,317,582	(83,080,590)
Sales Proceeds on Disposal of Property and Equipment		25,000	133,458
Net Cash from / (used in) Investing Activities		547,343,011	(31,287,730)
Cash Flows from / (used in) Financing Activities			
Net Movement in Long term investments		(623,783,504)	-
Net Movement in Other Funds		10,658,981	2,199,680
Net Cash Flows from / (used in) Financing Activities		(613,124,523)	2,199,680
Net Increase/(Decrease) in Cash and Cash Equivalents		(15,739,933)	2,327,802
Cash and Cash Equivalents at the Beginning of the Period (Note A)		19,633,567	17,305,765
Cash and Cash Equivalents at the End of the Period (Note B)		3,893,634	19,633,567
Note A			
Cash and Cash Equivalents at the Beginning of the Period			
Cash and Bank Balances	18.1	22,670,402	21,384,748
Bank Overdraft	18.2	(3,036,835)	(4,078,983)
		19,633,567	17,305,765
Note B			
Cash and Cash Equivalents at the End of the Period			
Cash and Bank Balances	18.1	13,578,653	22,670,402
Bank Overdraft	18.2	(9,685,019)	(3,036,835)
		3,893,634	19,633,567

The Accounting policies and Notes on pages 148 through 169 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

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

1.2 Principal Activities and Nature of Operations

The principal activities of the association are as follows

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

1.3 Date of Authorization for Issue

The financial statements of the Association of Accounting Technicians of Sri Lanka for the year ended 31 March 2023 were authorised for issue by the council on 25th May 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1.1 Basis of Preparation

The financial statements which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, have been prepared on a historical cost basis. The financial statements are presented in Sri Lanka Rupees.

2.1.2 Statement of compliance

The financial statements of the company (statement of financial position, statement of comprehensive income, statement of changes in equity, statement

of cash flows together with accounting policies and notes) as at 31st March 2023 are prepared in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (hereafter referred as SLFRS for SMEs) as issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with the requirements of the Companies Act No. 07 of 2007.

2.1.3 Basis of Measurement

The Financial Statements have been prepared on an accrual basis and under the historical cost basis.

2.1.4 Comparative Information

The accounting policies have been consistently applied by the company and are consistent with those used in previous year. Prior year figures and phrases have been re arranged where necessary to confirm to the current year presentation.

2.1.5 Going Concern

The council has made an assessment of the company's ability to continue as a going concern and they do not intend either to liquidate or cease operations of the company. Accordingly, the going concern approach has been adopted in preparing these financial statements.

2.1.6 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.

2.2 Significant Accounting Judgments, Estimates and Assumptions

2.2.1 Critical Judgments in Applying the Accounting Policies

In the process of applying the company's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognized in the financial statements.

Deferred Taxation

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the

losses can be utilized. Significant management judgment is required to determine the amount of deferred tax that can be recognized based upon the likely timing and the levels of future taxable profits together with future tax planning strategies.

2.2.2 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

(a) Defined Benefit Plans

The cost as well as the present value of the defined benefit plan: gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and other important related data. Due to the long term nature of employee benefits, such estimates are subject to significant uncertainty. Further details of assumptions together with an analysis of their sensitivity as carried out by the management in relation to the above key assumptions and the results of the sensitivity analysis are given in Note 20.

(b) Useful Lives of Property and Equipment

The company reviews the assets' residual values, useful lives and methods of depreciation or amortization at each reporting date; judgment by management is exercised in the estimation of these values, rates and methods.

(c) 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.

(d) 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.

2.3 Summary of Significant Accounting Policies

2.3.1 Property and Equipment

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

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

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

The estimated useful lives of the assets are as follows:

Assets	Years
Building - Head office	50
Office Equipment & Name Board	
Office equipment	05
Machinery	04
Name boards	05
Furniture & Fittings	
Furniture & fittings	08
Partition work	04
Computers & Communication Equipment	
Computers	04
Public address systems	04
Multi media	04
Telephone installations	04
Library Books	05
Motor Vehicle	04
Generator	04
Elevator	04

NOTES TO THE FINANCIAL STATEMENTS

2.3.2 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.

2.3.3 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.

2.3.4 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.

2.3.5 Long Term and Short 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 amortized cost using the effective interest rate method less impairment.

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.

2.3.6 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.

2.3.7 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.

2.3.8 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.

2.3.9 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 texts, other study material, publications, answer booklets, stationery and consumables.

2.3.10 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.

2.3.11 Financial Instruments

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

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

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

2.3.11.2 Financial Liabilities

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss (FVPL). 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 2023.

NOTES TO THE FINANCIAL STATEMENTS

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

2.3.11.3 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.

2.3.12 Cash and Cash Equivalents

Cash and Bank balances are defined as cash at bank and in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.13 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.

2.3.14 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.

2.3.15 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.

2.3.16 Retirement Benefit Obligation

2.3.16.1 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 20 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 and is a final salary defined benefit plan. 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.

2.3.16.2 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.

2.3.17 Taxation

2.3.17.1 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.

2.3.17.2 Other Taxes

The association is liable only for Social Security Contribution Levy.

2.3.17.3 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.

2.3.18 Capital Commitments and Contingent Liabilities

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

2.4 Statement of Comprehensive Income

2.4.1 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 enrollment to membership is recognised as income after receiving the approval of the council and the payment due on such application.

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

Fees 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

2.4.2 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.

2.4.3 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.

2.4.4 Expenditure Recognition

2.4.4.1 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.

2.4.4.2 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.

2.4.5 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.

2.4.6 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.

2.4.7 Risk Management

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

Year ended 31 March	2023	2022
	Rs.	Rs.
3. INCOME		
AAT Classes	4,601,650	5,824,200
Annual Conference	3,546,350	2,561,450
Branch operations	8,854,740	8,304,589
Business School	21,907,300	19,000,331
Education & Training	16,170,006	14,948,140
Examination fees	212,706,190	172,533,945
Membership fees & subscriptions	15,856,487	12,839,221
Passed Finalists' Workshops	9,051,850	4,822,600
Public Lectures & Seminars	187,850	74,250
Student registration, renewal and exemption fees	89,075,302	76,919,706
	381,957,725	317,828,432
4. COST OF SERVICES		
AAT Classes	3,544,427	3,104,836
Annual Conference	3,447,346	2,057,946
Branch operations	13,154,899	10,329,114
Business School	15,944,642	14,332,553
Education & Training	19,950,974	14,812,264
Examination	106,380,691	82,723,125
Membership & subscriptions	11,315,175	5,498,863
Passed Finalists' Workshops	10,757,707	3,098,422
Public Lectures & Seminars	291,895	264,985
Student registrations, renewals and exemptions	17,524,878	11,821,543
	202,312,634	148,043,651
5. OTHER INCOME		
Rental income	4,260,120	4,049,603
Hire of Auditorium / Lecture Halls	15,000	46,500
Other miscellaneous income	1,392,679	1,224,339
Gain on disposal of Fixed Assets	24,997	68,286
	5,692,796	5,388,728
6. NET INCOME FROM INVESTMENT PROPERTY		
Rental Income	19,326,120	18,886,890
Less : Rates & Taxes - Current year	(70,840)	(70,840)
Reimbursement of rates paid	2,284,825	-
Depreciation - Building	(2,728,894)	(2,728,894)
Insurance	(83,030)	(87,002)
Valuation & Legal fees	(485,000)	-
Trade License	(9,775)	-
Building maintenance	(12,000,000)	-
	6,233,406	16,000,154

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March	2023 Rs.	2022 Rs.
7. FINANCE INCOME		
Interest on Term Deposits	139,351,071	35,083,924
Interest on Savings / Money Market Account	2,705,774	1,069,390
Interest received from Staff Loans	182,982	268,324
	142,239,827	36,421,638
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	207,200	199,584
Depreciation	6,869,288	8,406,204
Amortisation	2,081,866	2,699,986
Donations	250,000	3,000
Staff Costs		
Salaries and Allowances	66,580,724	59,681,580
Defined contribution plan (EPF and ETF)	9,987,109	8,952,237
Other Staff expenses	22,460,640	22,318,717
Defined benefit plan (Gratuity)	5,076,411	5,402,813
9. INCOME TAX EXPENSE		
The major components of income tax expense for the year ended 31 March 2023 are as follows:		
Current Income Tax		
Current income tax charge (9.1)	31,119,375	17,178,927
Deferred Tax		
Deferred tax (Reversal) / Charge	3,648,133	(482,167)
	34,767,508	16,696,760

Year ended 31 March

2023
Rs.

2022
Rs.

9.1 Reconciliation between Income Tax and the Accounting Surplus

Trade Income

Accounting profit before tax	163,576,819	114,690,233
Net aggregate allowable items	(190,559,703)	(17,999,074)
	(26,982,884)	96,691,159
Less :		
Other income	(142,239,827)	(36,421,638)
Trade income	(169,222,711)	60,269,521

Other Statutory Income

Interest income	142,239,827	36,421,638
Total other statutory income	142,239,827	36,421,638

Taxable Income

Trade income	(169,222,711)	60,269,521
Other statutory income	142,239,827	36,421,638
Total Assessable Income	(26,982,884)	96,691,159
Less : Qualifying Payments	-	-
Taxable Income	(26,982,884)	96,691,159

Tax on taxable income from Business Income at 14%	-	8,437,733
Tax on taxable income from Investment Income at 24%	-	8,741,194
Tax on taxable income from Business Income at 14% & Investment Income at 24% - First 06 months	13,830,833	-
Tax on taxable income at 30% - Second 06 months	17,288,542	-
Tax Expense	31,119,375	17,178,927

NOTES TO THE FINANCIAL STATEMENTS

10. PROPERTY AND EQUIPMENT

	Freehold land		Building		Office Equipment and Name		Board		Furniture and Fittings		Computers and Communication Equipment		Library Books		Motor Vehicle		Generator		Elevator		Total		
	Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		Rs.		
At Cost																							
Balance as at 01 April 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 31 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				
Additions	-		-		1,353,900		123,950		3,681,648		-		-		-		-		5,159,498				
Disposals	-		-		-		-		(568,225)		-		-		-		-		(568,225)				
Balance as at 31 March 2023	75,435,799		94,379,958		28,541,182		28,596,620		31,453,542		416,841		9,131,040		5,069,500		2,027,221		275,051,703				
Depreciation																							
Balance as at 01 April 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		-		-		8,406,205				
Disposals	-		-		(74,606)		-		(126,708)		-		-		-		-		(201,314)				
Balance as at 31 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				
Charge for the year	-		1,418,851		1,575,521		1,623,869		2,251,047		-		-		-		-		6,869,288				
Disposals	-		-		-		-		(568,225)		-		-		-		-		(568,225)				
Balance as at 31 March 2023	-		52,949,837		25,209,968		27,254,879		25,114,045		416,841		9,131,040		5,069,500		2,027,221		147,173,331				
Written Down Value																							
As at 31 March 2022	75,435,799		42,848,972		3,552,835		2,841,660		4,908,896		-		-		-		-		129,588,162				
As at 31 March 2023	75,435,799		41,430,121		3,331,214		1,341,741		6,339,497		-		-		-		-		127,878,372				

- 10.1** During the financial year, the association acquired property and equipment to the aggregate value of Rs.5,159,498/- (2022 Rs. 2,818,481/-), Cash payments amounting to Rs.5,159,498/- (2022 Rs. 2,818,481/-) were made during the year for purchase of property & equipment.
- 10.2** The gross carrying amount of fully depreciated property and equipment that are still in use as at 31 march 2023 was Rs.77,763,313/- (2022 - Rs. 67,186,497/-)
- 10.3** Based on the assessment of potential impairment carried out internally as at 31 march 2023 no provision was required to be made in the financial statements as at the reporting date.
- 10.4** There were no items of property and equipment pledged as securities for liabilities.
- 10.5** There were no restrictions existed on the title to the property and equipment of the association as at the reporting date.
- 10.6** Extents, locations and the number of buildings of the Association's holdings under property and equipment are given below.

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

	Land Rs.	Building Rs.	Total Rs.
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11. INVESTMENT PROPERTY

Cost			
As at 01 April 2021	122,500,000	66,303,202	188,803,202
Additions	-	-	-
As at 01 April 2022	122,500,000	66,303,202	188,803,202
Additions	-	-	-
Balance as at 31 March 2023	122,500,000	66,303,202	188,803,202

Depreciation			
As at 01 April 2021	-	49,929,838	49,929,838
Charge for the year	-	2,728,894	2,728,894
As at 01 April 2022	-	52,658,732	52,658,732
Charge for the year	-	2,728,893	2,728,893
Balance as at 31 March 2023	-	55,387,625	55,387,625

Carrying Value			
As at 31 March 2022	122,500,000	13,644,470	136,144,470

Carrying Value			
As at 31 March 2023	122,500,000	10,915,577	133,415,577

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

NOTES TO THE FINANCIAL STATEMENTS

Based on the assessment of potential impairment carried out internally as at 31 march 2023 no provision was required to be made in the financial statements as at the reporting date.

There were no restrictions existed on the title to the investment property as at the reporting date.

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

12. INTANGIBLE ASSETS

	Balance as at 01.04.2022 Rs.	Additions Rs.	Disposals / Transfers Rs.	Balance as at 31.03.2023 Rs.
12.1 At Cost				
Computer Software	18,620,281	-	(2,172,393)	16,447,888
	18,620,281	-	(2,172,393)	16,447,888
Capital work-in progress				
Website and Other Software Development	367,300	42,200	-	409,500
	367,300	42,200	-	409,500
Total Value of Intangible Assets	18,987,581	42,200	(2,172,393)	16,857,388

	Balance as at 01.04.2022 Rs.	Additions Rs.	Disposals / Transfers Rs.	Balance as at 31.03.2023 Rs.
12.2 Amortisation				
Computer Software	14,620,932	2,081,866	(2,172,390)	14,530,408
Total Amotisation	14,620,932	2,081,866	(2,172,390)	14,530,408

	2023 Rs.	2022 Rs.
12.3 Net Book Values		
Computer Software	1,917,480	3,999,349
Capital work-in progress	409,500	367,300
Total Carrying Amount of Intangible Assets	2,326,980	4,366,649

12.4 During the financial year, the association acquired Intangible Assets to the aggregate value of Rs.42,200/- for cash. (2022 Rs. 1,837,553/-)

12.5 The gross carrying amount of fully depreciated Intangible Assets that are still in use as at 31 march 2023 was Rs.8,919,341 /- (2022 - Rs.8,696,984/-)

12.6 Based on the assessment of potential impairment carried out internally as at 31 march 2023 no provision was required to be made in the financial statements as at the reporting date.

Year ended 31 March

	2023 Rs.	2022 Rs.
13. LONG TERM INVESTMENTS		
Term deposits - Bank of Ceylon	319,005,074	-
- People's Bank	52,880,389	-
- DFCC Bank	108,980,602	-
- Seylan Bank	111,004,633	-
- Hatton National bank	31,912,806	-
	623,783,504	-

Due to the volatility of interest rates in the current market, management has decided to invest the excess funds (after deducting working capital requirement) in long term in order to avoid the exposure towards the interest rate risk and to earn best income in the long run.

	2023 Rs.	2022 Rs.
14. INVENTORIES		
Practical training books	18,171	131,346
Suggested answers and other publications	1,449,914	497,340
Student guides	497,403	509,680
Study texts	7,345,029	5,468,419
Stationery items	9,568,603	3,159,040
Answer Booklets / Supplementaries	5,623,520	3,101,728
	24,502,640	12,867,553

15. TRADE AND OTHER RECEIVABLES

Trade Debtors	1,458,137	3,209,224
Other receivables	990,170	1,587,966
Staff Loans (Note 15.1)	5,744,786	4,989,876
	8,193,093	9,787,066

15.1 Staff Loans

Staff loans	4,521,557	4,340,791
Pre paid staff expenses	1,223,229	649,085
	5,744,786	4,989,876

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March	2023 Rs.	2022 Rs.
16. SHORT TERM INVESTMENTS		
Term deposits - Bank of Ceylon	115,092,463	402,297,445
- People's Bank	122,534,247	226,248,024
- DFCC Bank	-	67,676,173
- Seylan Bank	39,413,822	-
- Sampath Bank	56,020,158	-
- NDB Bank	-	38,156,630
	333,060,690	734,378,272

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 meet the working capital requirement. On expiry/ redemption of term deposits, the funds will be reinvested at best available interest rate.

	2023 Rs.	2022 Rs.
17. DEPOSITS, PREPAYMENTS AND ADVANCES		
Prepayments / Advances	20,522,960	9,317,346
Deposits (Note 17.1)	2,243,500	2,653,100
	22,766,460	11,970,446

17.1 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	253,500	663,100
Rent deposit - Parking area	60,000	60,000
	2,243,500	2,653,100

18. CASH AND CASH EQUIVALENTS

18.1 Favourable Balances

Cash at bank	13,379,480	22,517,141
Stamps	22,505	25,985
Cash-in-hand	176,668	127,276
	13,578,653	22,670,402

18.2 Unfavourable Balances

Hatton National Bank	(4,661,250)	(1,090,273)
Bank Of Ceylon	(5,023,769)	(1,946,562)
	(9,685,019)	(3,036,835)
Total cash and cash equivalents for the purpose of Statement of Cash Flow	3,893,634	19,633,567

	Balance as at 01.04.2022 Rs.	Contribution Rs.	Distribution Rs.	Balance as at 31.03.2023 Rs.
19. OTHER FUNDS				
Scholarship fund	232,510	6,000	59,850	178,660
Member's benevolence fund	28,400	300	-	28,700
Education and training fund	6,000	-	6,000	-
Toastmasters club fund	10,100	-	-	10,100
Prize fund	452,406	470,000	485,000	437,406
Achievers network fund	2,647,148	630,000	805	3,276,343
AAT Nena Waruna Scholarship fund	-	1,812,000	168,000	1,644,000
Life membership fund				
MAAT	27,410,287	14,081,500	6,342,724	35,149,063
SAT	1,410,182	699,500	320,320	1,789,362
FMAAT	1,797,814	677,000	334,620	2,140,194
	33,994,847	18,376,300	7,717,319	44,653,828

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

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

	2023 Rs.	2022 Rs.
20. RETIREMENT BENEFIT OBLIGATION		
Balance at the beginning of the year	18,328,313	27,547,517
Current service cost	2,478,337	1,701,035
Interest cost	2,598,074	3,701,778
	23,404,724	32,950,330
Payments made during the year	(2,085,165)	(1,600,000)
(Profit) / Loss arising from changes in assumptions	5,391,125	(13,022,017)
Balance at the end of the year	26,710,684	18,328,313

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

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

	2023	2022
Discount interest rate	16%	14%
Salary increment rate	14%	10%
Staff turnover rate	5%	5%
Retirement age (years)	60	60

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March	2023 Rs.	2022 Rs.
20.1 Expenses recognized during the year in Income Statement		
Current service cost	2,478,337	1,701,035
Interest cost	2,598,074	3,701,778
Actuarial (Gain) / Loss recognised in other comprehensive income	5,391,125	(13,022,017)
20.2 Retirement Benefit Obligations (Net of Taxes)		
(Gain) / Loss arising from changes in assumptions (20.1)	5,391,125	(13,022,017)
Tax at 30 % p.a (Last year at 14% p.a)	(1,617,338)	1,823,082
	3,773,787	(11,198,935)

20.3 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	(2,140,787)	2,376,337	24,569,898	29,087,022
Salary Increment rate	2,398,122	(2,194,669)	29,108,807	24,516,015

The above sensitivity analyses are based on a change in significant assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The Association used "Projected Unit Credit method" when calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions as at 31 March 2023.

The methods and types of assumptions used in preparing the sensitivity analysis has not change compared to the prior period.

	2023 Rs.	2022 Rs.
21. RENT RECEIVED IN ADVANCE		
21.1. Non Current		
Bharti Airtel Lanka (Pvt) Ltd	33,820,710	-
Mobitel (Pvt) Ltd	20,818	20,818
	33,841,528	20,818
21.2. Current		
Bharti Airtel Lanka (Pvt) Ltd	-	3,188,280
	-	3,188,280

Year ended 31 March

	2023 Rs.	2022 Rs.
22. DEFERRED TAX LIABILITIES		
Balance at the beginning of the year	4,966,158	3,625,243
Amount originated/(reversed) during the year		
Reversed / (Charged) to profit or loss	3,648,133	(482,167)
(Charge) / Reversed to other comprehensive income	(1,617,338)	1,823,082
Balance at the end of the year	6,996,953	4,966,158

	2023		2022	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
Deferred Tax Arising from				
Accelerated depreciation for tax purpose	50,033,862	15,010,158	53,800,867	7,532,122
Post - employment retirement benefit	(26,710,684)	(8,013,205)	(18,328,313)	(2,565,964)
	23,323,178	6,996,953	35,472,554	4,966,158

22.1 Reconciliation of net deferred tax liability

	Statement of financial position		Statement of Comprehensive Income		Other comprehensive income	
	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.	2023 Rs.	2022 Rs.
Accelerated depreciation for tax purposes	15,010,158	7,532,122	7,478,036	50,226	-	-
Defined benefit plans	(8,013,205)	(2,565,964)	(3,829,903)	(532,393)	-	-
Tax effect on actuarial gains/ losses on defined benefit plans	-	-	-	-	(1,617,338)	1,823,082
Deferred tax effect on profit or loss and other comprehensive income	-	-	3,648,133	(482,167)	(1,617,338)	1,823,082
Net deferred tax liability as at 31 March	6,996,953	4,966,158	-	-	-	-

	2023 Rs.	2022 Rs.
23. TRADE AND OTHER PAYABLES		
Trade Payables	55,321,571	8,362,919
Other Payables	29,333,656	33,502,016
Stamp Duty Payable	4,600	4,675
SSCL Payable	3,437,152	-
	88,096,979	41,869,610

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March	2023 Rs.	2022 Rs.
24. ADVANCES AND DEPOSITS RECEIVED		
Fees received in advance	33,364,897	30,967,452
Refundable deposits	25,000	25,000
Refundable rent deposits	5,251,530	3,420,000
	38,641,427	34,412,452
25. INCOME TAX PAYABLE		
Balance at the beginning of the year	8,046,943	10,100,361
Charge for the year (Note 9)	31,119,375	17,178,927
	39,166,318	27,279,288
Less: Payments made during the year	(36,056,904)	(19,232,345)
Withholding tax	(1,174,151)	-
Payable at the end of the year	1,935,263	8,046,943

26. EVENTS AFTER THE REPORTING PERIOD

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

Year ended 31 March	2023 Rs.	2022 Rs.
Term Deposits	956,844,194	734,378,272
Receivables & Deposits	30,959,553	21,757,512
Cash at Bank	3,694,461	19,480,306
Total credit risk exposure	991,498,208	775,616,090

Balances with banks

	2023 Rs.	2022 Rs.
Fitch Rating		
AAA	690,400	374,305
AA-	-	647,514,323
A+	-	105,832,803
A	699,333,342	137,147
A-	260,364,913	-
	960,388,655	753,858,578

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 Rs.	Less than 3 months Rs.	3 to 12 months Rs.	More than 1 year Rs.	Total Rs.
Financial Assets					
Trade and Other Receivables	2,448,307	-	-	-	2,448,307
Staff Loan	-	883,484	1,072,637	2,565,436	4,521,557
Short & Long Term Investments	-	277,019,817	56,040,873	623,783,504	956,844,194
Refundable Deposits	-	-	-	2,243,500	2,243,500
Cash and Cash Equivalents	13,578,653	-	-	-	13,578,653
	16,026,960	277,903,301	57,113,510	628,592,440	979,636,211
Financial Liability					
Trade and Other Payables	3,678,864	71,768,115	12,650,000	-	88,096,979
Refundable Deposits	25,000	-	-	5,251,530	5,276,530
Rent Received in Advance	-	-	-	33,841,528	33,841,528
Bank Overdraft	9,685,019	-	-	-	9,685,019
	13,388,883	71,768,115	12,650,000	39,093,058	136,900,056

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

29.1 Transactions with Governing Council Members of the Association

Related parties include Governing Council members those who having authority and responsibility for planning, directing and controlling the activities of the entity and its related entities.

The Governing Council Members of the Association carried out the following transactions in the ordinary course of business:

Year ended 31 March	2023	2022
	Rs.	Rs.
Payments		
Reimbursement of travelling expenses of all members of the Governing Council on attending of meetings	450,500	370,000
Reimbursement of examination center visit expenses	112,552	379,791
Receipts		
Received to AAT special funds from members of the Governing Council	214,500	105,000

29.2 Transactions with Related Entities

(a) CA Sri Lanka

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

Year ended 31 March	2023 Rs.	2022 Rs.
Payments to CA Sri Lanka		
Seminar/ Conference Participation	173,000	89,000
Registration and tickets for Annual Report Awards Competition	230,000	172,000
Renewal of Training Organisation	-	28,000
Receipts from CA Sri Lanka		
Advertisement in Organizer	-	30,000
Sponsorships	1,850,000	-

SUPPLEMENTARY INFORMATION





INSPIRING T H E N E X T G E N

In this technology evolving era, AI will be used in accounting to automate repetitive tasks, allowing humans to focus on analytical and managerial work.

TEN YEAR SUMMARY STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Income	381,958	317,828	282,965	289,545	275,000	232,717	219,122	212,410	226,401	209,769
Cost of services	(202,313)	(148,044)	(137,764)	(155,117)	(136,854)	(135,133)	(123,980)	(129,853)	(112,510)	(98,042)
Gross surplus	179,645	169,784	145,202	134,428	138,146	97,584	95,142	82,557	113,891	111,727
Other income	9,218	6,339	6770	6,527	6,577	12,332	6,061	24,785	5,529	5,978
Net income from investment property	6,233	16,000	14,683	14,300	13,045	12,237	11,112	10,823	9,832	10,096
Administration, establishment and finance expenses	(117,862)	(92,402)	(85,290)	(90,032)	(91,348)	(86,982)	(81,358)	(80,565)	(73,000)	(58,975)
Student promotion expenses	(55,898)	(21,453)	(24,720)	(35,546)	(32,510)	(15,489)	(19,874)	(20,526)	(23,290)	(16,583)
Finance income	142,240	36,422	51,798	58,217	46,178	39,308	29,794	15,540	17,586	22,525
Surplus for the year before tax	163,576	114,690	108,442	87,894	80,088	58,991	40,878	32,614	50,549	74,768
Tax expense	(34,768)	(16,697)	(20,373)	(14,149)	(18,885)	(16,407)	(8,314)	(4,999)	(9,927)	(11,608)
Surplus for the year after tax	128,809	97,993	88,069	73,745	61,203	42,584	32,564	27,615	40,622	63,160
Other comprehensive income										
Gain / (Loss) arising from changes in assumptions in retirement benefit obligations	(3,774)	11,199	(5,061)	(168)	230	(2,208)	2,298	2,888	(1,917)	381
Total comprehensive income for the year	125,035	109,192	83,008	73,577	61,433	40,376	34,862	30,503	38,705	63,541

TEN YEAR SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 March	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	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	127,878	129,588	135,241	140,169	143,974	153,687	154,437	157,057	137,089	123,936
Investment property	133,416	136,144	138,873	141,602	144,331	147,060	149,789	152,518	155,247	157,976
Intangible assets	2,327	4,367	6,394	7,916	7,143	3,985	1,211	1,696	416	-
Long term investments	623,784									
	887,404	270,099	280,508	289,687	295,449	304,732	305,437	311,271	292,752	281,912
Deferred tax assets	-	-	-	-	-	-	-	-	744	2,485
Total Non-Current Assets	887,404	270,099	280,508	289,687	295,449	304,732	305,437	311,271	293,496	284,397
CURRENT ASSETS										
Inventories	24,503	12,868	9,366	5,217	12,371	10,058	10,727	10,940	4,897	7,225
Trade and other receivables	8,193	9,787	5,193	7,007	7,584	8,000	7,896	2,279	3,269	1,812
Short term investments	333,061	734,378	651,298	564,515	446,193	352,076	261,705	232,963	221,125	210,100
Deposits, prepayments and advances	22,766	11,970	12,904	7,015	8,520	8,253	19,422	27,043	16,814	7,989
Non-current assets held for sale	-	-	-	-	-	-	-	-	9,198	-
Income tax receivable	-	-	-	-	2,276	-	-	433	-	-
Cash and cash equivalents	13,579	22,670	21,385	23,282	19,523	21,610	44,183	23,602	27,109	6,193
Total current assets	402,102	791,673	700,146	607,035	496,467	399,997	343,933	297,260	282,412	233,319
Total Assets	1,289,506	1,061,773	980,654	896,722	791,916	704,729	649,370	608,531	575,908	517,716
FUNDS AND LIABILITIES										
Accumulated fund	1,038,944	913,909	804,716	721,708	648,132	586,698	546,323	511,461	480,958	442,253
Other funds	44,654	33,995	31,795	33,072	34,820	34,264	32,683	30,959	28,346	25,229
Total funds	1,083,598	947,904	836,512	754,780	682,952	620,962	579,006	542,420	509,304	467,482
NON-CURRENT LIABILITIES										
Retirement benefit obligation	26,711	18,328	27,548	18,883	15,344	13,139	8,934	9,894	11,463	8,259
Rent received in advance	33,842	-	17,068	21,021	21,021	21,021	21,443	21,422	21,402	21,382
Deferred tax liabilities	6,997	4,966	3,625	4,334	5,798	2,765	2,103	2,216	-	-
Total non-current liabilities	67,549	23,294	48,241	44,238	42,163	36,925	32,480	33,532	32,865	29,641
CURRENT LIABILITIES										
Trade and other payables	88,097	41,870	45,013	39,533	33,005	22,820	21,246	23,602	20,535	17,632
Advances and deposits received	38,641	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	1,935	8,047	10,100	4,482	-	4,109	4,255	-	1,182	2,960
Bank overdraft	9,685	3,037	4,079	2,206	5,012	2,701	6,126	3,481	4,677	-
Total current liabilities	138,359	90,575	95,901	97,704	66,801	46,842	37,884	32,579	33,739	20,592
Total funds and liabilities	1,289,506	1,061,773	980,654	896,722	791,916	704,729	649,370	608,531	575,908	517,716

TEN YEAR SUMMARY STATEMENT OF CASH FLOWS

Year ended 31 March	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	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	163,577	114,690	108,442	87,894	80,088	54,657	40,878	32,614	50,550	74,767
Adjustments for										
Depreciation - Property and equipment	6,869	8,406	9,906	11,132	12,772	12,078	11,202	9,176	5,411	3,691
Depreciation - Investment property	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729
Amortisation - Intangible assets	2,082	2,700	2,881	2,554	1,774	1,238	485	120	123	-
Gain/(Loss) on disposal of property and equipment	(25)	(68)	(85)	(268)	(28)	(4,864)	2	(17,163)	(51)	235
Provision for gratuity	5,076	5,403	4,239	3,472	3,062	2,521	2,160	2,511	2,159	1,802
Interest income	(142,240)	(36,422)	(51,798)	(58,217)	(46,178)	(39,308)	(29,794)	(15,540)	(17,391)	(22,525)
Income from investment property - before charging depreciation	(8,962)	(18,729)	(17,412)	(17,029)	(15,773)	(14,966)	(13,841)	(13,553)	(12,562)	(12,825)
Operating surplus before changes in working capital	29,106	78,709	58,902	32,267	38,445	14,084	13,821	894	30,968	47,874
(Increase) / Decrease in working capital										
Inventories	(11,635)	(3,502)	(4,149)	7,154	(2,313)	669	212	(6,077)	2,328	1,264
Trade and other receivables, prepayments and deposits	(9,202)	(3,661)	(4,075)	2,083	149	11,065	2,004	(41)	(9,940)	(757)
Trade and other payables	46,227	(3,143)	5,480	6,528	10,571	1,573	(2,354)	3,066	7,135	(5,834)
Advances and deposits received	34,861	(16,155)	(18,727)	22,700	11,571	10,955	761	(1,848)	3,113	(623)
Cash generated from/(Used in) Operating Activities	89,358	52,248	37,431	70,730	58,423	38,346	14,444	(4,006)	33,604	41,924
Tax Paid	(37,231)	(19,232)	(14,640)	(8,828)	(22,274)	(11,311)	(3,994)	(4,780)	(9,582)	(13,378)
Gratuity Paid	(2,085)	(1,600)	(1,459)	(130)	(589)	(770)	(567)	(68)	(1,255)	(80)
Net cash from / (used in) operating activities	50,042	31,416	21,332	61,772	35,560	26,265	9,883	(8,854)	22,767	28,466

Year ended 31 March	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	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) investing activities										
Acquisition of property and equipment	(5,159)	(2,818)	(4,978)	(7,342)	(3,163)	(11,328)	(10,169)	(38,852)	(27,849)	(73,518)
Acquisition of intangible assets	-	(1,838)	(859)	(4,833)	(2,394)	(4,012)	-	(1,400)	(540)	-
Movement in capital working progress - Intangible asset	(42)	1,165	(500)	1,507	(2,539)	-	-	-	-	-
Movement in apital working progress - Property & equipment	-	-	-	281	(281)	-	1,584	-	-	-
Interest income	142,240	36,422	51,798	58,217	46,178	39,308	29,794	15,540	17,391	22,525
Income from investment property	8,962	18,729	17,412	17,029	15,773	14,966	13,841	13,553	12,562	12,825
Net movement in short-term investments	401,318	(83,081)	(86,783)	(118,322)	(94,117)	(90,371)	(28,741)	(21,838)	(23,866)	10,513
Sales proceeds on disposal of property and equipment	25	133	85	2	28	4,864	-	26,907	139	(226)
Net cash flows from/ (used in) investing activities	547,343	(31,288)	(23,825)	(53,460)	(40,514)	(46,572)	6,309	(6,090)	(22,163)	(27,881)
Cash flows from / (used in) financing activities										
Net movement of rent advances	-	-	-	-	-	(422)	21	20	19	18
Net movement in long term investments	(623,784)	-	-	-	-	-	-	-	-	-
Net movement in other funds	10,659	2,200	(1,277)	(1,748)	556	1,581	1,724	2,612	3,117	9,167
Net cash flows from / (used in) financing activities	(613,125)	2,200	(1,277)	(1,748)	556	1,159	1,745	2,632	3,136	9,185
Net increase / (decrease) in cash and cash equivalents	(15,740)	2,328	(3,770)	6,564	(4,397)	(19,148)	17,937	(12,312)	3,740	9,770
Cash and cash equivalents at the beginning of the period (Note A)	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692	18,922
Cash and cash equivalents at the end of the period (Note B)	3,894	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692
Note A										
Cash and cash equivalents at the beginning 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
Note B										
Cash and cash equivalents at the end of the period										
Cash and bank balances	13,579	22,670	21,385	23,282	19,523	21,610	44,182	23,602	37,109	28,692
Bank overdraft	(9,685)	(3,037)	(4,079)	(2,206)	(5,012)	(2,701)	(6,125)	(3,482)	(4,677)	-
	3,894	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692

GRI CONTENT INDEX

GRI Standards: Disclosure	Page Number	Omission
GRI 101: Foundation 2016		
GRI 102: GENERAL DISCLOSURES 2016		
102-1 Name of Organisation	IBC	-
102-2 Activities, brands, products and services	10-13	-
102-3 Location of the organisation's headquarters	IBC	-
102-4 Location of operations	180, IBC	-
102-5 Ownership and legal form	9, IBC	-
102-6 Markets served	54-55, 83	-
102-7 Scale of the organisation	14-17	-
102-8 Information on employees and other workers	47-50, 89-95	-
102-9 Supply chain	96-107	-
102-10 Significant changes to the organisation and its supply chain	70-71	-
102-11 Precautionary principle	-	we have not formally adopted the principle
102-12 External initiatives	86-87	-
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102-42 Identifying and selecting stakeholder groups	57	-
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102-46 Defining report content and topic boundaries	2-6	-
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102-50 Reporting period	6	-
102-51 Date of most recent report	6	-
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102-54 Claims of reporting in accordance with the GRI Standards	6	-
102-55 GRI Content index	176-178	-
102-56 External assurance	7	-

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103-2 The Management Approach and its components	108-109	-
103-3 Evaluation of the Management Approach	108-109	-
302-1 Energy consumption within the organisation	108	-
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GRI 103: Management Approach		
103-1 Explanation of material topics and its boundaries	108	-
103-2 The Management Approach and its components	108	-
103-3 Evaluation of the Management Approach	108	-
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GRI 404: TRAINING AND EDUCATION		
GRI 103: Management Approach		
103-1 Explanation of material topics and its boundaries	89	-
103-2 The Management Approach and its components	89-94	-
103-2 Evaluation of the Management Approach	89-94	-
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404-2 programs for upgrading skills and transition assistance programs	93	-
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GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
GRI 103: Management Approach		
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103-2 The Management Approach and its components	91-92	-
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GRI 413: LOCAL COMMUNITIES 2016		
GRI 103: Management Approach		
103-1 Explanation of material topics and its boundaries	96-97	-
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GLOSSARY

AAT	- Association of Accounting Technicians of Sri Lanka
AEC	- Accredited Education Centre
AGM	- Annual General Meeting
ATL	- Above The Line
BTL	- Below The Line
CA	- Institute of Chartered Accountants of Sri Lanka
CAPA	- Confederation of Asian and Pacific Accountants
CPD	- Continues Professional Development
CSR	- Corporate Social Responsibility
FMAAT	- Fellow Member of Association of Accounting Technicians of Sri Lanka
GRI	- Global Reporting Initiative
HNDA	- Higher National Diploma in Accountancy
IBC	- Inner Back Cover
IFAC	- International Federations of Accountants
IR	- Integrated Reporting
IT	- Information Technology
MAAT	- Member of Association of Accounting Technicians of Sri Lanka
MIP	- Members in Practice
PLS	- People and Leadership Skills
PF	- Passed Finalist
ROE	Return On Equity
ROI	Return On Investment
SAT	- Senior Accounting Technician
SME	- Small and Medium – sized Enterprises

AAT BRANCH NETWORK

JAFFNA

No. 340, Stanley Road, Jaffna.
Tel: 021-7559669
Email: jaffna@aatsl.lk

ANURADHAPURA

No. 514/4A, 2nd Floor, New Bus Stand,
Anuradhapura.
Tel: 025-7559669
Email: anuradhapura@aatsl.lk

KURUNEGALA

No. 15/6, Convent Road, Kurunegala.
Tel: 037-7559669
Email: kurunegala@aatsl.lk

KANDY

No. 788 B, Peradeniya Road, Kandy.
Tel: 081-7559669
Email: kandy@aatsl.lk

RATNAPURA

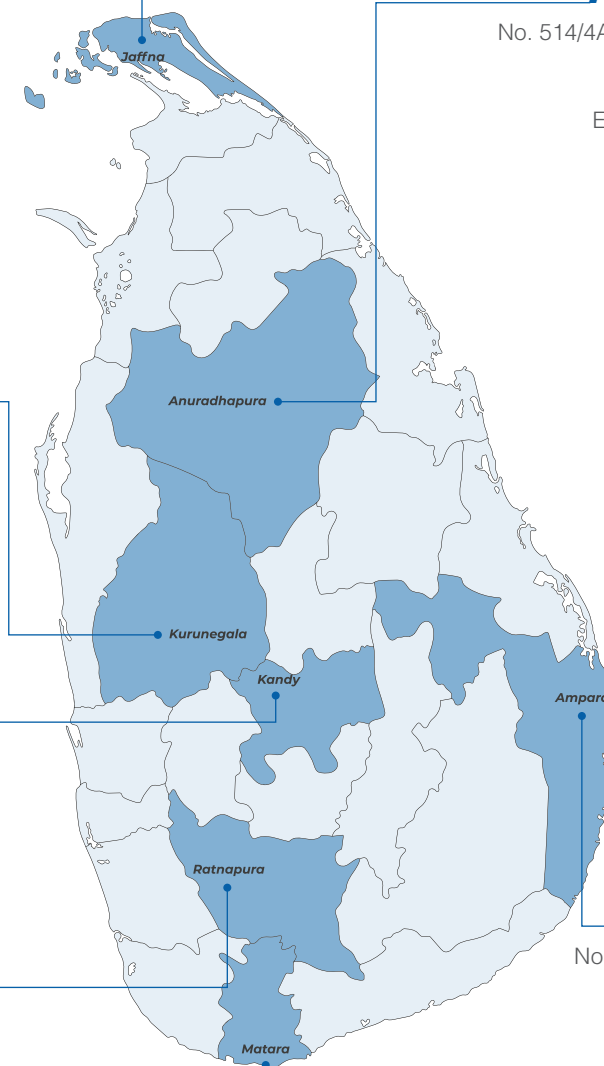
No. 66, 1st Floor, Bandaranayake
Mawatha, Ratnapura.
Tel: 045-7559669
Email: rathnapura@aatsl.lk

MATARA

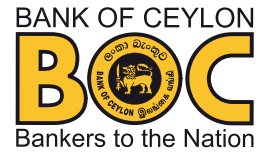
No. 274, 2nd Floor, Sagara Building,
Anagarika Dharmapala Mawatha,
Matara.
Tel: 041-7559669
Email: matara@aatsl.lk

AMPARA

No. 19, D S Senanayake Street,
Ampara.
Tel: 063-7559669
Email: ampara@aatsl.lk



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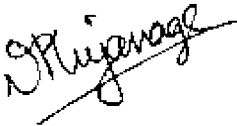


NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the Association of Accounting Technicians of Sri Lanka will be held on 28 July 2023 from 5.00 p.m. onwards at the Prof. Lakshman R. Watawala Auditorium, AAT Centre, No. 540, Ven. Muruththettuwe 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 2022/23.
2. To receive and consider the Audited Financial Statements of the Association and Report of the Auditors thereon for the year ended 31 March 2023.
3. To re-appoint M/S. Ernst & Young, Chartered Accountants as Auditors of the Association for the Financial Year 2023/2024 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 2023/24 and up to the date of the next Annual General Meeting.

By Order of the Governing Council
ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI
LANKA



Indraka P. Liyanage
Secretary

06 July 2023

CORPORATE INFORMATION

COMPANY NAME

Association of Accounting Technicians of Sri Lanka

LEGAL FORM

Limited Liability Company (Guarantee)

COMPANY REGISTRATION NUMBER

GA90

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

540, Ven. Muruththettuwe Ananda Nahimi 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

S S P Corporate Services (Pvt.) Ltd

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

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