

TREE OF WISDOM



TREE OF WISDOM



In navigating the past year, AAT Sri Lanka continued to craft a path of progress, paved with sustainability in action to lay the groundwork for an empowering tomorrow. As we began taking steps towards a greener future, we stayed steadfastly true to our core aspiration of shining the light of progress on the paths of youth in Sri Lanka, enabling them to build bright futures filled with hope, resilience and innovation. Our journey of navigating sustainable success through turbulent times has presented us with a confluence of challenges, which we successfully circumnavigated. In doing so, we relied on our innate pillars of strength – resilience, insightful perseverance, adaptability, inventiveness and reliance on a knowledge-based approach to attaining our goals. This comprehensive approach has enabled AAT Sri Lanka to become a force to be reckoned within the education sphere of Sri Lanka, raising the bar and becoming an exemplary leader – a tree of wisdom, in the pioneering path to success.

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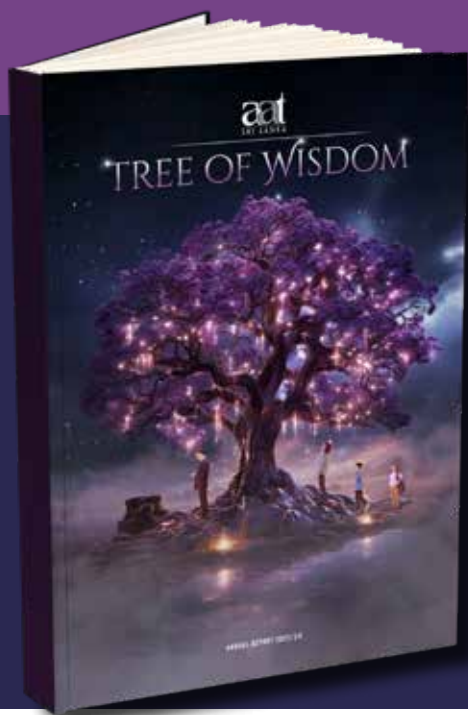
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About this Report



This is the 11th Integrated Annual Report of the Association of Accounting Technicians of Sri Lanka. The report details an analysis of financial and non-financial information for the reporting period from April 01, 2023, to March 31 2024. AATSL's most recent report dated May 25, 2023, provides an overview of the financial and non-financial details for the period ended March 31 2023. This 11th integrated report provides a comprehensive overview of the operations and process of the Association enabling stakeholders to make informed decisions. This Annual Report details the material aspects as well as our stakeholder engagement scope.

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 07 May 2024 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 Gender Parity Reporting Framework of CA Sri Lanka
Sri Lanka Accounting & Auditing Standards Act No. 15 of 1995	GRI Standards "In Accordance" option Sustainable Development Goals (SDG) of the United Nations General Assembly

NAVIGATING THE REPORT

The 11th integrated annual report presents a clear and concise overview of the Association's operations during the financial year 2023/24. The report contains 5 different sections to enable ease of comprehension and factual clarity.

Organizational Overview: This section details about us, structure, key services and programmes, our strategy, business partnerships and value creation efforts of the organization.

Management Discussion and Analysis: In this section, the report provides an overview and analysis of the institute's financial and non- financial performance, operations, leadership team and leadership statements, and key developments over the reporting period.

Stewardship: This section provides an overview of the governance and risk approaches of the Association as well as compliance reports.

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

Supplementary Information: This section includes Ten Year Summaries, 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.

RESTATEMENTS AND CHANGES

This Annual Report does not present any restatement 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.

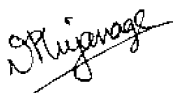
ASSURANCE

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

STATEMENT OF GOVERNING COUNCIL MEMBERS ON THE INTEGRATED ANNUAL REPORT

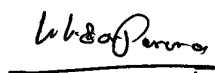
The Governing Council members of AAT Sri Lanka relied on their combined strength, expertise, experience and knowledge to ensure the validity, transparency and clarity of the information presented in this report. On behalf of members of the Governing Council, I would like to assure that this Integrated 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,



Indraka Liyanage

President – Association of Accounting Technicians of Sri Lanka



K L Jagath Nandana Perera

Chairman – Audit, Compliance, Risk Management and Ethics Committee

Association of Accounting Technicians of Sri Lanka

FEEDBACK AND INQUIRIES

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

Tishanga Kumarasinghe

Chief Executive Officer

AAT Centre,
No. 540, Ven. Muruththettuwa Ananda Nahimi Mawatha,
Colombo 05.
Tel: +94 112559669
Ext: 304

Digital View



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

VISION

To be the Most Recognized Mid-Level Accounting and Business Qualification

MISSION

To equip our students and members with the knowledge, skills, attitude and mindset to become best-in-class mid-level accounting and business professionals who add value to the corporate world while succeeding in their career and personal lives, via a robust curriculum, empowered and passionate staff who work in a digitally enabled working environment and a network of well equipped accredited education centers, while adhering to environmentally friendly and socially responsible practices.

VALUES

INTEGRITY To be straight forward and honest

PROFESSIONALISM Maintain high professional standards at all times

ADAPTABILITY Ready to change to suit the context

CUSTOMER-CENTRIC We make every decision based on how well it serves our Students and Members

PASSION Devoted and enthusiastic for excellence

TEAMWORK One team who trusts each other

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.

Operational Highlights



RECOGNITION FOR THE QUALIFICATION

NEW STUDENT REGISTRATIONS

15,298

STUDENT RENEWALS

20,558

ACTIVE MEMBERS

7,190

STUDENTS APPLIED FOR EXAMINATIONS

34,268

AAT QUALIFICATION RECOGNIZED BY 1,114 ORGANIZATIONS THROUGH AAT JOB BANK



GETTING VIRTUALLY CONNECTED WITH OUR STAKEHOLDERS

FACEBOOK FOLLOWERS

129,600

YOUTUBE VIEWS

364,900

YOUTUBE SUBSCRIBERS

25,101

LINKEDIN FOLLOWERS

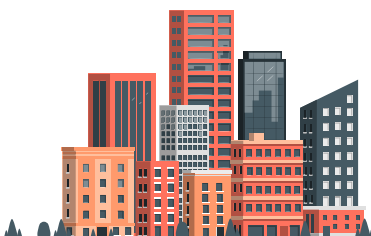
16,191

INSTAGRAM FOLLOWERS

13,200

TIKTOK FOLLOWERS

8,600



ACCESSIBILITY

HEAD OFFICE

ACCREDITED EDUCATION CENTERS (AECs)

127

EXAM CENTERS

84

BRANCHES

8

PABX SYSTEM

**ONLINE PAYMENTS, E-STUDY TEXTS & PAST PAPERS, ONLINE EXAM APPLICATION,
ONLINE REGISTRATIONS, E-ADMISSION**

TRILINGUAL WEBSITE, ELECTRONIC AND SOCIAL MEDIA



RESULTS - BASED HIGHLIGHTS

PASSED FINALISTS

2,946

NEW MEMBERS ENROLLED

776

**2024 JANUARY EXAM - 02ND HIGHEST EXAM APPLICANTS IN AAT HISTORY
RESULTS RELEASED IN
44 DAYS**



NETWORKING

EVENTS FOR MEMBERS

7

EVENTS FOR STUDENTS & PASSED FINALISTS

7

PUBLIC SEMINARS

9

TEACHER TRAINING PROGRAMS

10

78 SEMINARS

21,135 NO. OF STUDENTS COVERED



CSR

SIRASA DEBATER WITH AAT

"NENAWARUNA" SCHOLARSHIP PROGRAM

BEACH CLEANING

DONATION TO CANCER HOSPITAL

DONATION TO CHILD DEVELOPMENT CENTER

TEACHER TRAINING PROGRAM

SCHOOL SEMINARS



OTHERS

1. BUSINESS SCHOOL EXPANSIONS

A. 2 NEW COURSES INTRODUCED & 2 MORE APPROVED TO START

B. AFFILIATIONS WITH RECOGNIZED UNIVERSITIES - 3

2. FEMALE REPRESENTATION

I. STUDENTS - 63%

II. MEMBERS - 40%

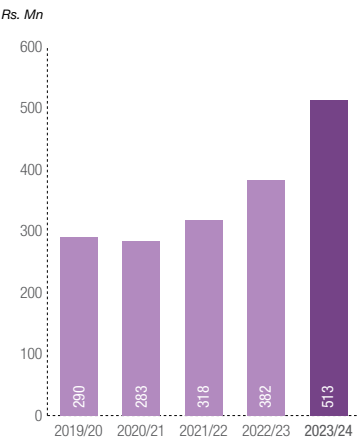
III. STAFF - 56%

3. GAMPAHA BRANCH OPENING

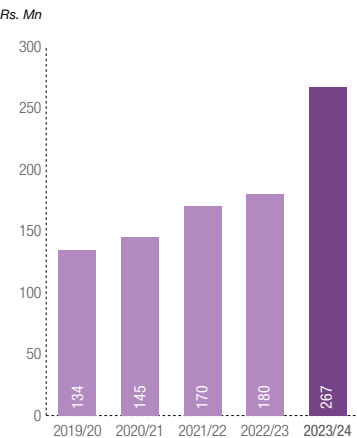
Performance Highlights

As at 31st March	Metric	2023/24	2022/23	YOY
Financial Capital				
Income	Rs. Mn	513	382	34%
Gross Surplus	Rs. Mn	267	180	49%
Surplus After Tax	Rs. Mn	227	129	76%
Finance Income	Rs. Mn	207	142	46%
Total Assets	Rs. Mn	1,558	1,290	21%
Total Funds	Rs. Mn	1,315	1,084	21%
Investments	Rs. Mn	1,221	957	28%
Accumulated Fund	Rs. Mn	1,268	1,039	22%
Gross Surplus Ratio	%	52	47	11%
Net Surplus Ratio	%	44	34	29%
Liquidity Ratio	Times	3	3	0%
Return on Assets	%	15	10	50%
Return on Accumulated Fund (ROE)	%	17	12	42%
Manufactured Capital				
Property & Equipment	Rs. Mn	137	128	7%
Capital Expenditure	Rs. Mn	17	5	240%
Social & Relationship Capital				
Active Student Base (Calendar year)	No.	34,977	32,233	9%
Active Member Base (Calendar year)	No.	7,190	6,750	7%
Student Registrations (Financial year)	No.	15,298	15,116	1%
Student Renewals (Financial year)	No.	20,558	15,982	29%
Accredited Education Centres	No.	127	121	5%
AATSL Business School Students	No.	1,821	1,612	13%
Human Capital				
Employees	No.	72	67	7%
Net Surplus After Tax per Employee	Rs. Mn	3.1	1.9	63%
Total Payments to Employees	Rs. Mn	130	104	25%
Training Hours	Hour	920	211	336%
Average Training Hours per Employee	Hour	13	3	333%
Investment in Training	Rs. Mn	1.04	0.24	333%
Staff Promotions	No.	7	5	40%
Retention	%	79	81	(2%)
Natural Capital				
Energy Consumption	Kwh	206,940	182,376	13%
Water Consumption	Ltr Mn	1.41	1.38	2%
Paper Recycled	Kg	318	1,339	(76%)

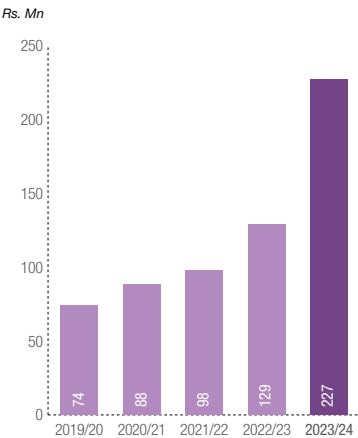
INCOME



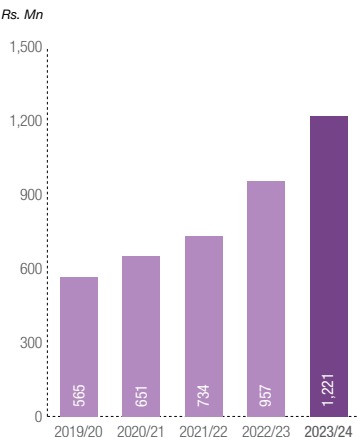
GROSS SURPLUS



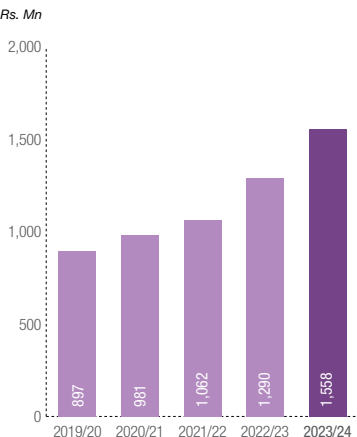
NET SURPLUS AFTER TAX



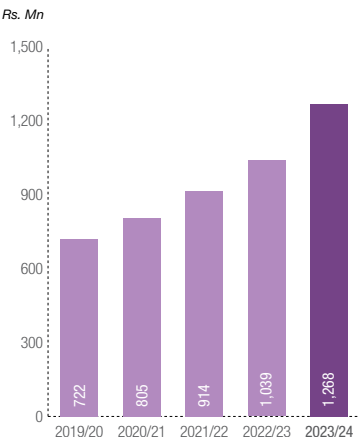
INVESTMENTS



TOTAL ASSETS



ACCUMULATED FUND



GROSS SURPLUS
RATIO
52%

NET SURPLUS
RATIO
44%

RETURN ON
ACCUMULATED
FUND
17%

RETURN ON
ASSETS
15%

Year at a Glance



31st Annual Convocation - 2023 held at BMICH



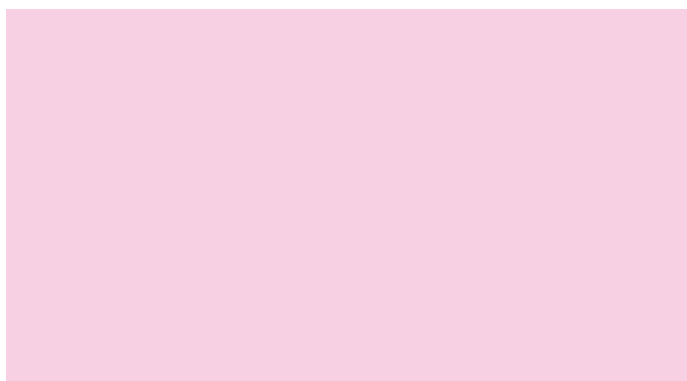
AAT Business Conference 2023 held at Hotel Galadari



AAT Sri Lanka, a member of CAPA, hosted the ATs Meeting 2023 at Hotel Galadari



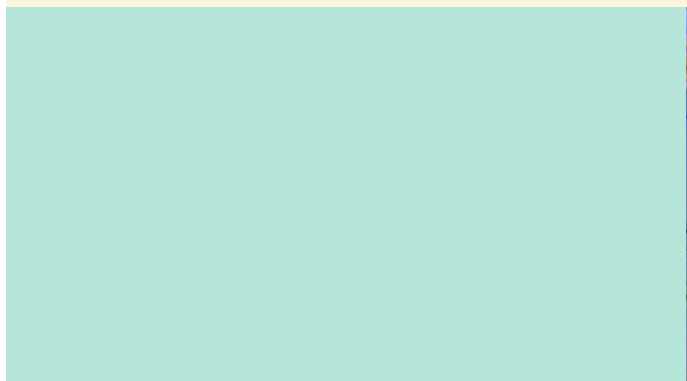
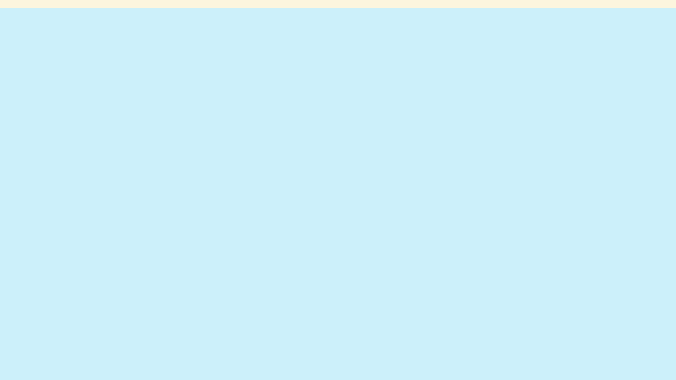
Passed Finalists' Certificate Awards Ceremony held at BMICH



Induction of the 13th President of AAT Sri Lanka
held at Hotel Galadari



AAT Gampaha Branch Opening



Sirasa Debater with AAT Grand Finale 2023



AAT Prize Winners' Award Ceremony





Signing of an MoU between SLIIT Academy and
AAT Sri Lanka



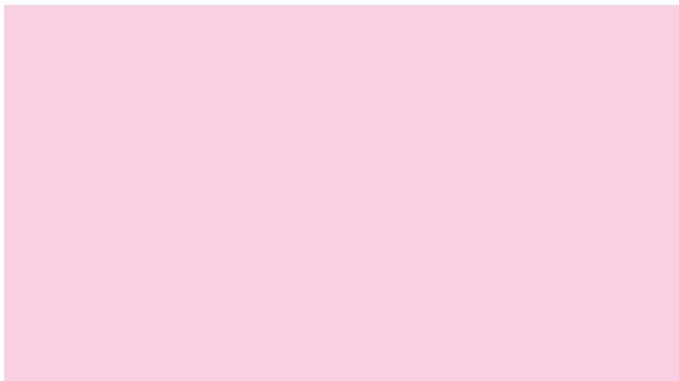
Signing of an MoU with NIBM



Signing of an MoU with BCAS Campus



Launch of Strategic Plan 2023-2027



Winning the Gold Award in Associations and Societies Sector at National Business Excellence Awards 2023 Organised by National Chamber of Commerce Sri Lanka



Winning the Gold Award at Excellence in Integrated Reporting Awards - 2023 of CMA



Winning the Gold Award in the Not-for-Profit Organisations (NPO) Category including Non-Governmental Organisations (NGO) sector at TAGS Awards 2023 of CA Sri Lanka



Winning the Gold Award at SAFA Best Presented Annual Report Awards - 2022

Awards & Excellence



Gold Award

Non-Governmental Organisations (Including NPOs) Sector

Best Presented Annual Report Awards, Integrated Reporting Awards & SAARC Anniversary Awards for Corporate Governance Disclosures Competition 2022

Organized by South Asian Federation of Accountants (SAFA)



Gold Award

1. Educational Institutes - Non Profit

Excellence in Integrated Reporting Awards - 2023

Organized by CMA Sri Lanka

2. Overall Merit Award

Excellence in Integrated Reporting Awards - 2023

Organized by CMA Sri Lanka



Gold Award

Not-For-Profit Organisations (NPO) Including Non-Governmental Organisations (NGO) Sector

Transparency, Accountability, Governance & Sustainability (TAGS) Awards - 2023

Organized by CA Sri Lanka



Gold Award (for the 9th consecutive year)

Associations and Societies Sector

National Business Excellence Awards 2023

Organised by National Chamber of Commerce Sri Lanka



Toastmasters Awards

Toastmasters International Corporate Recognition Award

Golden Club Award – 2023/24

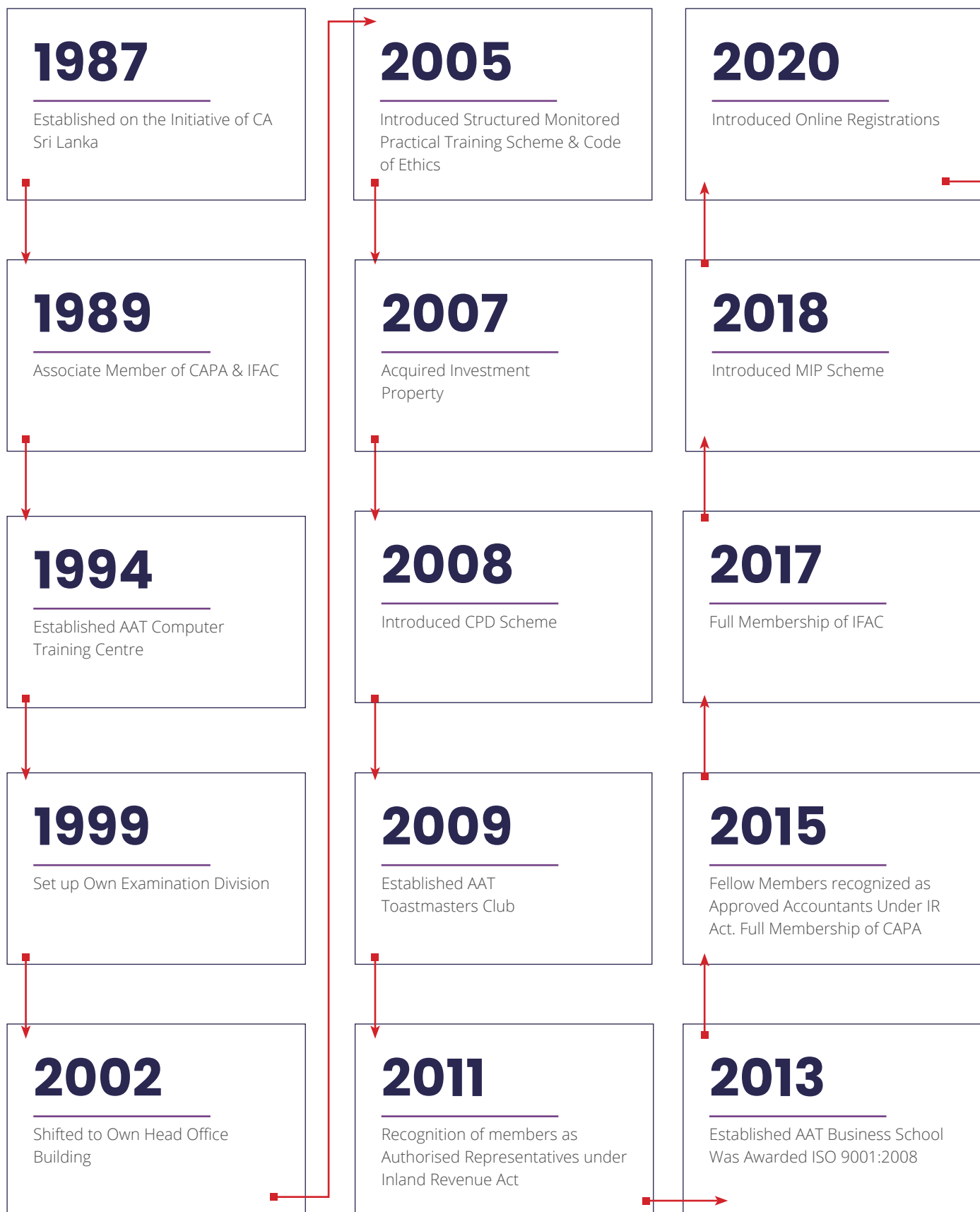
President's Distinguished Club Award – 2023/24

Publicity Star Award (Silver) – 2023/24

8/80 Membership Building Award – 2023/24



Milestones



2021

Introduced E-Study
Text and Online Exam
Application Process

2022

NVQ Level 5 for AAT
qualification
AAT Anthem launch

2023

Gampaha Branch opening
Launch of 2023 -2027 Strategic
Plan

AWARDS - 2023/24

- 1) **GOLD AWARD** – Annual Report Awards of SAFA (Non-Governmental Organisations Including NPOs Sector)
- 2) **GOLD AWARD** – Annual Report Awards of CA Sri Lanka (NPO & NGO Sector)
- 3) **GOLD AWARD** – Annual Report Awards of CMA Sri Lanka (Educational Institutes - Non Profit)
- 4) **OVERALL MERIT AWARD** – Annual Report Awards of CMA Sri Lanka
- 5) **GOLD AWARD** – National Business Excellence Awards of National Chamber of Commerce (Associations and Societies sector)

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

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)

AAT Sri Lanka Head Office and Branch Network

HEAD OFFICE

AAT Centre, No. 540, Ven.
Muruththettuwe Ananda Nahimi Mw,
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Email: kandy@aatsl.lk

KURUNEGALA

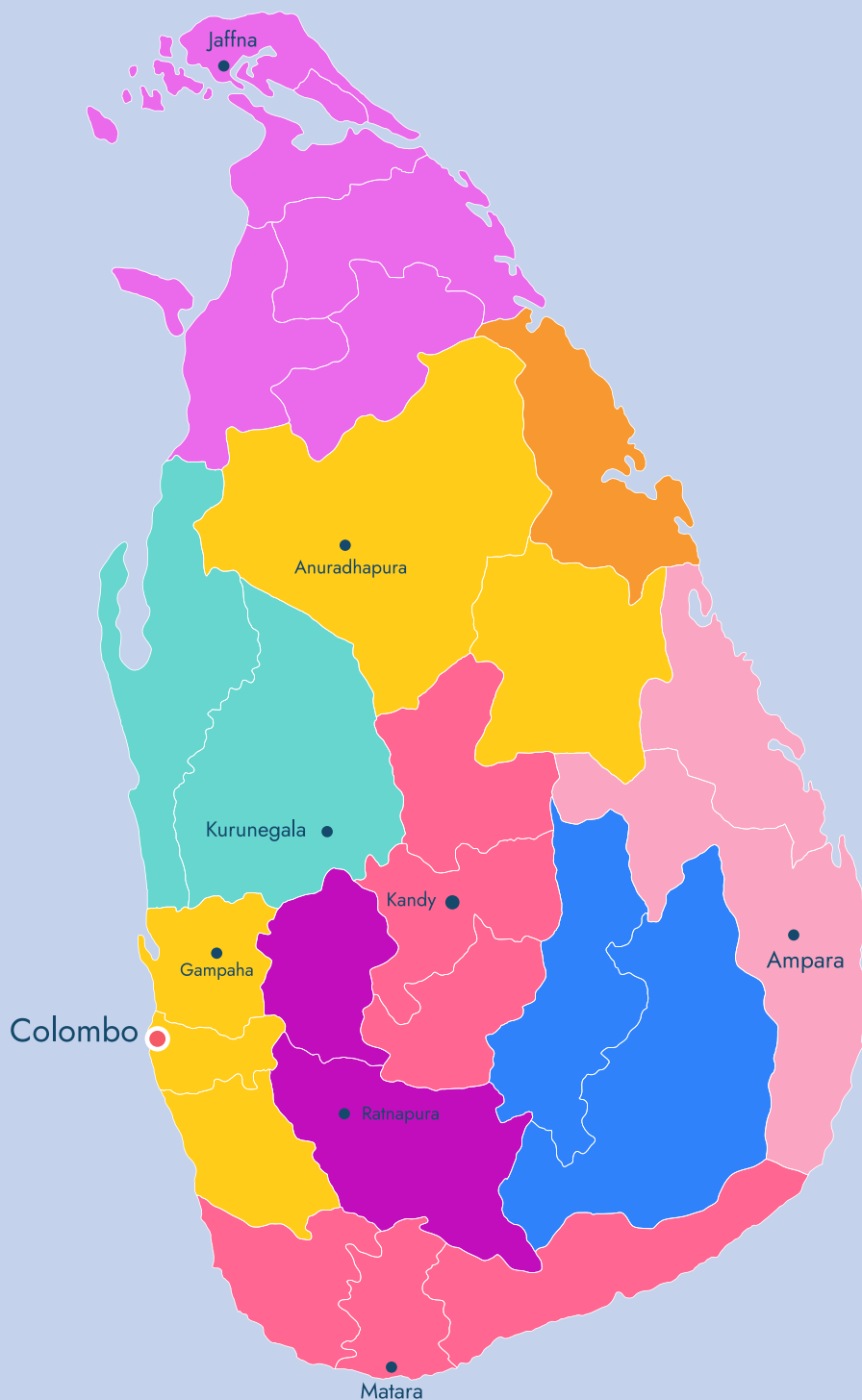
No. 15/6, Convent Road, Kurunegala.
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Email: kurunegala@aatsl.lk

MATARA

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Email: matara@aatsl.lk

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Mawatha, Ratnapura.
Tel: 045-7559669
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Organizational Overview

About Us

The Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka- AATSL) is on a mission to change Sri Lanka's educational and professional landscape in the accounting field, with a particular emphasis on forming and strengthening middle level accountants to drive growth in the SME sector of the country. The Association was first formed in 1987 to fulfil a mandate set by the Asian Development Bank to fill a dearth in qualified accounting professionals to drive growth in the SME sector. AATSL has been 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.

Ever since, we have been at the forefront of changing tides in the accounting landscape, supporting both aspiring students as well as qualified professionals to absorb evolving innovations and refine their skills. In our efforts to drive change in the accounting profession, we conduct professional accounting examinations and facilitate education in all three official languages of the country (Sinhala, Tamil and English).



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. We are the second accounting technicians body in the world to have gained full membership in this apex body of accountants.



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

THE AAT QUALIFICATION

While AATSL began as a strategic response to the lack of qualified mid-tier accounting professionals to drive growth in the SME sector, over the years we evolved beyond that mandate to provide accounting skills and competencies needed in the digital age and produced competent accounting and business professionals who also serve in large corporates locally and internationally. Today, we strive to provide quality and updated content in line with current and future needs of our students, members and employers. As such, we facilitate advancement in fields such as Accounting & Finance, Performance Analysis & Management, Law, Taxation, Auditing, IT, Communication and leadership.

By being mindful of the evolving market dynamics, we consistently gain insights into the latest developments in the field to provide updated content to our students and facilitate education and continuous Professional development opportunities of our members. This allows our students and members to become sought after accounting professionals both locally and globally as our qualifications are recognized at an international level.

Additionally, our examinations specially first stages and content delivery align with the country's GCE Advanced Level Commerce curriculum. This provides our youngest students the opportunity to obtain an advanced professional qualification at a young age and gain understanding of the Advanced Level curriculum soon after completing their GCE Ordinary Levels. This has proven to help them excel at A/Ls and increase university entrance opportunities. AATSL gained the NVQ 5 level recognition adding to its array of recognitions for the qualifications in 2022, enabling its students to achieve diploma level vocational qualifications and be prepared for accelerated career growth.

AAT Sri Lanka's qualification also facilitates entrepreneurs to master related skill sets and competencies to gain a competitive advantage as they embark on their respective ventures. 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

AAT curriculum of 2020- 2025 – themed 'Employment Fast-Track' will 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 Sri Lanka crafts and changes its curriculum every five years. During the past four years, even though we maintained the core curriculum developed in 2019, we consistently provided timely skills development and necessary additional content in line with regulatory and market changes to allow our students to gain timely knowledge.

Meanwhile, we engaged industry experts and conducted research into developing our curriculum for the next five years in keeping with the mandatory periodical reviews.

CURRICULUM DEVELOPMENT 2025-2030

In line with our policy of changing the curriculum every five years, during the year under review, we took measures to craft the new curriculum for the years 2025-2030.

AATSL's Examinations and Curriculum Committee spearheaded the new curriculum development, while engaging Senior Professor Hilary E. Silva of University of Sri Jayewardenepura as a consultant to provide expert guidance in crafting the new content.

Once a student completes AAT examinations and become a passed finalist, upon satisfaction of the people and leadership skills requirement and the training / experience criteria, they became eligible to enroll as members of AAT.

In crafting the new curriculum, we are in the process of incorporating the K- SAM model which focuses on knowledge, Skills, Attitudes, and Mindset into the content. This will allow our students to gain knowledge and competencies in line with the rapidly changing accounting landscape. As such, prior to curriculum development, the Examinations and Curriculum

Committee conducted in-depth research into the missing components between the existing qualifications and the expected qualifications. The research included engagement with various stakeholders including, employers, members, students, resource persons to gain relevant insights. While we completed the groundwork for new curriculum development in 2023, we will continue the vital task in 2024, through relying on a carefully crafted, systematic process designed to deliver exceptional outcomes.

DIRECT BENEFICIARIES OF AAT SRI LANKA'S PROFESSIONAL DELIVERY

As we seek to reinforce mid-tier accountants to steer economic growth, we directly address the requirements of three groups associated with us through our professional qualification delivery. They are namely; students, passed finalists and members. While the social and relationship capital and the stakeholder engagement segments of this annual report present more comprehensive glimpses into our engagement with these three groups, in this segment we provide a succinct view into how we impact these three groups.

STUDENTS

We facilitate our students in gaining knowledge relevant to the AAT curriculum and into the necessary updates in the accounting field through our content delivery in partnership with Accredited Education Centres. The students register with us to face our examinations, and obtain a recognised professional qualification. AAT qualification is the only professional accounting qualification available to students immediately after the G.C.E Ordinary Level, allowing this particular demography of students to craft their career path at a young age and at an affordable investment

PASSED FINALISTS

Once our students complete all AAT examinations, earn an NVQ 5 equivalent Diploma in Accounting & Business we categorize them as passed finalists. AATSL engage with Passed Finalists to provide them with further education and competency development opportunities and assist them in the process of becoming professional members of AATSL.

AAT MEMBERS

While the membership presents a competitive advantage to accounting professionals, they can also avail of ample opportunities to refine their skills, gain new competencies, stay updated through CPD scheme and network with peers as well as potential employers.

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

The Inland Revenue Act No.24 of 2017 recognizes AAT members as Authorised Representatives, and Fellow members as Approved Accountants.

MEMBERS IN PRACTICE (MIP)

A member of AAT (other than a practicing Chartered Accountant) is deemed to practice as a Professional Accountant in Public Practice ("Members in Practice").

If in consideration of remuneration received or to be received, he or she engages himself/herself in Professional Services or presents himself/herself to the public as a Professional Accountant in Public Practice on a self-employed basis as a sole proprietor, or as a partner (whether salaried or equity) in a partnership part time or full time, the member is considered an MIP.

CATEGORIES OF AAT PRACTICING CERTIFICATE

There are two categories of AAT Practicing Certificate. Practicing members can apply to obtain the relevant certificate.:

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 other Professional Accountancy Services (Other membership categories)

Entitlements

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

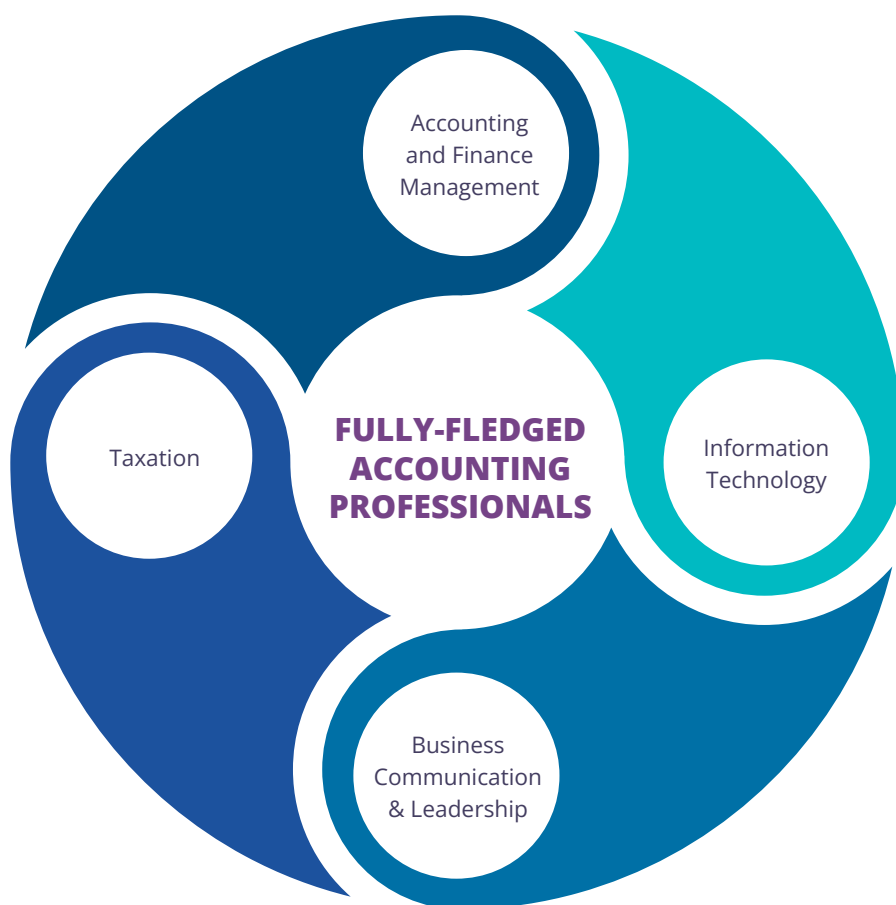
- 1) Practice as an Authorised Representative in accordance with the Inland Revenue Act; and
- 2) Engage in any other Professional Accountancy Services (other than statutory audits)

As we seek to foster growth in accounting education and professional qualifications, our Business School plays an integral role in gaining insights into timely requirements and catering to our students, passed finalists and members.

AAT BUSINESS SCHOOL

Widening our wings to offer higher qualifications leading to degree pathways, we first commenced AAT Business School to allow our Passed finalists and members to gain proficiency through gaining a broader range of skills and qualifications. The AAT Business School provides a comprehensive scope of education opportunities, covering areas such as Accounting & Finance, Information Technology, Taxation, Business Communication and Leadership Skills. These programmes provide passed finalists and members to refine their innate skills and seek growth. Over the years, over 12,000 accounting professionals have been able to improve their professional repertoire through the Business School.

The below illustration depicts the comprehensive range of skills that the AAT Business School facilitates.



As we seek to enrich the professional lives of accounting professionals associated with us, our efforts to become a pivotal part of educational reforms steer us towards the Government's educational reforms.

During the year under review, we laid the strategic foundation to become part of the Government's proposed educational reforms in tandem with changing global market conditions. In this endeavor, our brand reputation and islandwide presence is set to serve us and our stakeholders well in seeking growth.

THE AAT REACH

Over the years, AAT Sri Lanka has become a household name, and has successfully built a strong presence across the country. While our Head office is based in Colombo, we maintain 8 branches in different locations in the country and collaborate with 127 Accredited Education Centres (AECs) covering all island. These branches and AECs facilitate our delivery of educational content and, we hold examinations to bestow professional accounting qualifications on aspiring students. During the year under review, AAT held examinations at 84 examination centres across the island. Due to the fact that AAT is affordable and available in all 3 media we have been able to reach a greater market.

Our reach across the island includes schedule visits to educate students about the AAT qualification and information about how to craft successful careers as accountants. In the meantime, AAT Sri Lanka also takes part in key education exhibitions held in the country. We present further details about our engagement with the student population and beyond in the Social and Relationship Capital section of this Annual Report.

During the past few years, we concentrated on further strengthening our reach through increasing our presence on social media platforms. We are well aware of the fact that our target audience is increasingly becoming digitally connected and savvy. As such, we conduct targeted promotional campaigns and engagement activities on platforms such as Facebook, Twitter, Tik Tok and YouTube. We also conduct end-to-end encrypted communication applications such as WhatsApp, Viber and Telegram to communicate directly with our students.

Meanwhile, we also deliver content virtually and conduct webinars to strengthen our connections and engagement.

FOSTERING BUSINESS RELATIONSHIPS

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 local and international organizations:

- Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Institute of Certified Management Accountants (CMA) of Sri Lanka
- Chartered Institute of Management Accountants (CIMA) of UK
- Association of Chartered Certified Accountants (ACCA) of UK
- Institute of Public Accountants (IPA) of Australia
- Institute of Financial Accountants (IFA) of UK
- Chartered Institute of Personnel Management (CIPM) of Sri Lanka
- Sri Lanka Institute of Advanced Technological Education (SLIATE) / Technical Colleges in Sri Lanka

- Institute of Chartered Corporate Secretaries (ICCS) of Sri Lanka
- 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
- SLIIT Academy in collaboration with University of Bedfordshire (UoB) of UK

Approach to Sustainability and SDG Values (Including the Economic Responses)



Sustainable growth is at the core of our philosophy, as we seek to contribute towards the country's economic growth through empowering accounting professionals. As such, we consistently strive to create value for our stakeholders in line with this core aspiration. This process requires us to identify risks and opportunities in relation to Environment, Social and Governance (ESG) factors. We take action to mitigate and manage risks, while seizing opportunities. Accordingly, we proactively manage our environmental, social and economic impact to create lasting value and pursue growth. This sustainability framework is our ESG performance.

SUSTAINABILITY AND CORE PURPOSE

The key purpose of our sustainability strategy is to provide a sound framework to manage risks and leverage on opportunities stemming from ESG factors. Our sustainability approach pivots on managing ESG related risks and opportunities, to create value for our students, passed finalists, members, the accounting industry, communities, employees and ultimately the country's economy.

HOW WE CREATE SUSTAINABLE VALUE

Our sustainability management approach includes planning, implementation and control of our activities in line with organizational goals. Our Governing Council ultimately oversees this process in tandem with sustainable growth goals relying on our strong governance framework. As such, we manage our social, environmental and economic impact through employing strong governance practices, applicable environmental measures and purposeful stakeholder engagement tactics. This overall ESG approach helps us map growth through a sustainable lens.

This sustainable framework enables AATSL to play an impactful role in developing higher education in Sri Lanka in collaboration with industry partners. In this effort, we strive to spearhead change in both spheres of education and economy in line with the United Nations Sustainable Development Goals. The United Nation's 2030 Agenda for Sustainable Development strives to map a fairer, equal and progressive society in which economic progress remains inclusive.

In line with this purpose, AATSL continued to upgrade its curriculum, offer a wide range of educational and networking opportunities to the stakeholders to foster larger economic progress in the country. As such, our own sustainable agenda aligns well with the United Nation's SDG goals.



AAT Sri Lanka's core focus in uplifting the SME sector continued in the financial year 2023/24.

- Number of organizations which requested CVs from AAT Job Bank - 399
- Number of new member enrollments in FY2023/24 - 776



All employees of AAT Sri Lanka enjoy medical insurance policies in line with labour law requirements. We conduct health camps to help our people take care of their physical wellbeing.

- Comprehensive medical coverage offered to 57 employees



Over the years, AAT Sri Lanka has become a leader 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 FY2023/24 - 2,946
- Number of new student registrations in FY2023/24 - 15,298
- The Association worked towards upgrading the curriculum through crafting the new curriculum for the years 2025 – 2030.



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 – 40
- Female members of management team - 11
- Females in the Governing Council - 3
- Number of females promoted in 2023 – 3



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 for 2023/24 - 1.41 Ltr Mn



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

- Energy consumption for 2023/24 - 206,940 Kwh



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 2023/24 – 9
- AATSL has formed a separate committee to address all issues relating to the SME sector and have done number of seminars / webinars focusing SME sector.



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

- Investment on digital infrastructure - Rs. 10.3 Mn



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

- Investment in developing curriculum – Rs. 8 Mn



AAT's contribution to the country's SME sector involves developing communities through facilitating education, networking, partnerships and accounting field enrichment via our confluence of activities.

- Number of CSR activities conducted - 7
- Number of Public seminars conducted - 9



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

- In 2023/24, AAT Sri Lanka continued E-study texts, online examination application and admission issuing process to reduce paper consumption.



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.

- We offer exams, study materials, education and guidance to our students, passed finalists and members in Sinhala, Tamil and English media.



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

- AAT Sri Lanka has established reciprocal arrangements with 19 professional bodies and universities.

Business Value Creation and Preservation Model

Capital Inputs



Financial Capital

- Total Assets - Rs. 1,290 Mn
- Accumulated Fund - Rs. 1,039 Mn
- Investments - Rs. 957 Mn
- Focus on cost & efficiency



Manufactured Capital

- Property and Equipment - Rs. 128 Mn
- Investment Property - Rs. 133 Mn
- Intangible Assets (Computer software and website) - Rs. 2.3 Mn
- Head Office and Branch network - 8



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



Social and Relationship Capital

- Strategic alliances with local and global professional bodies and universities
- Accredited Education Centres (121 AECs)
- Relations with students, passed finalists and members
- Partnerships with employers
- AAT job bank
- Responsible promotion and marketing campaigns
- 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



Natural Capital

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

Value Drivers and Outputs

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

Prudent financial management and market sensitive investment management

- Total Assets - Rs. 1,558 Mn (Growth of 21%)
- Accumulated Fund - Rs. 1,268 Mn (Growth of 22%)
- Investments - Rs. 1,221 Mn (Growth of 28%)
- Improved net surplus ratio from 34% to 44%
- Taxes - Rs. 111 Mn

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

Training and development.
Providing assistance during the economic crisis.
Timely remuneration and Increments.

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

Robust partnership management with all stakeholders.
Advocacy for educational reforms

- Receiving the NVQ 5 status for AAT Qualification
- Exemptions and better career pathways
- Partnership for mutual growth
- Cordial relationship with Accredited Education Centres (127 AECs)
- CPD programmes, welfare and engagement events
- Growth in active member base (from 6,750 to 7,190)
- Career growth, monitored training and job opportunities
- Building the talent pool
- Investment in community engagement
- 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

Consistent knowledge improvement.
Partnerships with education entities for knowledge enhancement.

- 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

Green initiative implementation.

- Reduction in energy consumptions (responsible handling of waste and garbage waste paper being recycled)
- Minimizing the organization's carbon footprint

Outputs

Value Creation

Financial Capital

- Economic value
- Financial growth and stability to continue operations

Manufactured Capital

- Economic value
- Social value

Human Capital

- Employees' motivation
- Economic value
- Social value

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

Natural Capital

- Environment value
- Contribution to environmental sustainability

Our Strategy

Striving to prepare for the next growth trajectory, during the year under review, we crafted a fresh strategy for the five years 2023 - 2027. Taking into consideration the organic shift in educational requirements in the present context as well as the planned education reforms that the Government wishes to implement, we introduced a strategic shift to the direction in which we are headed.

AATSL Governing Council was at the helm of formulating the strategy for the next five years. The Council guided the Strategic Plan Subcommittee in engaging stakeholders and working with the senior management to craft the strategy.

IDENTIFYING RISKS AND OPPORTUNITIES

Identifying our strengths, weaknesses and comprehending the opportunities and threats allowed us to better prepare for strategy formulation to plan for a more sustainable future.

The below SWOT analysis depicts the strengths, weaknesses, opportunities and threats that we identified:



STRENGTHS

- ▲ 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

WEAKNESSES



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

OPPORTUNITIES



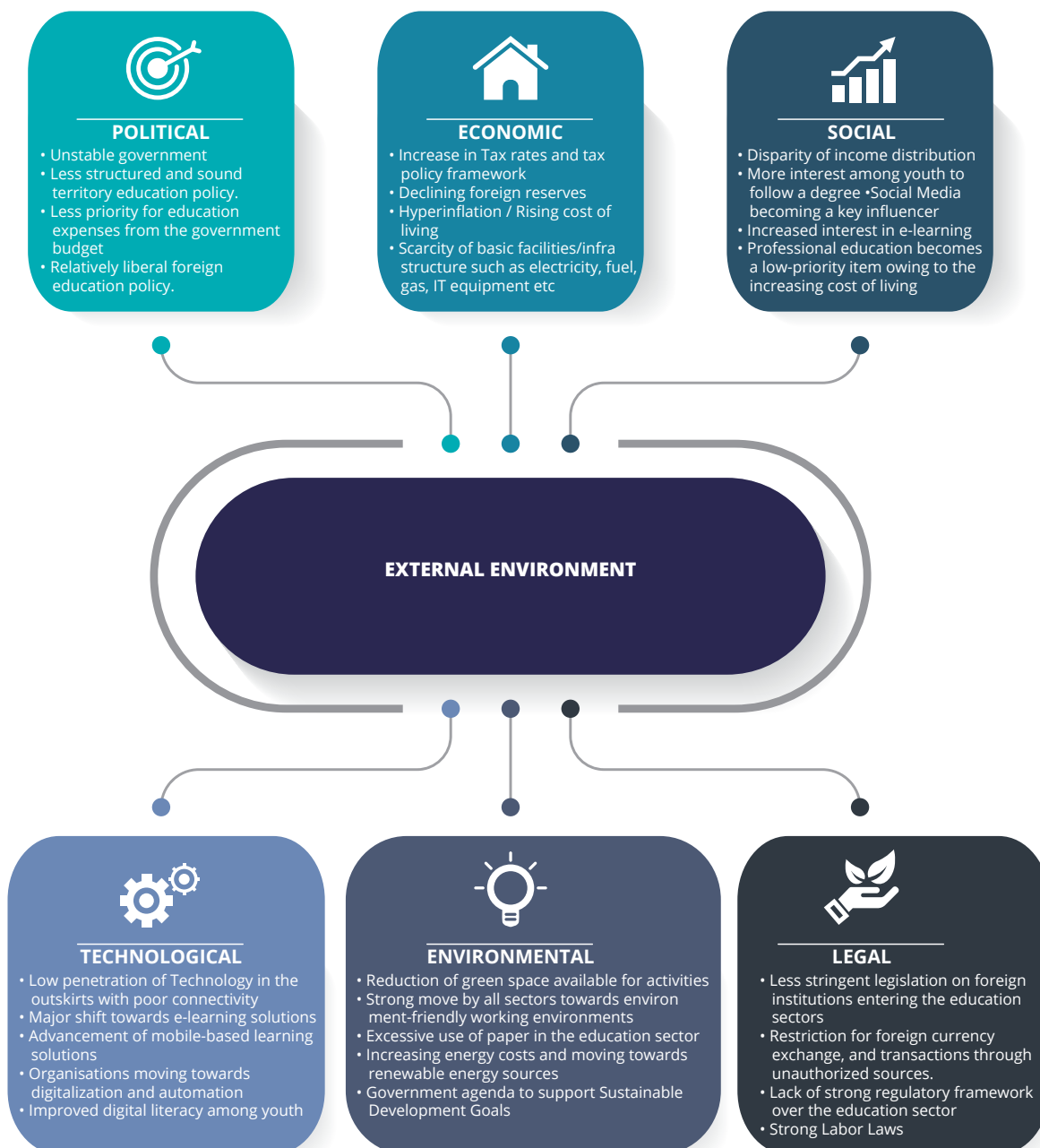
- ▲ Greater demand for degree programs by the youth
- ▲ Expansion of Business School resources/ capacity
- ▲ Larger pool of Passed Finalists
- ▲ Foreign qualifications become increasingly expensive
- ▲ Larger market

THREATS



- ▲ Political instability
- ▲ The economic crisis
- ▲ High competition
- ▲ Non-compliance with study plan by unregistered AECs

The below illustration depicts the external environment concerns that we took into consideration in formulating our strategy:



HOW WE SET THE STRATEGY

In setting the 5 year strategy, we were mindful of our historical performance, organizational vision, evolving external circumstances including educational reforms, the competitive environment as well as challenges and opportunities.

In these five years, we will look to become more competitive in the market, and responsive to our stakeholders' requirements, while optimizing our asset utilization to better fulfill our social responsibility while remaining a commercially viable entity. This will allow us to manage our social, economic and environmental impact through paying attention to ESG issues.

The below illustration depicts the way in which we set about crafting our five-year strategy:



The Strategic Plan Subcommittee in consultation with the Governing Council chose four key drivers of transformation to implement our strategic impetus, and measure the effectiveness of our action-steps.

DRIVERS OF TRANSFORMATION

Business School Strategy	<p>The achievement of the Strategic Goals of AAT within the anticipated timelines is heavily dependent on the robustness of the Strategies and the effectiveness of the execution.</p> <p>We have identified four Strategic Pillars as the key drivers of the transformation during the next five years.</p>
HR Strategy	
IT Strategy	
Marketing Strategy	

As we continue to implement the action plans agreed upon for the five years, the key drivers of transformation will allow us to remain focused on our ultimate goals.

Moreover, in line with our new strategic direction, the below illustration presents our vision, mission and values designed to achieve sustainable growth while remaining true to our fundamental values to become part of the country's path to progress.

VISION	VALUES
To be the Most recognised Mid-Level Accounting and Business Qualification.	INTEGRITY To be straightforward and honest
MISSION To equip our students and members with the knowledge, skills, attitude and mindset to become best-in-class mid-level accounting and business professionals who add value to the corporate world while succeeding in their career and personal lives, via a robust curriculum, empowered and passionate staff who work in a digitally enabled working environment and a network of well-equipped accredited education centres, while adhering to environmentally friendly and socially responsible practices.	PROFESSIONALISM Maintain high professional standards at all times
	ADAPTABILITY Ready to change to suit the context
	CUSTOMER-CENTRIC We make every decision based on how well it serves our Students and Members
	PASSION Devoted and enthusiastic for excellence
	TEAMWORK One team who trusts each other

STRATEGIC GOALS

Following in-depth analysis, deliberation and careful planning, we crafted ten strategic goals that remain a central point to all our action steps for the next five years. We developed operating plans and complementing strategies to execute upon these goals.

DELIVERING STRATEGY

In delivering our strategy, we will rely on the AAT organizational framework, which requires senior management and employees to get proactively involved in the process under the guidance of the Governing Council. We have already and will continue to communicate our strategic goals and relevant plans of action across the organization using a transparent and effective communication plan.

IMPLEMENTATION AND MONITORING OF THE STRATEGIC PLAN

As we seek to realize the strategic goals within the next five years, we will pay attention to optimal resource utilization and monitor our progress periodically. The Governing Council will receive periodic reports on progress and will make necessary amendments and decisions based on these progress reviews.



Management Discussion and Analysis

President's Message

In anticipation of educational reforms that are necessary to meet the requirements of the future, in 2023, we at AAT Sri Lanka concentrated on crafting our growth strategy whilst managing external pressure with a pragmatic and insight driven approach. As such, we were able to lay the foundation for further growth while achieving our financial, operational and stakeholder engagement goals. The economic and social challenges of the past few years triggered a timely concern about the role of education in sustainable progress. We view this as an opportunity for AAT to step into becoming a key stakeholder in educational reforms as we continue to strengthen accounting professionals and students who wish to join the force. In this backdrop, I am pleased to present the financial and non-financial performance of AAT Sri Lanka for the year 2023/24.



NAVIGATING EXTERNAL PRESSURE

The lingering effects of the financial and economic crises continued to impact communities across the country as well as our students, members, employees, and partners. However, the economy showed signs of recovery post the Government's efforts to stabilize financial markets and assistance received from the International Monetary Fund. Nevertheless, as the general public continues to experience the negative impact of tax reforms and economic woes, our target audience moved in tandem with the social impact of seeking education and career opportunities outside the country. Being mindful of this, we looked for different avenues to connect with students and professionals by providing them with relevant education opportunities as an internationally accredited professional accounting education entity.

The revival of the Sirasa Debater with AAT programme provided us with an opportune platform to reach out to students as well as parents. The Debater programme strives to provide a platform for talented school children to find their voice, and spread the message about AAT's potential to provide academic and career growth opportunities to youth. Meanwhile, we continued to reach a larger audience through our conferences, digital media presence and engagement with student communities and professionals.

In seeking to effectively manage costs, and maintain financial stability, we relied on sustainable cost-management strategies. In the meantime, we ensured that our employees received ample remuneration to face cost escalation and increased tax rates.

Our overall strategy of managing external pressure is linked invariably with our overall direction of growth as well as strategies. In the short term, we adopted an insight driven approach to financial and operational management.

CHARTERING OUR GROWTH STRATEGY

Over the years, AAT Sri Lanka has been a trusted and leading provider of education and professional qualifications in the accounting arena. In recent years, we have been providing additional skill development and networking opportunities to our students, passed finalists and members. At this juncture in Sri Lanka's education arena, as the Government prepares to change the system beginning with reforms to the G.C.E. Ordinary Level curriculum, AAT Sri Lanka is well-prepared to play a bigger role.

During the year under review, we concentrated our efforts on curriculum development for the next five years which is effective from July 2025 examination. We invested heavily in obtaining input from experts in the field as well as data gathering to prepare for the digitally driven, information-based future of accounting.

In addition, we sought to provide a wider range of support and guidance to our students, passed finalists and members through our Business School.

Meanwhile, during the year under review, AAT Sri Lanka developed a new strategy of growth in line with our vision to become a stakeholder in the future of education and the economic prosperity of Sri Lanka. To this end, we continued to engage our stakeholders such as partner institutes in a purposeful manner. In addition, we provided training opportunities to our employees in tandem with our strategic plan.

CORPORATE GOVERNANCE

Our corporate governance approach provides the ethical structure that we need to ensure accountability, integrity, and transparency in all our dealings. Our Governing Council oversees the corporate governance framework as well as the implementation of the adopted policies. Our Governing Council drafts guidelines for operations and organizational targets and continues to review and evaluate action steps.

During the year under review, we enhanced our corporate governance approach in tandem with our strategy and growth targets. As such, we upgraded the internal systems, procedures, and controls to ensure a greater impact on organizational performance. In addition, we continued our open-door policy to maintain optimal transparency and facilitate accountability at all levels.

APPRECIATION

Navigating the evolving external environment called for an inspirational effort from all parties concerned. This was by no means an easy feat, and our entire team deserves credit for what we achieved during the year under review. I would like to express my gratitude to our CEO and senior management team for their hard work and professionalism. I am also grateful for the inspirational and pragmatic guidance that the Governing Council provided during this period. I wish to also express my gratitude to our students, passed finalists and members for their support and trust. AAT Sri Lanka would not have been able to achieve success without the unwavering support of our employees. I wish to thank them. I would also like to convey my sincere appreciation to the Accredited Education Centres for their role in our success.

FUTURE OUTLOOK

In line with our approach to achieve broader organizational goals, we have adopted strategies that foster academic and professional development amongst members and students to enhance our impact on passed finalists the accounting arena in the country.

As such, we will continue to assess the current status quo of the Association including financial health, the relevance of existing programmes to our demographics as well as other strengths, weaknesses, opportunities and threats. Once we are aware of the requirements to achieve sustainable growth in the short, medium and long term, we will set identified goals.

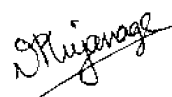
Our future focus will be on membership engagement activities as well as activities

geared towards professional development including seminars, webinars and certification programmes. Meanwhile, we will continue to get involved in advocacy and increase our representations to cater to the interests of the accounting profession across the country.

At an internal level, we will concentrate further on financial management to build on our existing financial stability, and work towards communication and outreach goals as discussed in the Social and Relationship capital of this report. In addition, in line with human capital goals, we will concentrate on succession planning, whilst also proactively advocating for a culture of diversity, equity and inclusion.

Being mindful of the fact that evaluation and adoption are key to the success of our targeted action steps and processes, we will regularly assess the effectiveness of our initiatives, obtain feedback from stakeholders and adopt appropriate strategies.

As we prepare to launch a new chapter in our journey, we are well-gearred to face the challenges and persevere. While we expect the country's economy to improve, we will remain conscious of potential bottlenecks and pressure. While this new era in education will require a great amount of effort from all parties concerned, we remain confident about our ability to craft our own success while becoming a pivotal part of the growth of all our stakeholders.



Indraka Liyanage
President

Chief Executive Officer's Review

As we navigated yet another economically and socially challenging year, we successfully responded to the external environment, and laid the foundation for strategic growth for the next few years in line with evolving educational and career dynamics. While we prepared our strategic impetus for the next phase of our growth during the year under review, we were able to prepare to respond to the educational reforms that will shape the future. Meanwhile, our prudent responses to the economic and social challenges enabled us to remain financially stable while growing our member and student base.



NAVIGATING THE YEAR 2023/24

During the year under review, AAT Sri Lanka sought to facilitate education opportunities for students who looked for both alternative and conventional pathways of higher education in the current uncertain environment. As the Education Ministry grappled with examination scheduling, the student population began to respond to the changing market dynamics with keen interest in pursuing higher education overseas and looking for more progressive pathways of academic and career advancement. Meanwhile, another section of students struggled to find financial means to pursue education in view of the economic downturn.

As a progressive education provider with a core aspiration to provide affordable high quality and an internationally recognized accounting qualification, we stepped up to attract more students to begin their higher academic and professional journey with AAT Sri Lanka. To this end, we began our student awareness campaigns well in advance and continued to upgrade our content and skill delivery, whilst also forming robust partnerships with academic and professional entities such as Universities and other professional bodies.

Social media campaigns, programmes launched at schools as well as the brand awareness building through the Sirasa Debater programme allowed us to capture the interest of a large audience.

As such, during the year under review, we were able to surpass student registration number recorded in the previous year. Our high-quality education delivery and the value of our internationally accepted qualifications allowed us to retain the students base gained during the previous years and increase our membership base.

OUR PERFORMANCE

AAT Sri Lanka responded to the economic downturn of the past two years with a plethora of pragmatic and far-seeing financial and operational strategies.

As such, we were able to perform well financially. Our bottom-line for the year grew by 76 percent to post Rs. 227 Mn. as at the end of the year. AAT Sri Lanka's income for the year was at Rs. 513 Mn, reflecting a year-on-year growth of 34%.

The Association's accumulated fund increased by 22%, while assets increased by 21%. Meanwhile, AAT Sri Lanka's Investment Portfolio posted a growth of 28% at Rs. 1,221 Mn.

AAT Sri Lanka's operational growth maintained a high momentum gained during the previous year driven by active brand building and other strategies to record new student registrations of 15,298 and renewals of 20,558. Our active membership grew to 7,190 recording the highest in the history at the end of 2023.

AWARDS AND ACCOLADES

During the year under review, we were able to secure a number of awards that illustrated our dedication to sustainability, quality and transparency in managing our ESG approach to ensure a progressive outcome through our social, economic and environmental impact.

Accordingly, AAT Sri Lanka won the Gold Award in the NGO category at the South Asian Federation of Accountants (SAFA) "Best Presented Annual Report Awards", Integrated Reporting Awards, and SAARC Anniversary Awards for Corporate Governance Disclosure 2022. In addition, we won the Gold Award at the Professional Excellence in Integrated Reporting Awards 2023, organized by CMA Sri Lanka.

At the TAGS Awards 2023 hosted by CA Sri Lanka, we won the Gold Award in the Not-For-Profit Organizations (NPO) category, encompassing the Non-Governmental Organizations (NGO) sector.

Meanwhile, we clinched the Gold Award at the National Business Excellence Awards 2023, awarded by the National Chamber of Commerce of Sri Lanka.

STRATEGIZING FOR THE FUTURE

Having performed well both financially and operationally during the past few years in spite of tough external conditions, AAT Sri Lanka was in an opportune position to strategize for the next phase of our journey during the year under review. As such, we finalised our 5 years strategic plan in 2023, whilst also drafting our curriculum for the years 2025-30.

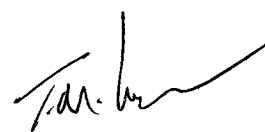
Our future strategy will strive to facilitate educational and skill development changes in line with evolving needs of students and the future of accounting field. We will also take into consideration the educational reforms that the Government of Sri Lanka plans to implement. By being aware of the need for educational reforms for a progressive future, we will continue to make alliances with other academic and professional entities as well as resource personnel. Developing our social and relationship capital as well as the intellectual capital will act as a catalyst of progressive change in the next phase of our journey.

Meanwhile, we will continue to retain and enhance our considerable and impactful brand presence on social media platforms to connect meaningfully with our existing and potential target audience. We will also continue with programmes such as the Sirasa Debater which provides a robust platform for school children to improve their presentation and debating skills whilst simultaneously solidifying the brand presence of AAT Sri Lanka.

In pursuing our growth goals, we are well-established to create a positive social and economic impact on the country. We will also remain conscious of our environmental impact and take actions to reduce our carbon footprint. These aspirations align well with not only ESG concerns but also the sustainable development goals identified by the United Nations.

APPRECIATION

While the year under review demonstrated signs of improvements on the economic and social front, most of the fundamental challenges remained. In this context, AAT Sri Lanka's commendable performance and future ready status stems from the contribution of all our stakeholders. I am grateful to the AAT President for providing able guidance and his vision in not only facing current challenges but also crafting future success. I am thankful to the inspiring and well-thought-out guidance that the Governing Council provided us during the year under review. Our senior management and employees continued to display professional integrity and contribute to our growth. Our partner Accredited Education Centres consistently provided us with invaluable support throughout the year in education delivery and student wellbeing. I am grateful to them for their support. I am also grateful to CA, CMA, ACCA, CIMA, Universities and other professional bodies for continuing to partner us and, granting exemptions to our students. Let us forge the path ahead with undaunted perseverance to craft a progressive future in the education sector as well as the professional accounting sector.



Tishanga Kumarasinghe
Chief Executive Officer

Governing Council



1. Mr. Indraka Liyanage
President

2. Dr. Chamara Bandara
Vice President

3. Ms. Jani Ganeshan
Council Member

4. Mr. P. D. Wasantha Kumara
Council Member



5. Mr. K. L. Jagath Nandana Perera
Secretary

6. Mr. Tishan Subasinghe
Council Member

7. Mr. W G Isuru Kalhara
Council Member

8. Mr. R Emil Chaminda
Council Member



9. Mr. Naleen De Silva
Immediate Past President

10. Mr. Sunil Wanigabadu
Council Member

11. Mr. Theja De Silva
Council Member

12. Mr. Sachiru Dayananda
Council Member



13. Ms. Chandrani Hettiarachchi
Council Member

14. Mr. Thushara Kariyawasam
Council Member

15. Mr. Dayal Abhayasinghe
Council Member

16. Ms. K. V. G. Kaushalya Kalawitigoda
Council Member

Introduction to our Governing Council

MR. INDRAKA LIYANAGE

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

President of AAT Sri Lanka

Chairman - International Affairs
Sub-committee, Act of Incorporation Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Commonwealth Executive Master of Business Administration
Senior Fellow Member of the Institute of Bankers
Postgraduate Diploma in Business Administration (CA Sri Lanka)
Fellow Member of the Institute of Credit Management (UK)
Associate Member of the Institute of Credit Management of Sri Lanka
Vocational Member of the Chartered Institute of Securities and Investments (UK)
Fellow Member of Institute of Certified Professional Managers
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
Immediate Past President - CEMBA/CEMPA Alumini Association
Member of the Regional Advisory group to RIMS of South Asia Chapter

DR. CHAMARA BANDARA

FMAAT, FCA, FCMA, MBA, PhD

Vice President of AAT Sri Lanka

Chairman – Finance & Administration Committee, Alternate Chairman - Act of Incorporation Committee, Conference and Public Seminars Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Fellow Member of the Institute of Certified Management Accountants of Sri Lanka
Master of Business Administration – University of Southern Queensland, Australia
Ph.D (Business Management) Management & Science University, Malaysia
Member of the Institute of Chartered Accountants in England and Wales

Other appointments

Chief Executive Officer – Corporate Doctors (Pvt) Ltd

MR. K. L. JAGATH NANDANA PERERA

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

Secretary of AAT Sri Lanka

Chairman - Audit, Compliance, Risk Management and Ethics Committee, Alternate Chairman - Examination and Curriculum Development Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
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. NALEEN DE SILVA

FMAAT, FCA, ACMA, MBA (USJ)

Immediate Past President of AAT Sri Lanka

Qualifications & Experience

Fellow Member of AAT Sri Lanka
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

General Manager – Finance, CBL Foods International (Pvt) Ltd.
Director - Corporate Doctors (Pvt.) Ltd

MR. DAYAL ABHAYASINGHE

FMAAT, FCPM, ACMA, MBA (Fin)(Col.),
HNDA, PQHRM, ACS

Council Member of AAT Sri Lanka

Co - Chairman - Best Annual Report
Competition Committee, Alternate
Chairman - Business School Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Fellow Member of the Institute of
Chartered Professional Managers of
Sri Lanka
Associate Member of the Institute of
Certified Management Accountants of
Sri Lanka
Master of Business Administration in
Finance - University of Colombo
Higher National Diploma in Accountancy
- Sri Lanka Institute of Advanced
Technological Education
Professional Qualification in Human
Resources Management - Chartered
Institute of Personnel Management of
Sri Lanka
Passed Finalist - Australian Computer
Society

Other appointments

Senior Assistant Bursar - Faculty of
Technology, University of Colombo

MR. R. EMIL CHAMINDA

FMAAT, FCA, MBA Finance - Uni. of Col., BB
Mgt. (HR) Sp.

Council Member of AAT Sri Lanka

Chairman - Education and Training
Committee, Procurement Sub
Committee, Alternate Chairman - IT
Development Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Fellow Member of the Institute of
Chartered Accountants of Sri Lanka
Master of Business Administration
(Finance) - University of Colombo
Bachelor of Business Management - HR
(Sp) - University of Kelaniya

Other appointments

Group Financial Controller - Overseas
Realty (Ceylon) PLC

MR. SACHIRU DAYANANDA

FMAAT, FCA, FCMA, MBA

Council Member of AAT Sri Lanka

Chairman - Business School Committee,
Information Technology Development
Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Fellow Member of the Institute of
Chartered Accountants of Sri Lanka
Fellow Member of the Institute of
Certified Management Accountants of
Sri Lanka
Master of Business Administration from
the University of Southern Queensland
Australia

Other appointments

Director - Audit - KPMG Sri Lanka

MR. THEJA DE SILVA

FMAAT, ACA, MCMA

Council Member of AAT Sri Lanka

Chairman - Student Promotion &
Brand Marketing Committee, Alternate
Chairman - Members Welfare and
Benevolent Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Associate Member of the Institute of
Chartered Accountants of Sri Lanka
Member of the Institute of Certified
Management Accountants of Sri Lanka

Other appointments

Finance Manager - Nawaloka Hospitals
PLC

MS. JANI GANESHAN

FMAAT, FCA, MBA, BBA (Acc. Sp.)

Council Member of AAT Sri Lanka

Chairperson - Conference and Public
Seminars Committee, HR Sub Committee,
Alternate Chairperson - Students
Promotion and Brand Marketing
Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Fellow Member of the Institute of
Chartered Accountants of Sri Lanka
Master of Business Administration -
University of West of London
BBA (Accounting) Sp. - University of
Colombo

Other appointments

Senior Assistant Vice President -
Consumer Foods Sector - John Keells
Group

Introduction to our Governing Council

MR. W. G. ISURU KALHARA

FMAAT, ACA, ACCA, FCMA, ACPM

Council Member of AAT Sri Lanka

Co - Chairman – Best Annual Report Competition Committee, Alternate Chairman - Membership and Professional Development Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Associate Member of the Institute of Chartered Accountants of Sri Lanka
Member of the Association of Chartered Certified Accountants of UK
Fellow Member of the Institute of Certified Management Accountants of Sri Lanka
Associate Member of the Institute of Chartered Professional Managers
Life Member of the Organization of Professional Association of Sri Lanka

Other appointments

Manager - Financial Reporting & Budgeting - Sri Lanka Institute of Information Technology (SLIIT Malabe Campus)

MR. THUSHARA KARIYAWASAM

SAT, FCA

Council Member of AAT Sri Lanka

Chairman – Examination and Curriculum Development Committee, Alternate Chairman - Audit, Compliance, Risk Management and Ethics Committee

Qualifications & Experience

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

Other appointments

Managing Partner - T.N. Associates

MR. P. D. WASANTHA KUMARA

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

Council Member of AAT Sri Lanka

Chairman – Membership and Professional Development Committee, Public Sector Co-ordination and SME Committee, Alternate Chairman - Education and Training Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Master of Art (Economics) – University of Kelaniya
Bachelor of Commerce (Accounting) Sp. - University of Sri Jaywardenepura
Certified Business Accountant of the Institute of Chartered Accountants of Sri Lanka
Higher National Diploma in Accountancy - Sri Lanka Institute of Advanced Technical Education.
Certified Tax Practitioner - Chartered Institute of Taxation

Other appointments

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

MR. TISHAN SUBASINGHE

FMAAT, FCA, FCMA, CISA, MBA (Fin), LL.B (Hons.), Attorney-at-Law

Council Member of AAT Sri Lanka

Qualifications & Experience

Fellow Member of AAT Sri Lanka
Fellow Member of the Institute of Chartered Accountants of Sri Lanka
Fellow Member of the Institute of Certified Management Accountants of Sri Lanka
Certified Information Systems Auditor
Master of Business Administration (Finance) - University of Colombo
Bachelor of Laws (Hons.)
Attorney-at-Law

Other appointments

Vice President of CA Sri Lanka
Joint Managing Partner - Moore Aiyar
Managing Director – Moore Consulting (Pvt) Ltd
Chairman - Sanasa General Insurance Company Ltd
Senior Director - Amana Bank PLC
Council Member - University of Colombo
Board Member - Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB)

MR. SUNIL WANIGABADU

FMAAT, CPA, FCPM

Council Member of AAT Sri Lanka

Chairman – Members Welfare and
Benevolent Committee

Qualifications & Experience

Fellow Member of AAT Sri Lanka

Member of the Institute of Certified
Public Accountants

Fellow Member of Chartered Professional
Managers

Other appointments

Proprietor of Wanigabadu & Co.

MS. K. V. G. KAUSHALYA

KALAWITIGODA

BSc. (Accounting) Sp. USJ, Advanced
Diploma in Computer Based Accounting

Council Member of AAT Sri Lanka

Alternate Chairperson - Public Sector
Coordination & SME Committee

Qualifications & Experience

Bachelor of Science (Accounting) Sp. –
University of Sri Jayewardenepura

Advanced Diploma in Computer Based
Accounting

Other appointments

Assistant Director – Department of Public
Enterprises, Ministry of Finance

MS. CHANDRANI HETTIARACHCHI

BSc.(BA), Master of Public Mgt. - SLIDA,
PG Dip. in Edu., PG Dip. in Writership &
Communication

Council Member of AAT Sri Lanka

Alternate Chairperson – Best Annual
Report Competition Committee

Qualifications & Experience

Bachelor of Science (Business
Administration) – University of
Sri Jayewardenepura

Master of Public Management – Sri Lanka
Institute of Development Administration

Postgraduate Diploma in Education -
University of Colombo

Post Graduate Diploma. in Writership &
Communication – University of
Sri Jayewardenepura

Other appointments

Director of Education - Commerce &
Business Studies Branch, Ministry of
Education

Management Team



1. Mr. Tishanga Kumarasinghe

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

2. Ms. Nimali Ekanayake

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

3. Ms. N. Monika K. Ranasinghe

FMAAT, MBA Fin. (Sp) (USQ-AUS), FCA, ACMA
Chief Financial Officer (Resigned w.e.f. 15 May 2024)

4. Ms. S.A. Nadee N. Perera

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

5. Ms. B.R. Lilani Thanuja

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



6. Ms. Saluja Herath

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

7. Mr. Sachith Karunaratna

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

8. Mr. Thilina Magalla

*MBA. Mktg (UK), PgD. Mktg (UoK), Dip. Brand Mgt (SLIM), MSLIM
Head of Marketing*

9. Ms. Ajani D. Fernando

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

10. Mr. Henry Thalagala

Senior Manager – Examinations

**11. Ms. Rangika Rodrigo**

FCA, MFE (UOC), B.Sc. Accounting (Sp), Adv. Dip. In MA (CIMA - UK)
Senior Manager - Examinations (Resigned w.e.f. 17 June 2024)

12. Mr. Lasantha Perera

MBCS
Manager - IT

13. Ms. Nilakshi Liyanage

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

14. Ms. Peumika Weeraratna

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

15. Ms. Niroshinee Ratnayake

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



16. Mr. N. M. N. Pradeep Kumara

B.Sc. (Mkt) Sp. Hons. (SUSL)

Assistant Manager – Education & Training

17. Mr. K. Niranjan

MBA (UK), Bsc (Hons) BISM-UK

Assistant Manager – Student Registration & Membership

18. Mr. Sahan Chathuranga Silva

HND in Computing & System Development

Assistant Manager – Examinations

19. Mr. Chathura Samarajeewa

MBCS, Dip. In IT

Assistant Manager – Business School

20. Ms. T. Piraveena

MAAT, CBA, BBA (Hons) Accounting (Special) - UOJ

Assistant Manager – Finance

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



Mr. Naleen De Silva
2022 - 2023

Operating Environment

GLOBAL OUTLOOK

The International Monetary Fund (IMF) revealed that global economic growth declined from 3.5 percent in 2022 to 3.0 percent in 2023. In response to the low economic growth, central banks across the world implemented policy changes to manage inflation within reasonable parameters. As the conflict between Ukraine and Russia disrupted supply chain activities and contributed to geopolitical tension, trade activities and the financial markets suffered. World trade growth was projected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before increasing to 3.7 percent in 2024. This decrease in 2023 pinpoints the trajectory of global demand given changes in composition toward domestic services as well as impact of US dollar appreciation, which essentially illustrate increasing trade barriers around the world.

Source : IMF, World Economic Outlook Oct 2023

OVERVIEW OF THE SRI LANKAN ECONOMY

According to the World Bank data, Sri Lanka's economy declined by 2.3 percent in 2023, in spite of signs of improvement in the third and fourth quarters. A number of industries including the construction, mining, financial, IT services and textile witnessed a downward trend. However, the growth in the tourism industry somewhat offset the decline. Along with the rebound in tourism, remittances rose. As imports remained low, Sri Lanka's current account recorded a surplus since the year 1977.

Meanwhile, headline inflation as measured by the Colombo Consumer Price Index increased to 5.9 percent in February 2024, as a result of food price inflation and utility price escalation.

In the aftermath of two years of monetary policy tightening, the Central Bank introduced policy rate cuts by 650 basis points between June and November 2023. Private sector credit showed signs of improvement as liquidity improved, leading to a welcome decrease in government's cost of domestic borrowing.

Driven by debt service suspension, postponement of repayments on existing credit lines along with considerable purchases in foreign currency as well as inflows from development partners - official reserves stood at US \$3.1 Bn by end-February 2024 illustrating an improvement from the US\$500 Mn in December 2022.

Nevertheless, a high rise in interest payments (three-fourths of revenue collected) led to a high overall fiscal deficit in 2023.

In this backdrop, the country appears to be slowly emerging from the economic crisis. However, recovery efforts will remain challenging, reflecting a fundamental need for structural reforms as well as cost-reflective utility pricing. The Government needs to introduce growth-conducive strategies in debt and fiscal management and trade to usher the country towards lasting economic recovery and growth.

Source: ("Sri Lanka Development Update 2024") - World Bank

EDUCATION SECTOR

While the education sector began to somewhat recover from the examination delays and financial and logistical challenges that impacted students in 2023, examination time tables did not return to pre pandemic timelines. As the marginalized sectors of the country continued to experience considerable economic setbacks, this impacted children from vulnerable communities. The adverse impact of learning opportunity loss as well as limited access to online content delivery that students from vulnerable backgrounds experienced continued to widen the gap in opportunities available for a large section of the society.

The latest data that the Central Bank revealed demonstrate school dropouts from the primary sector to be around 9,269 in 2021. This is a direct result of vulnerable households opting to reduce education related expenses.

While students benefit from tertiary education provided free of charge, the available resources are not sufficient to facilitate a large number of students.

In this backdrop, Technical and Vocational Education and Training (TVET) sector continues to play a pivotal role in Sri Lanka. Central Bank statistics reveal that in 2022, there were 1,136 registered institutions in the TVET sector. This included 526 public institutions and 610 non-government sector institutions. The number of students who received National Vocational Qualification (NVQ) certificates in 2022 was at 117,954.

The Central Bank further revealed that as professional qualification awarding bodies such as AAT moved to a hybrid model of education delivery in the past few years, the education sector as a whole should explore more innovative avenues.

In 2023, the Ministry of Education announced a number of reform proposals. While the Ministry will look to digitalize the entire education system, they intend to introduce special programmes to address the needs of children with special needs. The Ministry is set to launch a pilot programme to unveil new educational reforms for grades: 1-5, 6-9 and 10-13.

Meanwhile, the Ministry plans to revise grades for student exams in a bid to facilitate students to complete tertiary education before the age of 21. As such, the new proposal looks to hold G.C.E O/L examination for students in Grade 10 and G, C.E A/L examination for students in Grade 12.

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

Financial Capital





AAT Sri Lanka is a not-for-profit education institute with a mandate to promote skill acquisition for mid-tier accounting professionals in the country. As such, our financial capital is the pivot that allows us to strengthen our other capitals and ensure organisational stability and sustainable growth. As such, effective and efficient financial capital management is a fundamental aspect of our operational integrity and future growth.

As a not-for-profit, education institute, our financial capital involves accumulated funds including surpluses and deficits generated over the years which are then utilised to fund the operations. Therefore, we use investment tools to ensure the sustainability of our financial capital. In doing so, we look into cost and risk management as well as profitability relying on effective budgetary control measures. During the year under review, we were able to manage our financial capital in a sustainable manner by responding well to external pressure. This allowed us to remain financially stable and perform well.

SDG FOCUS AREAS UNDER FINANCIAL CAPITAL

Meanwhile, the below depicts our attempt to contribute to the United Nation's Sustainable Development Goals.

SDG	Our contribution
 8 DECENT WORK AND ECONOMIC GROWTH	Contributing to economic growth through empowering the SME sector with qualified accounting professionals. Fostering employability of students, passed finalists and members
 10 REDUCED INEQUALITIES	Our affordable rates allow a large number of students to pursue and obtain internationally accepted qualifications AAT promotes economic growth and sustainability of the SME sector by facilitating knowledge acquisition for better financial and business management

FINANCIAL PERFORMANCE

Our prudent financial management and investments allowed AATSL to record a surplus of Rs. 227 Mn for the year under review, posting a year-on-year growth of 76%. Our income for the year stood at Rs. 513 Mn, illustrating an increase of 34%, while the accumulated fund rose by 22%.

Meanwhile, our investment portfolio grew by 28% during the year under review, while our total asset base rose by 21%. Our financial income rose by 46% during the financial year under review. Our information driven financial decisions as well as focused awareness building activities enabled the Association to achieve commendable financial growth in spite of external challenges.

The below table presents an overview of our financial performance during the year under review.

Financial Performance	2023/24	Year on Year Growth
Income	Rs. 512,892,617	34%
Gross surplus (GP)	Rs. 267,325,722	49%
Gross surplus ratio	52%	11%
Finance income	Rs. 207,216,975	46%
Net surplus (NP)	Rs. 226,558,421	76%
Net surplus ratio	44%	29%
Return on accumulated fund (RoE)	17%	
Return on assets (RoA)	15%	

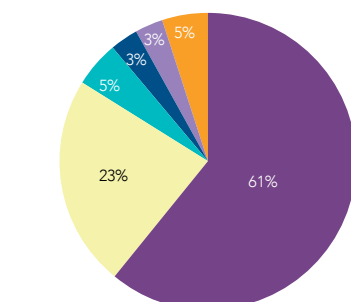
Our efforts to attract more students, invest in the Business School programmes and grow our member base resulted in an increase in new student registrations, membership base growth as well as increased interest in our programme offerings. This led to a commendable revenue increase during the year under review.

REVENUE

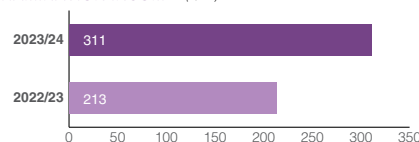
AATSL's bottom line rose by 76% during the financial year under review fuelled by an income generation of Rs. 513 Mn. Income of Rs. 311 Mn generated from examination accounted for 61% of the total income. Income from student registration and renewal for the year was at Rs. 116 Mn. Income generated from the membership base was at Rs. 17 Mn for the year. Income generated from education and training activities was Rs.15 Mn.

Meanwhile, AAT Business School continued to perform well, building on the momentum from the year before. During the year under review, the Business School earned Rs.27 Mn in revenue, recording a topline growth of 21%.

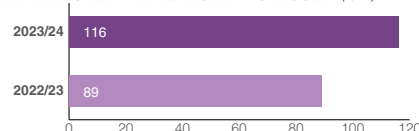
INCOME COMPOSITION 2023/24



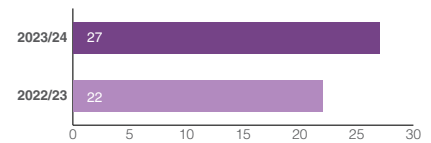
EXAMINATION INCOME (Rs. Mn)



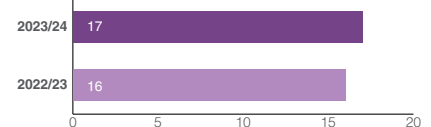
STUDENT REGISTRATIONS, RENEWALS AND EXEMPTION FEES INCOME (Rs. Mn)



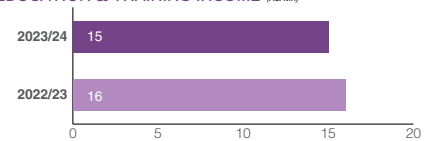
BUSINESS SCHOOL INCOME (Rs. Mn)



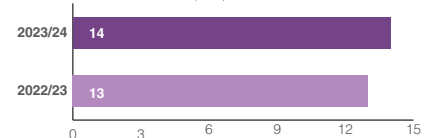
MEMBERSHIP SUBSCRIPTIONS & RENEWAL FEE INCOME (Rs. Mn)



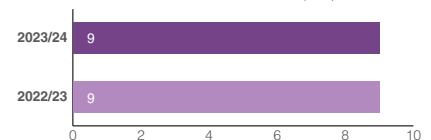
EDUCATION & TRAINING INCOME (Rs. Mn)



CONFERENCE, PF WORKSHOPS AND SEMINARS INCOME (Rs. Mn)



INCOME FROM BRANCH OPERATIONS (Rs. Mn)



AAT CLASSES INCOME (Rs. Mn)



GROSS SURPLUS

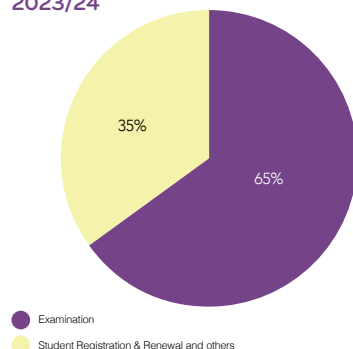
AATSL's Gross Surplus grew by 49% during the year under review due to the increase in the number of students registered, renewed and applied for the examinations.

Meanwhile, examination activity expenses stood at Rs. 137 Mn, indicating a 56% of the cost of services. Student registration and renewal activities recorded a cost of Rs. 23 Mn, recording a 10% out of the total cost of services.

The Gross Surplus generated from examination, student registration and renewal grew by 63% and 30% respectively.

Financial Capital

GROSS SURPLUS COMPOSITION 2023/24



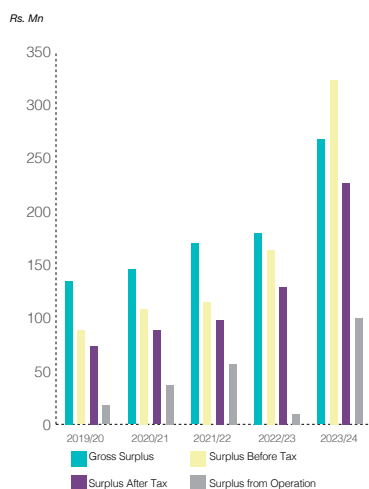
SURPLUS AFTER TAX

As at the end of the financial year, AATSL's surplus after tax increased by 76%, also as a result of our efficient financial management tactics and prudent investment decisions.

Our administration and establishment cost were Rs. 133 Mn for the year under review. In addition, our energy cost, and expenses related to services such as security, cleaning, provision of refreshments and printing contributed to an increase in cost.

The Income Tax expenses grew by 178% due to the growth of total assessable income and the impact of tax rate increase to 30% which was effected during the latter part of financial year 2022/23.

SURPLUS GROWTH IN LAST FIVE YEARS



Income tax expenses for the year stood at Rs. 97 Mn.

Income Statement	2023/24 (Rs.)	2022/23 (Rs.)	YoY growth
Income	512,892,617	381,957,725	34%
Cost of services	245,566,895	202,312,634	21%
Gross Surplus	267,325,722	179,645,091	49%
Other income	10,419,370	9,217,796	13%
Admin & establishment expenses	133,031,744	117,861,785	13%
Student promotion expenses	36,913,118	55,897,516	(34%)
Finance Income	207,216,975	142,239,827	46%
Income tax	96,732,177	34,767,508	178%
Surplus after tax	226,558,421	128,809,311	76%

FINANCIAL POSITION

During the year under review, our total asset base grew to Rs. 1.5 Bn, recording a growth of 21%. Our accumulated fund grew to Rs. 1.2 Bn recording a growth of 22%. Our far-reaching and prudent financial decisions over the past few years has allowed AATSL to enjoy a strong financial position in spite of the economic downturn that prevailed in the country over the years. In addition to sufficient liquidity to meet our obligations, our strong financial positions continue to strengthen our ability to invest and grow and remain viable for sustainable growth which in turn would allow us to maintain resilience and cater to the needs of our students and members in our efforts to contribute to the SME sector growth in Sri Lanka. The below table illustrates an overview of our financial position.

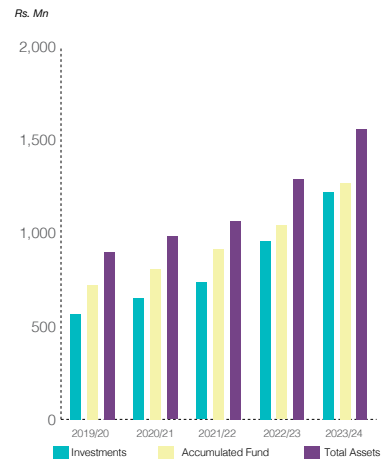
Financial position	2023/24 (Rs.)	2022/23 (Rs.)	Year on Year Growth
Total asset base	1,557,627,116	1,289,505,969	21%
Accumulated fund	1,267,692,590	1,038,944,288	22%
Total investment portfolio	1,220,945,296	956,844,194	28%
Liquidity ratio	3 Times	3 Times	
Debts	Zero Debts	Zero Debts	

During the year under review, we continued to strengthen our financial capital in line with growth targets and sustainability agenda.

ANALYSIS OF FINANCIAL POSITION

Our financial capital model as a not-for-profit organisation includes investing surplus back into the Association. While we remain debt-free, our accumulated fund grew by 22% during the year under review. AATSL’s accumulated fund accounts for Rs.1,268 Mn, 81% of our total assets.

INVESTMENTS, ACCUMULATED FUND AND TOTAL ASSETS GROWTH IN LAST FIVE YEARS



In our attempt to strengthen our financial capital, we look into related risks as part of our ESG approach. Once we identify the risks, we formulate appropriate responses.

Risks	Responses
Interest income volatility	Adopting a prudent investment portfolio and effectively managing risks.
Decrease in disposable income of potential students	Concentrated marketing efforts to illustrate the far-reaching benefits of AAT qualifications for economic progress. Improving our service offering to allow students and members to enhance their opportunities for academic and career growth.
Changes in taxes and tariffs	Prudent tax planning

THE WAY FORWARD, CHALLENGES AND STRATEGIES FOR MANAGING FINANCIAL CAPITAL

Well aware of the fact that a strong financial capital base allows us to continue offering our services, and create value for all stakeholders, we remain committed to securing a strong financial position in our attempt to grow in a sustainable manner. While we remain hopeful of steadfast economic recovery, we will carefully analyze risks, take mitigation measures maintain good governance practices and look into our social and economic impact to sustain our financial capital and be a part of the greater agenda of economic progress for the entire country through our delivery of educational services.

Manufactured Capital


AAT SRI LANKA ESTABLISHED IN 1987



Our manufactured capital includes our physical infrastructure, other tangible assets, digital facilities and resources that help us facilitate educational and examination activities. Our manufactured capital enables us to create an opportune environment to allow our students and members pursue their academic and career goals, which in turn translate into an aspect of our economic and social impact.

SDG FOCUS AREAS UNDER MANUFACTURED CAPITAL

The following demonstrates our devotion to the United Nation's Sustainable Development Goals.

SDG	Our contribution
	In line with enhancing our technology infrastructure, we continue to develop our digital infrastructure and presence.

The below information demonstrates a glimpse into our manufactured capital:

Composition of PPE and Right to Use Assets	Value addition during the FY 2023/24 Rs.	Net book values as at 31/03/2024 Rs.
Building – Head office	-	40,011,269
Building - Maligawatte	-	8,186,683
Office equipment & name board	5,717,673	7,060,307
Furniture & fittings	730,515	1,494,407
Computers & communication equipment	10,321,376	12,835,526
Computer software & website	409,500	1,070,160

In our attempt to strengthen our manufactured capital, we investigate related risks as part of our ESG approach. Once we identify the risks, we formulate appropriate responses.

Risks	Responses
Risk of theft and destruction via incidents such as burglary, fire or floods	Taking precautionary measures and obtaining insurance covers

OUR PHYSICAL PRESENCE

During the year under review, we expanded our presence with the opening of our new branch in Gampaha. The below illustration depicts our physical reach across the island.



AAT Head office
AAT Centre, No. 540, Ven.
Muruththettuwe Ananda
Nahimi Mw, Narahenpita,
Colombo 05.

Ampara
No. 19, D S Senanayake
Street, Ampara.

Anuradhapura
No. 514/4A, 2nd
Floor, New Bus Stand,
Anuradhapura

Gampaha
No. 38, Ward City
Shopping Complex
Queens Mary Road,
Gampaha

Jaffna
No. 340, Stanley Road,
Jaffna.

Kandy
No. 788 B, Peradeniya
Road, Kandy.

Kurunegala
No. 15/6, Convent Road,
Kurunegala

Matara
No. 274, 2nd Floor, Sagara
Building, Anagarika
Dharmapala Mawatha,
Matara

Ratnapura
No. 66, 1st Floor,
Bandaranayake Mawatha,
Ratnapura.

STRENGTHENING OUR TECHNOLOGICAL INFRASTRUCTURE

During the year under review, we resolved a number of technological infrastructure challenges to improve communication and data management to enhance interaction within the organization as well as with our stakeholders. As such, we implemented Session Initiation Protocol (SIP) trunking technology with SLT to improve connectivity. In addition, we installed an Active Directory to better manage our resources and allow the branch network to make use of our resources in a more efficient manner.

STRENGTHENING OUR DIGITAL REACH

As most of our students belong to a more digitally driven younger generation, effectively and purposefully crafting our technological infrastructure and digital presence is a matter of sustainable progression. As such, we consistently invest in our technological infrastructure as well as digital reach. Our online portal facilitates online registration while our web portals provide e-study texts, online exam application and e-admission. In the meantime, we nurture our social media presence to engage our audience meaningfully. Our student and member interaction tools include online platforms such as WhatsApp, Telegram and Viber.

OUR DIGITAL REACH

Marinating the momentum gained during the accelerated social media drive launched in the past few years, we continued to actively engage with our audience on these platforms during the year under review. In 2023, our Instagram follower base grew to 13,200 while our YouTube subscriber numbers increased to 25,101, while we witnessed 364,900 views. Our LinkedIn profile has 16,191 followers while we engage 8,600 followers on our Tik Tok account. Our social media presence enables us to reach out to all corners of the island and gain the interest of a vast audience.

Manufactured Capital

Over the years, we have increasingly crafted an effective social media strategy, that yielded encouraging results during the year under review.

Through our website, we reach out to a diverse audience who communicate in Sinhala, Tamil and English languages. We also offer remote network connections to our branches, looking to enhance our technological infrastructure. Similar to the previous year, we offer access to MS Office 365 software to students and members free of charge.

NAVIGATING CHALLENGES

As the country's economy continues its recovery at a slow pace, developing our manufactured capital has become a challenge but despite these challenges AAT is sailing through to expand the outreach in the country through branches and digital media. In this backdrop, successful implementation of our digital reach allows us to bypass limitations and continue to reinforce our presence across the country.

We will continue to look into all potential avenues of growth that falls in line with our growth targets to create value through manufactured capital.

FUTURE OUTLOOK

Sri Lanka is on a slow path of recovery from the recent economic crisis. At this juncture, we will continue to look into new ways of strengthening our manufactured capital in line with the new strategic plan for long-term growth and value creation.

Social and Relationship Capital








In line with our broader agenda of becoming part of the economic progress in the country, Social and Relationship Capital plays a pivotal role, encapsulating the human dimension of our engagements with various stakeholder groups. Managing our various relationships during challenging and opportune periods is vital for long-term growth, and sustainability of our social and economic impact. By being mindful of this fact, we take proactive engage and nurture our connection with our key stakeholders; students, passed finalists, members, Accredited Education Centres, regulators, accounting bodies and the larger community.

The stakeholder management section of this report details how we interact with each group. In this section, we discuss in detail the activities that we carried out during the year under review to strengthen our social and relationship capital in line with growth targets. In crafting our future strategy during the year under review, we consciously incorporated elements of social and relationship capital development into the action plan.

SDG FOCUS AREAS UNDER SOCIAL AND RELATIONSHIP CAPITAL

In line with our efforts to contribute to the sustainable development of the country, we strive to contribute to the United Nation's Sustainable Development Goals.

SDG	Our contribution
	Our education and professional qualification delivery supports economic progress by catering to the SME sector's need for qualified and expert accounting professionals.
	We provide our students with quality education opportunities on par with global standards.
	We are an anti-discriminatory organisation that provides opportunities to males, females and non-binary individuals.
	We provide professional qualifications and skill development opportunities to strengthen the employability of the youth. Which helps their living and financial strength.
	The affordable, high-quality opportunities we provide help individuals to find academic and career growth, in turn reducing inequalities.

Social and Relationship Capital

The below illustration presents a snippet into our various stakeholders and what our connection with each group encompasses.

CORE STAKEHOLDERS OF OUR SOCIAL AND RELATIONSHIP CAPITAL

Students

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

Passed Finalists

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

Members

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

Accredited Education Centres

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

Professional Accounting Bodies & Universities

- Strengthen relations and build networks
- Enable knowledge sharing

Government and Regulators

- Regulatory compliance
- Advocacy

In our attempt to strengthen our social and relationship capital, we carefully assess associated risks as integral components of our ESG (Environmental,

Social, and Governance) strategy. Once we identify the risks, we formulate appropriate responses.

Risks	Our response
The spillover effects of the economic crisis, impacting the education choices of potential students (student preference to migrate for higher studies)	<p>Upgrading our professional qualification offering to be on par with international standards, and retain the internationally recognized status.</p> <p>Formulating partnerships with other education institutes and professional bodies to enhance value.</p> <p>Providing educational and networking opportunities to master the skills and competencies needed for the current and future market.</p> <p>Engaging students and other demographics through increased interactive presence in the social and digital media space.</p>
Risk of losing potential members	<p>Providing value added, impactful experiences and knowledge acquisition opportunities to members.</p> <p>Meaningful engagement through closely monitoring feedback from our existing members and proactively addressing any concerns to ensure retention</p>
Risk of losing community interest	Increase and maintain our presence in both electronic and social media channels through timely and relevant engagements (Eg: Sirasa Debater programme)

PERFORMANCE INDICATORS

	2023	2022	Year on Year Growth
Active student base	34,977	32,233	9%
Active member base	7,190	6,750	7%
New Passed Finalists	2,946	2,646	11%

HOW WE CREATE VALUE FOR STUDENTS AND PASSED FINALISTS

Engaging our student base as well as passed finalists meaningfully and facilitating their growth is a core activity of AATSL. We purposefully seek to create opportunities for growth for our students through our education delivery, and development programmes and in assisting them to obtain our internationally recognized accounting qualification. While we offer the opportunity for students to gain professional qualifications in Sinhala, Tamil and English languages, our affordable fee structure, timely knowledge and skill development tools as well as innovative education tools allow students to become proficient in their knowledge acquisition and career progression preparedness.

In response to the changing social dynamics, during the past few years, we changed our overall approach to gaining and retaining student interest. This included curriculum development, in depth research into future market trends and increased engagement with students on digital platforms. As a result, we continue to attract a large number of students to seek AAT qualification.

Once our students obtain our qualification, they are considered as the passed finalists. While we provide this group with ample opportunities for further growth and career opportunities, we encourage them to become members of AATSL to access more opportunities and networking facilities.

In this section, we discuss the activities that we initiated during the year under review on behalf of our students and passed finalists.

CURRICULUM DEVELOPMENT

During the year under review, we began crafting the new curriculum for the years 2025-2030. The new curriculum will incorporate content on par with global and local requirements in the accounting field, in the present and the future. We engaged industry experts and conducted in depth research prior to designing the curriculum framework. As such, the new curriculum will incorporate the K- SAM model which focuses on knowledge, skills, attitudes, and mindset into the content. We believe that this will allow our students to prepare for the digitally driven market space and become sought after, competent learners, capable of adapting to change.



EXAM FOCUSED SEMINAR SERIES TO IMPROVE STUDENT PERFORMANCE

Conducted Exam focused online seminar series for each examination (July 2023 and January 2024) focusing on the low performance areas of previous examination.

AAT TOP ACHIEVERS



The AAT top achievers' ceremony celebrates students who performed exceptionally well during the AAT examination held in January 2023. We awarded 13 students with subject prizes and 9 students with merit prizes at the ceremony held at the AAT Auditorium in June. This award ceremony was especially significant as most of our students completed AAT qualification parallel to their G.C.E A/L examinations.



AAT STUDENTS' MEET 2023

AAT Sri Lanka was proud to host AAT Students' Meet 2023 for the active students of AAT. The most looked forward to fun and excitement filled students' get-together took place on 24th June 2023 from 10.00am to 4.00pm at the Excel World Entertainment Park, Colombo 10.



Students' Meet was illuminated by the participation of the world-famous personality Mr. Farveez Mahroof, the former cricketer and the cricket broadcaster. Also, Mr. Sugeeshwara Sirimanna, a CEO, Management Consultant, a Corporate Trainer joined as a motivational speaker.

Grabbing a lot of attraction, many students presented themselves to win the Mr and Ms AAT titles and the winners walked away with valuable gift vouchers as well. The most looked forward to BOWLING GAME was held at the latter part of the event joining all AAT students most of whom were exposed to their first ever bowling experience at this event.

Adding to an array of prizes given away were the valuable gift vouchers offered for 5 winners of the raffle draw. Additionally, every participant walked away with a goodie pack offered by the CBL.

Social and Relationship Capital

AAT JOB BANK

AAT Job Bank facilitates employment opportunities for students via partnerships with employers. The Job Bank provides employment opportunities for students and talented employees to employers.

Job opportunities provided during the year 2023/24:

Description	23/24 FY
Number of organizations which requested CVs from AAT Job Bank	399
Number of organizations which advertised AAT as a required qualification in their job adverts	715

VIRTUAL ORIENTATION WEBINAR FOR STUDENTS

AATSL held virtual orientation webinars in August 2023 and January 2024 exclusively for students who have enrolled for the July 2023 and January 2024 intakes. The webinar introduced students to the resources available to begin their academic journey with AAT and beyond.

The below points illustrate key webinar highlights:

- An overview of AAT
- Motivational speeches by two young AAT Passed Finalists on how AAT could take the students up in the professional ladder and help them stand out and get highly demanded in society.
- Importance of being an ACTIVE STUDENT, how to renew studentship and facilities/benefits available for active students.
- AAT examinations and the guidance to complete the qualification soon.
- AAT classes and self-study packs to support the AAT journey.

WEBINARS FOR ADDITIONAL COURSEWORK SUPPORT

During the year under review, we held webinars to facilitate additional support to our students to obtain the necessary knowledge to excel in their subject matters. The webinars targeted students who required help in comprehending various sections of the curriculum.

AAT STUDENT NEWSLETTER

AAT Student newsletter is a bi-annual publication that we use to engage with students and provide them with useful information to further their academic and professional interests.



AAT DIGITAL AVURUDU KUMARA AND KUMARIYA

We held a digital Avurudu Kumara and Kumariya competition for the fourth consecutive year in 2023 to promote camaraderie and light-hearted fun between our students. This competition allows us to interact with our social media followers. Sineli Priyasha won the Avurudu Kumariya category while Nipun Watthuhewa became the Avurudu Kumara.

PARTICIPATION IN ISLAND WIDE EDUCATIONAL EXHIBITIONS

Annual participation in education exhibitions is part of our recruitment drive. During the year under review, we took part in 9 education fairs that cater to a younger demographic spread across the country.

- Future Minds held at the Kandy City Centre in June 2023
- Colombo Educational Fair held at the BMICH in June 2023
- Future Minds held at Galle in July 2023
- Edu First Educational Fair held at the Kandy City Centre in February 2024
- Wayamba Expo Education Exhibition held at Kurunegala in February 2024
- Jaffna Edu Fair held at Jaffna in February 2024
- EDEX Expo held in SLECC – Colombo in February 2024
- Future Minds held at Galle in February 2024
- Educate SL Exhibition held at Gampaha in March 2024

PARTNERSHIPS WITH UNIVERSITIES AND PROFESSIONAL INSTITUTES

Our ongoing partnerships with universities and education institutes enable our students to further their academic careers with ease. Our partnerships with universities allow our students and passed finalists to obtain 1-year exemptions for our students. As we achieved the NVQ 5 (diploma level) status in 2022, our students have been able to enjoy the additional benefit of going into the higher education arena already armed with foundation level certificates.

- Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Institute of Certified Management Accountants of Sri Lanka (CMASL)
- Chartered Institute of Management Accountants (CIMA-UK)
- Association of Chartered Certified Accountants (ACCA-UK)
- Institute of Public Accountants (IPA) of Australia
- Institute of Financial Accountants (IFA) of the United Kingdom
- 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 – Faculty of Graduate Studies
- University of Kelaniya
- The Open University of Sri Lanka
- National Institute of Business Management (NIBM) in collaboration with Coventry University - UK
- Business Management School in collaboration with Northumbria University – UK
- Seagis Campus (Pvt.) Ltd. in collaboration with Canterbury Christ Church University - UK
- BCAS Campus in collaboration with the Southampton Solent University - UK
- European City Campus in collaboration with the City University, Malaysia and University of Pacific, Nicaragua, Central America
- SLIIT Academy
- Higher Diploma and Degree pathways through AAT Business School

MOU SIGNING WITH SLIIT ACADEMY

SLIIT became the latest partner education institution to sign an MoU with AATSL. This partnership allows AAT Passed Finalists a gateway to obtain exemptions to follow a BA (Hons) Business Administration (level 6 Top-Up) Degree with the University of Bedfordshire (UOB) – UK, which is an affiliated foreign degree programme offered by SLIIT Academy.



ACHIEVERS' MEET 2023

Achievers' Meet 2023 organized by the Membership Committee of AAT Sri Lanka was held on 1st of April 2023 from 2.00pm to 7.00pm at the Excel World, Colombo 10. The event was exclusively for the Achievers Club members and held ABSOLUTELY FREE OF CHARGE.

Achievers Club has been formed with the purpose of building a closer rapport with the Passed Finalists of AAT Sri Lanka until they become professional members of AAT.

The event was illuminated by the participation of ravishing actress Sheril Dekker and the famous singer Ruwan Hettiarachchi Award Winning and well-known Motivational Speaker, Bathiya Arthanayaka also joined in lifting the morale of the audience and adding an enormous value to the programme.

Nearly 100 Achievers joined the event and had an extremely special time spent in their lives having exposure to learn, network with peers, showcase their hidden artistic talents, mingle with famous celebrities, walkaway with valuable prizes, explore exciting bowling and gaming experiences, enjoy food, music and have fun among others. They were also given the opportunity to speak to reputed Audit Firms and Corporates to find career/training opportunities. The event was open for the Achievers from all over the country who valued the novel experiences they gathered at the event.



Social and Relationship Capital

PASSED FINALISTS' CERTIFICATE AWARDING CEREMONY – JULY (AUGUST) 2023 EXAMINATION

AAT Sri Lanka held its Passed Finalists' certificate awarding ceremony for the students who have successfully completed the final level of the AAT Examinations held in July (August) 2023 on 7th February 2024 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Colombo.

1,252 students spread across all districts in the island who have completed the Final Examinations in July (August) 2023 were invited to receive their Diploma in Accounting and Business certificate at this graceful ceremony with a guest each to witness their achievement and share the joy of this memorable moment.

Mr. Kamal Geeganage, Chief Operating Officer of CBL Foods International (Pvt) Ltd. graced the morning session of the ceremony as the Chief Guest while Mr. Tishan Subhasinghe, Vice President of CA Sri Lanka joined as the Guest of Honour. Adding value to the evening session, Mr. Ashish Chandra, Chief Executive Officer of Bharti Airtel Lanka (PVT) Ltd joined the ceremony as the Chief Guest while Mr. Heshana Kuruppu, President of CA Sri Lanka joined as the Guest of Honour.



PASSED FINALISTS CERTIFICATE AWARDING CEREMONY OF AAT SRI LANKA 2023

AAT Sri Lanka held its Passed Finalists' Certificate Awarding Ceremony on 26th July 2023 at the Main Conference and Concert Hall of the Bandaranaike Memorial International Conference Hall (BMICH), Colombo. The students who were awarded with certificates at the ceremony included those who have successfully completed all the AAT Examinations held in March 2023. 1,040 Passed Finalists representing all districts in the island were invited to receive their diploma certificate ceremonially at this awards ceremony.

Mr. Anura Dissanayake, Secretary to the Prime Minister of Sri Lanka graced the occasion as the Chief Guest while Mr. Sanjaya Bandara, President of CA Sri Lanka joined as the Guest of Honour. In addition.



ACHIEVERS' CLUB VIRTUAL QUIZ 2023

A Virtual Quiz Competition which was organized by the Membership Committee of AAT Sri Lanka was held among the members of the AAT Achievers' Club on 8th November 2023 from 7.00pm to 8.30pm via zoom. Over 150 Achievers (Passed Finalists who have registered with AAT Achievers' Club) had shown great enthusiasm to join the competition. The event was organized absolutely free of charge.

The quiz was hosted by the renowned Quiz master Mr Shehan Kumar. Mr. Indraka Liyanage, Chairman of the Membership Committee also joined and graced the programme.

The Quiz was structured under 5 rounds with 30 questions in different segments.

The overall winners and round winners of the Quiz were entitled to attractive cash prizes.



AAT JOB FAIR (PHASE 4)

In February 2023, we conducted the AAT Job Fair 2023 to offer our students and passed finalists opportunities to meet potential employers and gain exposure to the employment market in Sri Lanka. Over 15 organizations (employers) were present at the job fair.

HOW WE CREATE VALUE FOR MEMBERS

AAT members achieve this status by completing a comprehensive curriculum to achieve the essential technical knowledge, obtain required professional experience in accounting and finance, and master leadership and communication skills and competencies. AAT Members' contribution is spectacular, especially in the SME sector which is a key driver of economic growth in Sri Lanka.

We cater to our members by offering CPD – Continuing Professional Development opportunities through organizing a gamut of seminars, workshops, conferences and other programmes calculated to enrich their competencies and allow members to explore innovations in the accounting field.

The AAT Members' Welfare Committee organizes various networking and recreational events, while also looking after the welfare of members throughout the year.

THE 31ST ANNUAL CONVOCATION OF AAT SRI LANKA

The 31st Annual convocation, which we held in November 2023, bestowed membership on 809 members in their respective membership categories. The convocation theme - A journey of success towards professionalism, focused on what AATSL offers members.



AAT Passed finalists, numbering 713 obtained their MAAT (Member of AAT) at the event. Out of the 772 recipients of MAAT status, 59 were direct applicants. Meanwhile, we upgraded 13 members to the Senior Member (SAT) status and 24 to the Fellow Member (FMAAT) status.



ORIENTATION SEMINAR FOR NEW MEMBERS

In November 2023, we held the official annual orientation seminar for the newly enrolled and upgraded members of 2023. Held at the Auditorium of the University of Colombo School of Computing, over 400 members were present at the occasion.

Social and Relationship Capital



AAT SRI LANKA BUSINESS CONFERENCE 2023- "BEYOND NUMBERS: BUILDING PURPOSE-DRIVEN BUSINESSES TO CREATE VALUE"

AAT Business conference, themed - Beyond Numbers: Building purpose driven businesses to create value was a hybrid event held at the Galadari Hotel in 2023. The conference explored the tools and processes that foster sustainable business development. The keynote speaker at the event discussed environmental sustainability and how to use available natural resources and processes to meet business requirements without resorting to exploiting natural resources. The conference discussion topic included the following topics:

- Circular Business Models
- Digital Transformation
- Building Resilient Organizations
- Entrepreneurial Mindset and Leadership



SEMINARS AND WEBINARS FOR CONTINUOUS PROFESSIONAL DEVELOPMENT

During the financial year 2023/24, we conducted 9 webinars and seminars covering many topics as part of facilitating CPD requirements of our members. These programs were also open for our Passed Finalists, Students and other interested parties.

- Healthier life with ayurvedic medicine
- Production of nature : Social and Governance challenges to the environment
- Latest tax amendments
- How can we go Global
- Making your business ready for international market
- Branding yourself to the world
- Annual budget highlights 2024
- Nail your next job interview



AATSL TOASTMASTERS CLUB

AATSL Toastmasters Club is an award winning public speaking club which was formed with the objective of developing soft skills of AAT members. The Club has around 35 registered Toastmasters with them, 12 of whom have achieved distinguished status.

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 NEW YEAR CELEBRATIONS 2023

In April 2023, our Members' Welfare Committee organized New Year celebrations for active members and their families at 'APE GAMA', Battaramulla.



AAT MEMBERS' POSON BATHI GEE COMPETITION 2023

The Members' Welfare Committee organized a Poson Bathi Gee Competition at the AAT Auditorium to engage members. The competition included group and individual performances. Ms Pooja Gunasekara won the individual category cash prize, demonstrating her skills following a competition between 14 individual members. Ms Pooja's group, which performed the song - "Buddhanubhawena" won the group category competition and won a cash prize.



AAT MEMBERS' CRICKET TOURNAMENT 2023

AAT Members' Welfare Committee organized the annual cricket tournament in June 2023 at the Chandra Silva Ground, Obeysekarapura, Rajagiriya. While 11 teams battled for the championship, team Online Accounting.lk, led by Mohamed Farhan won the tournament, and team AAT Legends became the Runners Up.



The following players secured individual titles:

- Best Batsman: Dhanushka Sanjeewa – AAT Legends
- Best Bowler: Harsha Indika – Online Accounting.lk
- Woman of the series: Dilki Saumya - Online Accounting.lk
- Man of the Series: Mohamed Farhan - Online Accounting.lk



Social and Relationship Capital

AAT MEMBER'S ANNUAL GET-TOGETHER 2023

The Members' Welfare Committee organized the AAT Member's Annual Get-together in October at the Seagates Hotel, Kalutara. 200 members and their family members took part in the event and enjoyed a day of games, entertainment and networking in a leisurely setting.



AAT MEMBER'S NIGHT 2023

We organized the much-anticipated AAT members' night in December 2023. Nearly 250 members attended the event and enjoyed the glamorous occasion filled with entertainment free of charge as we bore the expenses.



HOW WE CREATE VALUE FOR COMMUNITIES

As an educational organization that seeks to aid economic progress, communities are integral in our journey. As such, we conduct various programmes to interact with communities and retain the brand reputation we have gained over the years. AAT Samaja Mehwara Social Mission, which consists of our employees conduct CSR programmes throughout the year.

The following events were held during the year to cater to community needs:

G.C.E A/L CAREER GUIDANCE SEMINAR

We held career guidance seminars to facilitate over 1,300 students from Nalanda Boys' College Minuwangoda, Sripali National School Horana, Mahinda Rajapaksha College Homagama and Sri Sumangala Boys' School Panadura. Professor Hilary E. Silva was the key speaker at the events.



AWARENESS SESSION FOR G.C.E ORDINARY LEVEL STUDENTS

We organized an awareness building seminar targeting G.C.E Ordinary Level students at the Maharagama Youth Centre. The insightful sessions at the seminar offered valuable guidance and empowered students in their academic and professional journeys. Over 1300 students participated in the seminar.

ELAKKAYA SEMINAR SERIES

We hosted 300 students from St. Joseph's College, Maradana to an informative session on the accounting field and relevant skills and qualifications in line with the Elakkaya ("ඉලක්කය") seminar series in August 2023.

We conducted a yet another chapter of the Elakkaya O/L seminar series targeting students from Royal College Colombo. AATSL conducted the seminar in Sinhala, English and Tamil languages to 510 students. Our resource person for the event was Mr. Deepal Perera – advisor to commerce teachers in the Kelaniya zone.



G.C.E A/L TAXATION SEMINAR

We hosted over 200 students from Isipathana College Colombo, Sirimavo Bandaranaike Vidyalaya Colombo and Lumbini College Colombo on an informative session on taxation at the AAT Auditorium in October 2023.



SIRASA DEBATER WITH AAT SRI LANKA

The Grand Finale of Sirasa Debater with AAT Sri Lanka took place in December 2023 at the Sirasa Stein Studios. The finalists from Royal College Colombo, Sirimavo Bandaranayake Vidyalaya Colombo, Anula Vidyalaya Nugegoda, and Darmaraja College Kandy faced each other in a round of eloquent and inspiring debates. Royal College Colombo emerged as the winners of the competition while Anula Vidyalaya Nugegoda clinched the second place. Throughout the debate programme – the participants demonstrated healthy competition and mutual respect.



INTERNATIONAL ACCOUNTING DAY 2023

We celebrated International Accounting Day on 11th November 2023 hosting the parade - "WALK THE WORLD OF NUMBERS."



TEACHER TRAINING PROGRAMME IN KALUTARA

We engaged Professor Danny Attapattu as the resource person to conduct a teacher training programme for teachers from the Kalutara District.



REFRESHMENT DONATION DAY – 'WIDAWATA PERA MOHOTHAKA WIRAMAYAK'

In line with our community engagement CSR initiatives, AATSL provided refreshments to a community of individuals who are facing dire economic challenges at present in gesture of solidarity.

Social and Relationship Capital

PLANTATION CSR PROJECT



We joined Sri Lanka Air Force to celebrate the 73rd anniversary with a donation and distribution of 73,000 plants to residents in Jaffna, aimed at reducing carbon footprint and promoting environmental sustainability.



TEACHERS' DAY CELEBRATIONS

We celebrated Teachers' Day on the 5th of October with a training programme for 250 teachers in Kurunegala.



TEACHER TRAINING IN WARAKAPOLA

We conducted a teacher training programme for G.C.E O/L commerce teachers in the North Western province. Our resource persons for the event were Senior lecturer Dr. P.A.N.S. Anuradha and Ms. J.P. Perera - Director of the National Institute of Education.



BEACH CLEANUP 2023



In line with our environmental preservation efforts as part of the ESG approach we carried out a beach cleaning day at the Wellawatta coastal stretch near the Dehiwala railway station. AAT Social Mission led the cleanup programme.



CANCER HOSPITAL BREAKFAST DONATION

We marked World Cancer Day on 4th February 2024 providing breakfast for 800 cancer patients seeking treatment at the Maharagama Apeksha Hospital.



WORLD CHILDREN'S DAY

AAT Social Mission celebrated World Children's Day sharing a delicious meal with 55 children from the Jinananda Children's home on 1 October 2023.



PARTNERED ACCREDITED EDUCATION CENTRES (AECs) TO ENHANCE DELIVERY COMPETENCY

AATSL's partner Accredited Education Centres (AECs) provide an invaluable service to our students by facilitating their education to obtain our qualifications as their first step in the journey to become accounting professionals. As such, we nurture our connection to AECs to ensure that their content facilitation meets our standards. As of the end of the year 2023/24, we had ongoing partnerships with 127 AECs.

Province	Districts	No.	Total
Northern	Jaffna	2	6
	Mullativ	1	
	Mannar	1	
	Vavuniya	2	
Province	Districts	No.	Total
North Western	Puttalam	7	17
	Kurunegala	10	

Province	Districts	No.	Total
Western	Colombo	26	44
	Gampaha	11	
	Kaluthara	7	

Province	Districts	No.	Total
North Central	Anuradhapura	1	3
	Polonnaruwa	2	

Province	Districts	No.	Total
Central	Kandy	10	14
	Nuwaraeliya	4	

Province	Districts	No.	Total
Sabaragamuwa	Kegalle	3	7
	Ratnapura	4	

Province	Districts	No.	Total
Eastern	Trincomalee	3	11
	Batticaloa	4	
	Ampara	4	

Province	Districts	No.	Total
Uva	Badulla	4	5
	Monaragala	1	

Province	Districts	No.	Total
Southern	Hambanthota	2	10
	Matara	3	
	Galle	5	

Online AECs	10
Total	127

FUTURE OUTLOOK

As we navigate the changing education landscape and embark on a new strategic step in our journey, we are determined to create lasting and purposeful value for our stakeholders. In this effort, nurturing our social and relationship capital in a meaningful manner is imperative. We will continue to enhance our social and relationship capital by looking at effective strategies through the ESG lens in the next few years.

Natural Capital






We count our direct use of natural resources such as energy and water as well as our impact on the climate as our natural capital. While our impact on the environment is limited to daily consumption and waste generation, we remain aware of climate risk and are committed to adopting measures to ensure environmental sustainability. As such, we adopt applicable environmental sustainability measures.

PERFORMANCE INDICATORS

	2023/24	2022/23
Electricity Consumption (Kwh)	206,940	182,376
Water Consumption Liters (Mn)	1.41	1.38
Paper Recycled (Kg)	318	1,339

In line with our sustainability agenda, we look to contribute to the United Nation's SDG goals through our environmental commitment.

SDG FOCUS AREAS UNDER NATURAL CAPITAL

SDG	Our contribution
 7 AFFORDABLE AND CLEAN ENERGY	Adopting and initiating energy conservation measures within the organization.
 10 REDUCED INEQUALITIES	Responsible Consumption and Production Adopting measures such as paper recycling and switching to digital documentation to reduce paper usage.
 13 CLIMATE ACTION	Implementing efficient energy usage, effective waste management and reducing water consumption

MANAGING OUR CARBON FOOTPRINT

Being mindful of our responsibility to minimize our carbon footprint, we use the 3 R approach – Reduce, Recycle and Reuse to achieve this end. Our digitalization drive contributes to this endeavour as we have been successful in reducing paper usage.

PAPER USAGE

Paper documentation is an essential part of our organizational services. Nevertheless, we continue with our digitalization drive to minimize our reliance on paper documentation and continue to encourage students to use our online platforms.

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. In the recent years, we managed to automate certain systems and procedures to reduce our reliance on paper.

- Digitalization drive to switch to online platforms in student registration process, examination application and examination admission issuing 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 programmes and meetings.

- Discouraging purchasing hard copies of past papers, suggested model answers and other applications / forms by making those easily accessible on our website.
- Circulating Council and Committee papers, reports and other relevant documents via a secure electronic system.

With these initiatives, a considerable reduction in paper usage was achieved, consequently reducing the amount of paper recycled.

ENERGY CONSUMPTION

We rely on electricity generated at the national grid for our operations. Mindful of the need to reduce our energy consumption, a consistent effort is made to reduce energy usage at both our head office and branches. Furthermore, a hybrid model of education and training delivery has been implemented to achieve this goal of reduction in energy consumption. Transitioning to energy-efficient lighting and appliances has been completed, with ongoing monitoring of energy usage. Employee education on efficient energy usage is also prioritized in our institute to achieve this goal.

The amount of energy consumption from the grid in the previous year shows an increase. This is due to power cuts prevailed during 2022/23 period.

WATER CONSUMPTION

While our water usage is limited to drinking and sanitary purposes, we monitor our water consumption and take measures to reduce excessive use of water. In addition, we maintain an efficient plumbing system to facilitate zero wastage of water. AATSL relies on the National Water supply and Drainage Board for water used for sanitation purposes.

The amount of water consumption has marginally increased due to an increase in engagement activities.

WASTE MANAGEMENT

While we rely on relevant Municipal Councils to dispose of waste generated within the organization, waste is meticulously segregated into categories to facilitate efficient and responsible disposal and recycling. This is achieved through a straightforward, yet effective color-coded waste disposal system that has been implemented at both our head office and branches.

We will continue to adhere to environmental preservation regulations and continue to reduce our carbon footprint.

Human Capital






Our people form the foundation of who we are and our service proposition to the country. Our employees demonstrate our organizational culture, fundamental values and how we manage ESG issues in our attempt to maintain sustainability in our value creation through better managing the economic, environmental and social impact. As such, our human capital focus revolves around nurturing individual growth of our employees to retain them and help them become part of our long-term growth goals.

As our human capital is part of the formation of our intellectual capital, our employees remain invaluable to us as we seek to join the ongoing education reforms.

SDG FOCUS AREAS UNDER HUMAN CAPITAL

The below table showcases how our human capital development efforts contribute to the United Nation's Sustainable Development Goals.

SDG	Our contribution
 5 GENDER EQUALITY	<p>We have established a robust anti-discriminatory policy which prevents any discrimination based on gender or gender identification</p> <p>We encourage our female employees to develop their competencies and seek career progression</p>
 8 DECENT WORK AND ECONOMIC GROWTH	<p>We provide our employees with ample remuneration and benefits to face the current economic shift</p>
 10 REDUCED INEQUALITIES	<p>As a non-discriminatory organization, we uphold every citizen's right to fair employment within their capacity and ample remuneration</p>

The below illustration provides a glimpse into our human capital development efforts during the year under review:

PERFORMANCE INDICATORS

Number of employees	72
Average training hours per employee	13 hours
Total training hours	920 hours
Investment in employee well-being including staff training	Rs. 916,884
Staff promotions	7
Retention rate	79%

As we seek to strengthen our human capital, we look into related risks as part of our ESG approach. Once we identify the risks, we formulate appropriate responses.

Risks	Our response
Attrition of trained & skilled staff	Consistently offer training and development opportunities to create a pool of talented staff Provide attractive remuneration and create a safe place of work to encourage employees to remain with us
Potential reputation risk due to employee dissatisfaction	Handle employee grievances with integrity and attention to the wellbeing of all employees Establish anti-discriminatory and anti-harassment measures

EMPLOYEE COMPOSITION

The composition of our staff, clearly illustrates our dedication to diversity and our efforts to create a growth-conducive, safe workplace.

Employees by Key Divisions				
Division	2023/24		2022/23	
	Male	Female	Male	Female
Examinations	8	4	7	4
Registration & Membership	2	8	2	7
Education & Training	1	2	1	2
Business School	3	3	2	2
Marketing	4	4	4	3
Branches	1	8	0	7
Finance, IT, Admin & HR	13	11	15	11

Age analysis		2023/24				2022/23			
		20-30 yrs	31-40 yrs	41-50 yrs	>50 yrs	20-30 yrs	31-40 yrs	41-50 yrs	>50 yrs
Age Analysis	New Recruitments	14	05	1	-	7	2	1	-
	Resignations	7	5	1	1	6	4	2	1

HUMAN CAPITAL GOVERNANCE

Appropriate governance applications allow AATSL to create purposeful HR policies and applications that ensure the wellbeing of our employees. While our Governing Council ultimately oversee human capital governance, the HR subcommittee is responsible for implanting the relevant decisions. The Human Resources Division in turn manage the life cycle of employees from recruitment, orientation, training and administrative tasks related to HR.

The below illustration demonstrates our human capital governance responsibility and process:



We have formulated separate HR policies to effectively manage the below aspects of HR governance;



GENDER PARITY

In line with our commitment to remain an equal opportunity employer, we proactively seek to make our workplace a safe environment for everyone regardless of their gender or gender identification. We offer equal opportunities to men, women and non-binary individuals for employment at AATSL and thereafter for career growth.

Employees	2023/24		2022/23	
	Male	Female	Male	Female
Total (gender-wise)	32	40	31	36

Employees by major geographic location	Total	Male	Female
Western Province	54	28	26
Southern Province	5	1	4
Central Province	4	1	3
Sabaragamuwa Province	2	1	1
Northern Province	1	0	1
Northwestern Province	3	0	3
North Central Province	1	1	0
Eastern Province	2	0	2

OUR RECRUITMENT POLICY

AATSL employs a minimum number of employees as, we are a not-for-profit organization. Nevertheless, we provide opportunities to all potential employees sans discrimination. In doing so, we look for employees who show potential as a mutually beneficial match for our organization, based on their talents, experience and attitude. Following the recruitment process, we provide each employee with training and development opportunities in line with their skillset, needs and aspirations.

Gender	Number of new recruitments	Number of resignations
Male	7	5
Female	13	9
Total	20	14

Age	20-30 years	31-40 years	41-50 years	> 50 years
New Recruitments	14	5	1	0
Resignations	7	5	1	1

Retention Rate

All staff	79%
Male	83%
Female	75%

OUR PEOPLE MANAGEMENT MODEL AND VALUE PROPOSITION

AATSL's people management model falls in line with local laws and regulations as well as international governance standards. In addition, we believe that developing our employees and allowing them to reach their potential lies within our area of responsibility.

TRAINING AND DEVELOPMENT

In line with our people management model, we conduct annual training and development programmes. We use both online and physical training sessions to fulfill training needs of our employees.

We held the 'ALL Staff Training – 2023' programme at Galadari, Colombo. The main goal of the programme was to communicate organizational goals to our employees, and conduct training on 'team building for organizational effectiveness.' The training session included team building activities and communication tool building.





During the year under review, we conducted a fire safety training session for all employees. This session educated our staff with regard to identifying fire risks, how to respond to an emergency fire and how to use the extinguisher.



In addition, we conducted a training programme for our staff members those who were belongs to executive & above, themed “ driving new generation towards achieving organizational objectives” at the AAT premises in order to strength the bonds between various generations. The below table provides the number of training hours for the year under review.

	2023/24		2022/23	
	Male	Female	Male	Female
Staff training	390	530	67	144

REWARDS AND RECOGNITION

Being mindful of the fact that timely rewards and recognition is essential for employee wellbeing, we provide remuneration increments as well as other rewards to our employees on an annual basis. Our performance and management system and respective Divisional Heads provide feedback on employee performance, which we take into consideration in making decisions not only about rewards and recognition but also for future training needs. In line with our human capital governance framework HR subcommittee gets involved in the decision-making process, while the Governing Council oversees the process.

GRIEVANCE HANDLING

Our ethical anti-discriminatory process allows us to create a safe environment for grievance handling. The formal grievance handling process makes space for confidentiality, while allowing employees to seek appropriate guidance. The Human Resource subcommittee is responsible for the smooth functioning of the grievance handling process, while the Governing Council gets involved in incidents that call for their intervention.

ENSURING EMPLOYEE WELLBEING

In addition to providing ample remuneration and rewards to our employees, we offer them assistance in their times of need. The Human Resources Division and relevant Divisional Heads ensure that all employees feel satisfied with their benefits and workplace safety.

As part of our employee wellbeing, we held an eye and hearing care camp in collaboration with Vision Care (Pvt) Ltd. The health

camp provided an opportunity for our employees to test their eye health as well as their hearing. Following the camp, our employees were encouraged to seek further professional advice and necessary aid tools at discounted prices.



Aiming to encourage our employees to take care of their overall health, in particular pay attention to the prevention and management of non-communicable diseases such as heart conditions and diabetes, we organized a medical camp in partnership with the Nawaloka Hospital. The health camp provided an opportunity for our employees to consult physicians and identify the status of their health.



Our HR Division organized a Christmas party for the first time in AAT history to celebrate the spirit of Christmas. The event included Christmas carol performances by staff members.



AAT STAFF WELFARE SOCIETY

Meanwhile, the AAT Staff Welfare Society is focused on wellbeing of our staff providing birthday gifts and death donations etc. The Society also organized the AAT annual trip and the annual cricket match. The Welfare Society acts as an independent entity in collaboration with the HR division to safeguard employee wellbeing throughout the year.

CELEBRATING WOMEN'S DAY

The International Women's Day celebration at AAT Sri Lanka on March 8th, 2024, honoured the contributions of women within the organisation. Ms. Jani Ganeshan, Chairperson of the Human Resources sub-committee participated as the chief guest of the event. Her statement highlighted women's accountability, leadership, and technological proficiency, reaffirming AAT Sri Lanka's commitment to gender equality and utilising diverse talents for organisational success.



FUTURE OUTLOOK

In the coming years, we will continue to nurture our human capital in line with our new strategic goals and impetus. We will continue to analyze and improve upon our existing human capital governance process, and create a growth conducive space for our employees, and encourage them to become custodians of our growth trajectory.

Intellectual Capital



Our intellectual capital includes our knowledge, expertise and insights that add value and recognition to the AAT brand. We count our intangible assets such as our governance framework, technological knowledge and partnerships as part of our intellectual capital. As a key player in the accounting education field, we consistently aspire to develop our intellectual capital to stay ahead of curve of this ever changing industry.

SDG FOCUS AREAS UNDER INTELLECTUAL CAPITAL

The below present our efforts to contribute to the UN sustainability goals.

SDG	Our contribution
 9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Contribute to government led education reforms, and improve our digital reach for knowledge acquisition and distribution
 10 REDUCED INEQUALITIES	Partnerships with education institutes, universities and professional bodies to enhance knowledge and opportunities for stakeholders

PERFORMANCE INDICATORS

The below table provides a glimpse into a key aspect of our intellectual capital.

Partnerships - Government Bodies	Conditions	Benefit offered to AAT members
Inland Revenue Department of Sri Lanka	10 years post-qualifying experience FMAAT	Can serve as an Authorized Representative for Inland Revenue "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. Opportunity to enter for higher studies in most of the foreign universities.

Partnerships with international bodies	Membership category	Qualifications / Benefits offered to AAT members-
Institute of Public Accountants (IPA) of Australia	MAAT	AIPA (AAT)
	SAT	MIPA (AAT)
	FMAAT	MIPA
	FMAAT with FCASL	FIPA
Institute of Financial Accountants (IFA) of United Kingdom	AAT membership with AIPA (AAT)	IFA (UK) Membership

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 exemptions from all subjects
	Applied Skills Module	Financial Reporting
Chartered Institute of Personnel Management (CIPM)	Chartered Qualification in HRM	Can register for chartered qualification in HRM with exemption from 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 Jayawardenepura	Eligible to apply for external degrees	B. Com
		B. Sc. - Business Administration
		B. Sc. - Public Administration

Intellectual Capital

Partnerships with Universities / Higher education institutes - Local	Benefits to the AAT Passed Finalists and Members	
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 Satisfying the English Language requirements of Northumbria University	Eligible to enter Level Four (second year) of BA (Hons) Accounting & Finance Program
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
SLIIT Academy in collaboration with University of Bedfordshire (UoB) UK	AAT Passed Finalists who fulfill the English language proficiency requirement (Minimum 'C' pass for G.C.E. O/L English language subject)	Lateral entry to year 2 upon completion of two additional module in the year 1 of BA (Hons) Business Administration (Level top up) 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	Bachelor of Business Administration (Hons) - City University, Nicaragua, Central America Bachelor of Business Administration - University of Pacific, Nicaragua, Central America Bachelor of International Business - University of Pacific, Nicaragua, Central America
Saegis Campus (Pvt.) Ltd in collaboration with Canterbury Christ Church University (U.K)	AAT membership with more than 2 years managerial experience	Eligible to enter into the Masters of Business Administration (MBA) Program conducted locally at Saegis Campus (Pvt.) Ltd

In our attempt to strengthen our intellectual capital, we aspire to understand risks and address those accordingly as part of our ESG approach. Once we identify the risks, we implement necessary responses.

Risks	Responses
Risk of losing our knowledge base and expertise	Consistently analyse gaps in our knowledge base and industry innovations Foster partnerships with resource personnel and other institutes to improve our knowledge base and expertise
Risk of brand equity damage	Ensure proper governance through prudent oversight and process improvement Persistent engagement with stakeholders

OUR LEGACY

AAT Sri Lanka's legacy is a key element of our intellectual capital. Over the years, we have been an impactful presence in providing accounting professionals connected to the SME industry with the necessary competencies, knowledge and ultimately recognized qualifications to succeed. As the SME sector plays an integral role in shaping economic progress in Sri Lanka, our provision of the aforementioned qualifications at an affordable rate remains a key driver of the economy in the country. The reputation we have rightly earned over the years was built upon a foundation of a robust governance framework led by the Governing Council, as well as our knowledge base formulated over decades of partnerships with resource personnel. While our Governing Council comprises of a group of much-respected, knowledgeable professionals in the industry, we form partnerships with other resource personnel and institutes in the industry to enhance our knowledge base. In addition, we have appointed a separate committee to facilitate the requirements of accounting professionals and the public. This committee oversees the organization of seminars and professional development programmes.

In the meantime, we provide training and development opportunities to our employees to nurture our knowledge base. The human capital section of this report further discusses this topic.

During the year under review, we included our intellectual capital development goals in tandem with our latest strategic impetus, as we embark on the next phase of growth whilst supporting the government in ushering in educational reforms.

AAT BRAND



As the AAT brand has gained the trust of the public, particularly appealing to school children who are interested in crafting academic and career progression in the accounting field, and their guardians, we sought to reinforce our brand reputation during the year under review. In addition to enhancing our social media presence (which is further described in the social and relationship capital), we sponsored the Debater programme with the popular electronic media channel Sirasa TV.

IMPROVING KNOWLEDGE AND PROCESSES

Knowledge and internal processes are part and parcel of our intellectual capital. Accordingly, we conduct evaluations of our knowledge base from time to time, and take appropriate actions to upgrade our content. Our students can avail themselves of the content in their preferred language (Sinhala/Tamil/English) and obtain the study material in the form of e-study texts through our web portal.

In line with our process development strategy, we began crafting the latest curriculum for the period of 2025-30 during the year under review. While we continue to introduce the online examinations approach slowly, we continued to engage students, members and industry experts to obtain feedback in improving our processes.

INSEARCH MAGAZINE

AATSL's InSearch magazine is a bi-annual publication that presents a wealth of knowledge and insights into the developments in the accounting field. We collect data and insights from industry experts, academia and peer members of the Association to create content for the magazine. In addition, the magazine presents key information about AATSL and our latest initiatives, allowing both students and members to engage with us effectively.



We published the first issue of InSearch 2023 in August. The theme for the year's first publication was "Better Economic Governance." The final issue of InSearch for 2023 was published in December. The latest publication explored the theme, "Stepping towards a modern world".

INSEARCH BULLETIN

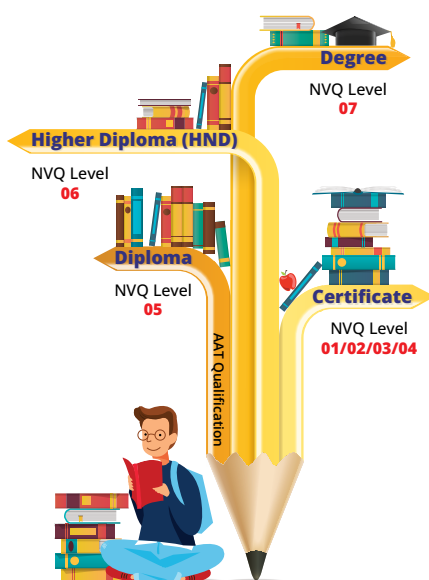
Apart from the bi-annual InSearch main magazine, the Membership Committee of AAT Sri Lanka continued its monthly publication of the InSearch under "InSearch Monthly Bulletin". This has created a conducive platform in updating members on frequent basis and enhancing the AAT -Member relationship.



ADDING NVQ ACCREDITATION FOR AAT QUALIFICATION

Having obtained National Vocational Qualification (NVQ) framework status in 2022, we are now empowered to grant our students an international standard diploma to enter the academic and employment arenas better equipped than their peers. National Vocational Qualification (NVQ) framework is a nationally and internationally recognized status, which the Tertiary and Vocational Education Commission first introduced in 2005 via the Tertiary and Vocational Education Act No. 20 of 1990. Students who obtain this qualification can enter the job market as qualified professionals. NVQ accreditation is a nationally recognized system to obtain vocational education including certificates and other academic distinctions.

The below illustration depicts the (NVQ) System:



Our Passed Finalists gain the NVQ 5 status, following a yearlong practical training stint and participation in the PLS programme. Passed Finalists from July 2015 onwards are eligible to receive the NVQ 5 status.

ENHANCING IT PROCESSES

As the technological process has become an integral part of our intellectual capital, we purposefully seek to reinforce our IT processes and digital responses. The manufactured capital section of this report further reveals details of our IT process improvement efforts during the year under review.

AATSL BUSINESS SCHOOL

Ever since its formation, AAT Business School has become a key element of our intellectual capital. The Business School offers programmes that provide the latest technical competencies, skills and knowledge to students, passed finalists and members. The programmes that we offer through our Business School allow accounting professionals to fulfill the necessary requirements to remain successful in the ever-evolving global arena. At present, AATSL Business School concentrates on four core areas of knowledge enhancement.

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

The above was further enhanced by introducing two new programmes into the curriculum during the year 2023 by being in line with the digital advancement in the current world and identifying these niche needs of the students in Sri Lanka.

- Diploma in Digital Accounting
- Diploma in Business Analysis

FUTURE OUTLOOK

As the country's education ministry prepares to usher in educational reforms, AATSL is well-gearred to become part of the change. Our intellectual capital provides us with the necessary platform to become agents of change. We will continue to nurture our intellectual capital in tandem with global changes to seek progress.



Stewardship

Governance Report of the Governing Council

OVERVIEW

Corporate Governance sets the tone for our organisational direction, stakeholder engagement as well as our future trajectory. The Governing Council is the primary custodian of the governance approach and practice at AAT Sri Lanka. The Governing Council oversees governance related issues in line with the ESG (Environmental, Social and Governance) issue model. The Governing Council's oversight ensures that the Association is capable of creating positive value through strategically managing the organisation's economic, social and environmental impacts.

GOVERNING COUNCIL OVERSIGHT

The Governing Council of AAT Sri Lanka look into the below concerns to ensure effective oversight and management:

Strategic Direction: The Council ensures that the organisation's strategic goals and objectives are aligned with its mission and vision. They might review and approve strategic plans, monitor progress towards goals, and make adjustments as required.

Financial Oversight: Monitoring the organisation's financial health, including budgeting, financial reporting, and ensuring compliance with financial regulations is critical. The Council should also oversee risk management strategies to safeguard the organisation's financial stability.

Compliance and Ethics: Ensuring that the organisation operates ethically and in compliance with relevant laws, regulations, and industry standards is crucial. The Council has established and overseen policies and procedures related to ethics, compliance, and risk management.

Executive Leadership: Ensuring that the leadership team is competent, effective, and aligned with the organisation's values and goals is of greater importance.

Quality of Programs and Mission

fulfilment: Monitoring the effectiveness and impact of the organisation's programs and activities is essential for ensuring that it is fulfilling its mission. The Council reviews program outcomes, assesses performance metrics, and makes recommendations for improvement.

Stakeholder Engagement: Engaging with stakeholders, including members, partners, and the community is critical for the organisation's success. The Council ensures that there are mechanisms in place for soliciting and responding to stakeholder feedback and the organisation maintains positive relationships with key stakeholders.

Long-Term Sustainability: Planning for the organisation's long-term sustainability involves considerations such as financial planning, resource allocation, and succession planning. The Council develops strategies to ensure that the organisation can continue to fulfil its mission and serve its stakeholders for years to come.

The Governing Council appoints committees to manage relevant matters and retains oversight through reviews and report analysis. The appointed committees remain responsible for ensuring that AAT Sri Lanka's operations are in accordance with the overall objectives, strategies and annual budget as well as the policies and directions that have been approved.

They work with the Governing Council to ensure adherence to compliance, risk management measures as well as organizational objectives.

GOVERNING COUNCIL ACTIVITIES FOR THE YEAR

In response to the economic environment and social direction of Sri Lanka, in particular the ongoing and required educational reforms, the Governing Council oversaw the strategic direction designed for the next five

years of the Association during the year under review. In setting the strategic direction, the Governing Council took into consideration the Association's financial health and required changes in line with growth goals as well as risk management.

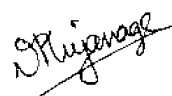
During the year under review, the Audit, Compliance, Risk Management and Ethics committee collaborated with the Governing Council to monitor compliance, review progress and ensure the application of governance practices across the Association.

Meanwhile, as the tenure of the Governing Council for 2022-2023 ended during the year, the Association appointed a new Council for the year 2024-2025.

ASSURANCE

AAT Sri Lanka voluntarily adheres to the Code of Best Practice 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) in managing corporate governance matters.

Furthermore, I affirm that every individual comprising the Governing Council and staff of AAT Sri Lanka has consistently operated within the confines of all relevant statutes and regulations. Moreover, they have conscientiously discharged their responsibilities in alignment with the established policies, procedures, and standards collectively ratified by our esteemed Association.



Indraka Liyanage
President

Association of Accounting Technicians of Sri Lanka

07 May 2024

Governance Framework

Corporate Governance provides the crucial structure upon which Environmental, Social and Governance related risks and opportunities can be identified, analyzed, implemented and monitored. As such, 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 creating a strong link between our corporate governance framework and the ESG approach.

HOW CORPORATE GOVERNANCE FOSTER ALIGNMENT OF OBJECTIVES

AATSL's robust corporate governance approach ensures that our organizational objectives fall seamlessly in line with long-term growth and stakeholder interests. As ESG factors have become crucial elements of driving growth, we strive to integrate ESG considerations into our corporate governance structure. This allows us to maintain a clear and purposeful correlation between our organizational decisions and actions with sustainable business practices.

GOVERNING COUNCIL OVERSIGHT IN CORPORATE GOVERNANCE

AATSL's Governing Council plays a pivotal role in overseeing the Association's strategic direction, risk management framework, and monitoring performance. This corporate governance role allows the Governing Council to bestow appropriate attention and strategies into incorporating the ESG approach in order to better address and understand risks and opportunities, to respond accordingly.

CORPORATE GOVERNANCE AND STAKEHOLDER ENGAGEMENT

Our corporate governance approach is designed to streamline our stakeholder engagement processes within transparent and purposeful parameters. As the ESG framework promotes in-depth consideration of stakeholder interests and expectations, we proactively incorporate stakeholder perspectives into our governance practices. This enables us to better comprehend ESG issues relevant to each stakeholder.

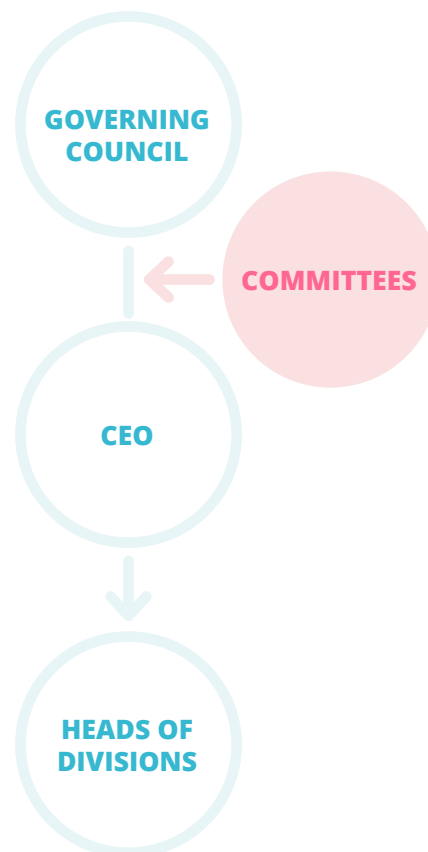
ENSURING TIMELY REPORTING AND TRANSPARENCY

Appropriate disclosure and transparency are part and parcel of both the ESG approach and our corporate governance framework. As such, we have incorporated ESG related information disclosure such as environmental impacts, social practices, and governance structures to our corporate governance practices, which allow stakeholders to obtain necessary information in a transparent manner.

In incorporating the ESG approach to our corporate governance, we have been able to strive for long-term sustainability, resilience, and value creation.

To this end, our Governing Council remains the ultimate guardians of the corporate governance approach which fosters alignment of objectives, purposeful stakeholder engagement, risk and opportunity assessment and management, and ultimately transparency, integrity and accountability across the Association.

The below illustration presents an overview of the governance structure which depicts clear reporting lines.



GOVERNING COUNCIL'S OVERSIGHT IN ESG ISSUES

AATSL's Governing Council plays a pivotal role in identifying relevant ESG risks and opportunities, and in implementing necessary steps to manage issues effectively. As such, the Council looks into the management of sustainability, social responsibility and ethical practices that heavily impact the Association's decision-making process.

Governance Framework

The below illustration depicts the Governing Council's oversight into ESG issues:



Governance

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 2023/24:

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 of 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> <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>	✓

Governance

Committees of the Association	Role of the Committee
AUDIT, COMPLIANCE, RISK MANAGEMENT & ETHICS	<p>To assist the Governing Council in its responsibility for overseeing the quality and integrity of the Accounting, Auditing and Reporting practices of the Association, and its compliance with legal and regulatory requirements.</p> <p>Independent appraisal of all financial and non-financial interests of the Association.</p>
FINANCE & ADMINISTRATION	<p>Overall planning of operations, control of financial and administration activities of the Association.</p> <p>Overseeing the Association's Financial Reporting Process.</p> <p>Monitoring the following subcommittees.</p> <ul style="list-style-type: none"> ➤ Procurement ➤ HR and Administration ➤ International Affairs ➤ Act of Incorporation
EXAMINATIONS AND CURRICULUM DEVELOPMENT	<p>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.</p> <p>Maintain the high standard of AAT qualification, by continuous review of syllabus, examination structure and testing standards.</p>
BUSINESS SCHOOL	<p>Formulating business school strategy, direction and control of the programs conducted by the Business School.</p> <p>Promote and conduct Diploma programs for the passed finalists and membership and the general public with a view to enhance knowledge to facilitate employability and career advancement.</p>
CONFERENCE AND PUBLIC SEMINARS	<p>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.</p> <p>Organize seminars for both members and the public to facilitate the enhancement of knowledge and project the image of the Association amongst society.</p>
MEMBERSHIP & PROFESSIONAL DEVELOPMENT	<p>Regulate enrollment, upgrading and renewal of membership while maintaining a satisfactory level of active membership and maintaining a membership policy of AAT Sri Lanka.</p> <p>Enhance competencies of members through communications and promoting them to actively participate in programs conducted by AAT Sri Lanka and its Business School such as seminars, conferences, workshops and higher study programs.</p> <p>Foster leadership, entrepreneurship and intreprenureship among members and contribute to national development efforts by building human resource capabilities.</p>
MEMBERS' WELFARE AND BENEVOLENT	<p>Sustain a motivated and active membership by organising many recreational and networking events.</p>
BEST ANNUAL REPORT COMPETITION	<p>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.</p>
EDUCATION AND TRAINING	<p>Ensure that proper education and training facilities are available for registered students and Passed Finalists.</p>

Committees of the Association	Role of the Committee
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 SECTOR CO-ORDINATION AND SME	Attention on the most significant field utilizing skills of the middle level accountants - the SME sector and public sector- to enhance their professional skills.

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 meet 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 14 times during the financial year under review either physically or virtually depending on the convenience of the Governing Council members.</p> <p>Agenda and the Council papers were uploaded to Google drive well in advance which ensures confidentiality of the information. Urgent Council papers are submitted at short notice on an exceptional basis. S. S. P. Corporates acts as the secretaries to the Association. Proper record of the minutes were maintained in sufficient details and circulated for review and discussion.</p> <p>Financial and operational results compared to previous periods and budgets are tabled on 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 2023 - FROM 1.4.2023 – 31.12.2023

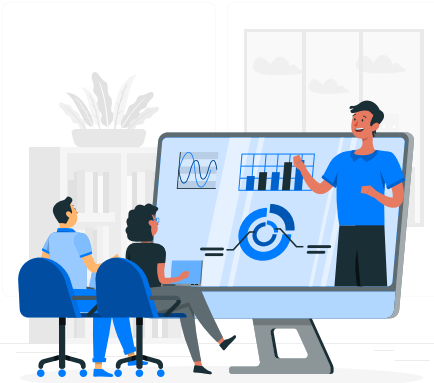
Governing Council / Council Committee		No. of Meetings Held
1	Governing Council	11
2	Audit, Compliance, Risk Management & Ethics	4
3	Finance & Administration	10
4	Examinations	8
5	Act of Incorporation	0
6	Business School	4
7	Conference	6
8	Membership	8
9	Members Welfare	7
10	Best Annual Report Competition	10
11	Education & Training	8
12	Students Promotion & Brand Marketing	6
13	IT Development	4
14	Public Seminars & Professional Development	2
15	Public Sector Co-ordination	6
16	SME	3

NUMBER OF MEETINGS HELD DURING 2024 – FROM 1.1.2024 – 31.03.2024

Committee		No. of Meetings Held
1	Governing Council	3
2	Audit, Compliance, Risk Management and Ethics	2
3	Finance & Administration	3
4	Examination and Curriculum Development	3
5	Business School	1
6	Conference and Public Seminars	1
7	Membership and Professional Development	1
8	Members Welfare and Benevolent	1
9	Best Annual Report Competition	2
10	Education and Training	1
11	Students Promotion and Brand Marketing	1
12	IT Development	1
13	Public Sector Co-ordination & SME	1

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, individually 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. <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



Qualification

Masters Degrees
47%Degree holders
42%Diploma Holders/Others
11%

Age

< 35
15%35-45
65%45 <
20%

Gender

Male
45%Female
55%

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 that 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>	✓

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.1.5	Independent judgement of Governing Council members	All Governing Council members should bring an independent judgement to bear on issues of strategy.	<p>The Governing Council members exercise independent judgement 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 fulfillment 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 2023/24

Council member	Period served	No. of Meetings Attended / No. of Meetings Scheduled
Mr. Indraka Liyanage	From 01/04/2023 to 31/03/2024	13/14
Dr. D. B. S. Chamara Bandara	From 01/04/2023 to 31/03/2024	8/14
Mr. K. L. Jagath Nandana Perera	From 01/04/2023 to 31/03/2024	13/14
Mr. Naleen De Silva	From 01/04/2023 to 31/03/2024	14/14
Mr. W.P. Russel P.H. Fonseka	From 01/04/2023 to 31/12/2023	6/11
Ms. W. Chamila N. Cooray	From 01/04/2023 to 31/12/2023	6/11
Mr. R. Thilak Dharmarathne	From 01/04/2023 to 30/11/2023	10/11
Dr. Damith Gangodawilage	From 01/04/2023 to 30/11/2023	8/11
Mr. Lahiru Jayasinghe	From 01/04/2023 to 31/12/2023	5/11
Mr. P. D. Wasantha Kumara	From 01/04/2023 to 31/03/2024	14/14
Mr. Heshana Kuruppu	From 01/04/2023 to 31/12/2023	4/11
Ms. F. S. Naayila Marikkar	From 01/04/2023 to 31/12/2023	10/11
Mr. B. Kapila Ranasinghe	From 01/04/2023 to 31/12/2023	11/11
Mr. Sunil Wanigabadu	From 01/04/2023 to 31/03/2024	14/14
Ms. G. M. Iresha U. Bandara	From 01/04/2023 to 31/12/2023	2/11
Ms. Neelamani Malawiarachchi	From 01/04/2023 to 31/12/2023	1/11
Mr. Dayal Abhayasinghe	From 01/01/2024 to 31/03/2024	3/3

Governance

Council member	Period served	No. of Meetings Attended / No. of Meetings Scheduled
Mr. R. Emil Chaminda	From 01/02/2024 to 31/03/2024	3/3
Mr. Sachiru Dayananda	From 01/02/2024 to 31/03/2024	3/3
Mr. Theja De Silva	From 01/01/2024 to 31/03/2024	2/3
Ms. Jani Ganeshan	From 01/02/2024 to 31/03/2024	3/3
Mr. W. G. Isuru Kalhara	From 01/02/2024 to 31/03/2024	3/3
Mr. Thushara Kariyawasam	From 01/02/2024 to 31/03/2024	3/3
Mr. Tishan Subasinghe	From 01/02/2024 to 31/03/2024	2/3
Ms. Kaushalya Kalawitigoda	From 01/02/2024 to 31/03/2024	2/3
Ms. Chandrani Hettiarachchi	From 01/02/2024 to 31/03/2024	2/3

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)	There should be a clear division of responsibilities between the President and the Chief Executive Officer to ensure the balance of power and authority.	<p>The position of the President and the CEO are separated clearly to segregate the balance of power and responsibility.</p> <p>The President is elected and serves in an honorary capacity whilst the CEO is a full time employee responsible to manage the operations of the Association with the support of the Association's management.</p> <p>Management ensures that the Governing Council is provided with timely, accurate, relevant and comprehensive information at both Governing Council and Committee meetings.</p>	✓
		Decision to combine the posts of President and CEO in one person should be justified and highlighted in the annual report	The roles of the President and the Chief Executive Officer have been segregated, ensuring an appropriate balance of power.	N/A

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 there after he shall serve on the Governing Council for another term of two years designated as Immediate Past President. 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>Two out of sixteen members are females contributing to the gender balance.</p>	✓

COMPOSITION OF THE GOVERNING COUNCIL



Qualification

**PHD/Masters
Degrees
75%**

**Chartered
Accountants
19%**

**Degree Holders/
Others
6%**

Designation

**Chairman/MD/
Director
19%**

**Audit Partner
25%**

**Senior Management
56%**

Sector

**Private
44%**

**Audit/Consultancy
31%**

**Government
25%**

Age

**< 40
31%**

**41 - 50
38%**

**51 - 60
19%**

**< 60
12%**

Gender

**Male
81%**

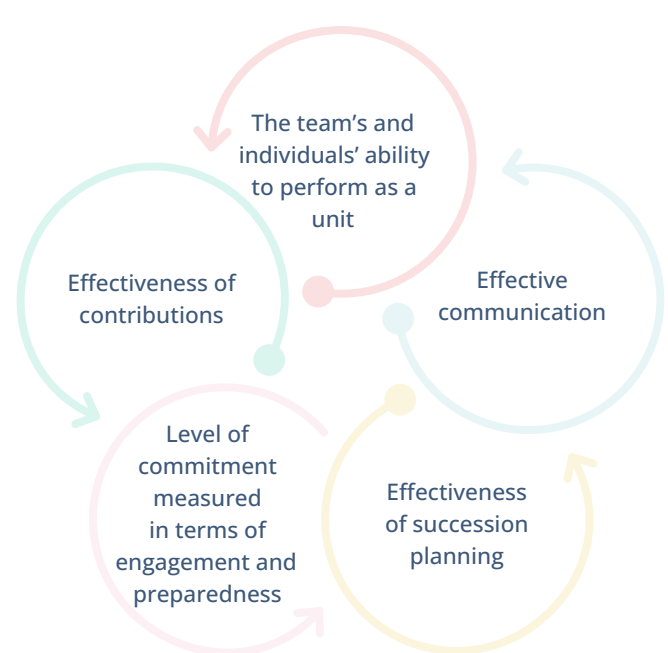
**Female
19%**

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 Governing Council members to the Governing Council is carried out in a transparent manner.</p> <p>Governing Council for the year 2024 - 2025 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 & Planning	1	6%
Nomination by Ministry of Education	1	6%
Ex-Officio (Immediate Past President)	1	6%
Total Governing Council Members	16	100%

Governance

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> <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> 	✓
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 hold in other companies are disclosed in the Annual Report under Leadership section.</p> <p>Number of Governing Council meetings of the Association attended during the year is presented in this report under rule number A1.6.</p> <p>Details of the related party transactions of the Governing Council members are also presented under note number 29 to the Financial Statements.</p>	✓

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
A.11	Appraisal of Chief Executive Officer (CEO)	The Governing Council members should at least annually assess the performance of the Chief Executive Officer.	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. Annual review is performed by the HR Sub-Committee.	✓
B Governing Council Members' Remuneration				
B.1	Remuneration Procedure	Association should establish a formal and transparent procedure for	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.	✓
B.2	The level and make up of remuneration	developing policy on executive remuneration	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.	
B.3	Disclosure of Remuneration	and for fixing the remuneration packages of individual Governing Council members.		

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
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>	✓
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 as well as social media platforms.</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.	✓

Governance

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
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 2024.</p>	✓
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 Accountants) 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>	✓

Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
D.4	Related Party Transactions Review Committee	The Governing Council shall establish a procedure to ensure that the Association does not engage in transactions with related parties in a manner that would grant such parties more favorable treatment.	<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> <ul style="list-style-type: none"> a) All Governing Council members are independent and serve the Association in Non-executive capacity. b) All Governing Council members are required to issue a declaration of independence at the year-end audit. c) No Governing Council member should participate at a meeting at which a transaction relating to him / her or in which he / she has any interest is discussed, unless invited to seek clarification / information. <p>Related party disclosure is made under note number 29 of the Note to the financial statements.</p> <p>All the Governing Council members have issued a declaration of independence.</p> <p>All financial and non- financial decisions are taken by the Governing Council through the related Committees.</p>	N/A
D.5	Code of Business Conduct and Ethics	The Association should develop a Code of Business Conduct and Ethics for Governing Council members and members of the senior management team.	<p>The Association has developed a Code of Ethics and professional standards for all its members.</p> <p>Compliance of the Code of Ethics is monitored by the Committees.</p>	✓
D.6	Governance Disclosure	The Association should disclose the extent of adoption of best practice in governance.	<p>The Governing Council members should include in the Association's Annual Report a Governance Report, setting out the manner in which Association has complied with the principles and provisions of this code.</p> <p>This requirement is met by including the corporate governance report to this Annual Report.</p>	✓

Governance

SECTION 2 : MEMBERS				
Code Ref.	Governance Principle	Description of the Requirement	Manner of Implementation	Compliance
E & F	MEMBERS & OTHER INVESTORS	Members are required to make considered use of their votes and encouraged to ensure their voting intentions are translated into practice.	<p>Annual General Meeting is used to have an effective dialogue with the members on matters which are relevant and are of concern.</p> <p>The Association maintains a good relationship with the Members and potential investors.</p> <p>Members' concerns are addressed as and when raised.</p>	✓
G	INTERNET OF THINGS & CYBERSECURITY	The Governing Council should ensure the effectiveness of the cybersecurity risk management through independent periodic review and assurance.	<p>The Governing Council ensures the effectiveness of the cybersecurity risk management through IT Development Committee.</p> <p>Risk relating to IT matters including that arising from cybersecurity are discussed at the IT Development Committee and outcome is tabled at the Governing Council meeting.</p> <p>IT Development Committee meets regularly for periodic review and assurance.</p>	✓
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.	<p>The Association believes that among others, environment, society and governance aspects are important parts of the Association's values and the Governing Council is aware of its responsibility to ensure that such aspects are linked closely with the Association strategy.</p> <p>The Capital 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.</p>	✓




Materiality Assessment

MATERIALITY





















Our fundamental approach to materiality is to align our organizational strategy with ESG priorities. As we are facing an economically and socially challenging period, our materiality concern focuses on vital aspects of organizational growth as well as our overall responsibility to manage our social, economic and environmental impact based on ESG issue implications that are relevant to AATSL. In addition, our materiality focus strives to contribute to the UN Sustainable Development Goals (SDGs). As such, our materiality concerns mainly revolve around the four areas of; sustainable growth, digitalization for future progress, managing economic and social impact and enhancing our intellectual, human and social and relationship capitals.















- 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 ■ ■ ■ ■	Create brand value and stakeholder enrichment. Contribute to educational reforms that would steer economic progress in line with evolving social and market dynamics	Members Students Passed Finalists	Stronger partnerships with corporates Competency development programs with AAT Business School	High	No change	1. Increase the active student base 2. Increase the No. of students applying for exam 4. Improve the quality of delivering the curriculum	8 DECENT WORK AND ECONOMIC GROWTH 	Social
							11 SUSTAINABLE CITIES AND COMMUNITIES 	Economic
Financial Stability ■ ■	Creating financial sustainability and operational continuity to create value for all stakeholders	All stakeholders	Adopting prudent financial tools Financial risk management	High	No change	8. Optimise cost	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Economic
							9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Social
Process Excellence ■	Improve organizational processes and knowledge delivery	All stakeholders	Training and development	High	No change	5. Strengthening the IT infrastructure and digital presence		

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
Ethics and Transparency 	Improving organizational culture	All stakeholders	Improved transparency Corporate Governance	Medium	No change	10. Integrate ESG into the strategy and culture		Social
Creating Opportunities for Growth   	Nurturing partnership with professional entities and educational institutes	Students Passed Finalists Members	Networking events Alliances and agreements Degree programs	High	No change	3. Strengthen the market position 6. Expanding the Business School operations	 	Social
IT Platform   	Improved digitalization and online delivery of knowledge to improve accessibility to a larger audience	Students Passed Finalists Members	Tri-lingual online platforms App development to increase engagement	Medium	Increased	5. Strengthening the IT infrastructure and digital presence	 	Economics
Opportunities for Networking   	Nurturing engagement	All stakeholders	Alliances and partnerships Engagement activities / events	High	No change	7. Grow and retain the membership base		Social
Staff Training and Development  	Improving intellectual capital, employee satisfaction and growth	Employees	Online training Partnering with other organizations for training	Medium	No change	9. Foster a performance culture with higher employee engagement	 	Social

Material Theme	Core priority	Impacting stakeholder groups	Opportunities for value creation	Importance to stakeholders / Association	Materiality compared to last year strategy	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	4. Improve the quality of delivering the curriculum		Social
								
Community Engagement 	Creating brand value	All stakeholders	Expanding CSR projects in the education sector	High	No change	10. Integrate ESG into the strategy and culture		Social
International Recognition 	Creating brand value and enriching member experience	All stakeholders	Stronger ties with international accounting bodies	High	No change	3. Strengthen the market position		Social
Economic Downturn 	Risk mitigation	All stakeholders	Contributing to the financial management and revival of the SME sector	High	Increased	8. Optimise cost		Economics
								
Environmental Impact 	Contribute to national preservation goals	All Stakeholders	Energy and water management Waste management	Medium	No change	10. Integrate ESG into the strategy and culture		Environmental
Employment and Labor Practices 	Create a safe and growth conducive workplace	Employees	Develop brand equity through enhancing growth opportunities for employees	Medium	No change	9. Foster a performance culture with higher employee engagement		Social

Stakeholder Engagement

As we prepare to step into the next phase of organizational growth in line with our fresh strategic impetus, we seek to involve our stakeholders in this journey in a purposeful manner. Our stakeholder engagement strategy is poised to obtain the varying perspectives of different stakeholder groups. This allows us to integrate their feedback and requirements into our organizational process in an appropriate manner.

OUR STAKEHOLDER ENGAGEMENT PROCESS



We rely on both traditional and digital communication tools to interact with our stakeholders and obtain their feedback. Our approach encompasses direct communication, social media, our website, publications and traditional media to communicate our objectives and direction to our stakeholders, so that they are able to make informed decisions. As such, we have created a transparent and open culture of two-way communication in line with our overall governance strategy, to allow stakeholders to be part of our journey.

The below illustration depicts our stakeholder engagement process:



The below illustration present 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"> ➤ Recognition by obtaining exemptions for AAT qualification from professional and educational bodies locally and internationally. ➤ IFAC & CAPA international memberships. ➤ Access to employers via AAT job bank.
Cost effectiveness	<ul style="list-style-type: none"> ➤ AAT Sri Lanka did not pass down the inflationary impact to students. 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 AATSL 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. ➤ Enhancing student performance through targeted seminar series ➤ Offering the official website with a comprehensive and relevant curriculum available in trilingual options. ➤ 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 texts in all three media. ➤ Student guides, study texts, past papers and other publications are available in all three media.
Access to quality tuition	<ul style="list-style-type: none"> ➤ 127 Accredited Education Centers. ➤ 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 with staff proficient in all 3 languages ➤ A comprehensive student guide
Convenient access to AAT services	<ul style="list-style-type: none"> ➤ Colombo Head office and Branch network of 8 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

*Stakeholder Engagement***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, life style stores, hospitals etc
Recognition for the qualification	➤ Exemptions from number of Accounting bodies and Universities
Special schemes to get into 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 and 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 programs ➤ 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	<ul style="list-style-type: none"> ➤ Annual conferences and monthly seminars/webinars ➤ Members' get-together ➤ Members' cricket tournament ➤ Competitions ➤ Members' Night ➤ New Year Festival

GOALS	SUSTAINED, IMPACTFUL RELATIONSHIPS
RELATIONSHIP VALUE 	ENGAGEMENT LEVEL 
KEY CONCERNS	OUR RESPONSE
Continuous Professional Development (CPD)	➤ Seminars, webinars, workshops & other CPD activities
Recognition for the practitioners (Members in Practice)	➤ MIP scheme with a separate practicing certificate ➤ Workshops to update MIPs
Early exposure to industry trends	➤ Frequent communications via digital forums ➤ Annual perception survey
Benefits / offers from various service providers for AAT membership	➤ Negotiated / discounted offers from banks, life style stores, hospitals etc
Relationship building	➤ Dedicated Members Service Unit ➤ CSR activities
Proactive engagement	➤ Annual General Meeting ➤ Feedback forms enclosed with journals, events, social media etc
Opportunities to play critical change agent roles	➤ Opportunities to serve in Governing Council ➤ Opportunities to join as a marking examiner and a member supervisor at AAT examinations
Developing leadership skills	➤ AAT Toastmasters' Club

ACCREDITED EDUCATION CENTRES (AECs)

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.	➤ Exam paper discussions ➤ Training sessions on current updates
Discussion forums with the Association	➤ Regular meetings & visits ➤ Online platforms ➤ Written communications
Improving online education delivery	➤ Providing guidance and facilitating knowledge seeking
Reliable contact point	➤ AEC coordination officers at head office and branches
Recognition / Appreciation	➤ Concept developed for the same

EMPLOYERS

GOALS	CREATING A JOB MARKET FOR AAT STUDENTS AND MEMBERS AND PROVIDING ORGANIZATION WITH SKILLED, QUALIFIED EMPLOYEES
RELATIONSHIP VALUE 	ENGAGEMENT LEVEL 
KEY CONCERNS	OUR RESPONSE
Access to talented and qualified accounting professionals	➤ AAT Job Bank ➤ AAT Job Fairs
Opportunities for further development of talent pools	➤ 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 program

Stakeholder Engagement



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 communications

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	<ul style="list-style-type: none"> ➤ Career progression opportunities ➤ Training and Development
Rewards and recognition	<ul style="list-style-type: none"> ➤ Performance appraisal ➤ Incentives and promotions
A positive work environment	<ul style="list-style-type: none"> ➤ Effective conflict resolution ➤ 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	<ul style="list-style-type: none"> ➤ Strict compliance with laws and regulations ➤ Voluntary adoption of code of good governance ➤ Strong governance framework
Timely remittances of statutory payments and returns	➤ Adherence to statutory deadlines which are monitored on monthly basis
Contribution to developing the SME sector	<ul style="list-style-type: none"> ➤ Student and member skills and knowledge development ➤ Periodical upgrading of the curriculum in tandem with industry trends ➤ Provision of technical support ➤ Promote entrepreneurship ➤ Contributing towards policy discussions pertaining to the profession and its continuous growth
Prevention of corruption	➤ Transparent processes for all transactions

In implementing our stakeholder engagement strategy and action steps, we take into consideration the unique nature of each stakeholder group and decide on the relevant communication channels. This allows us to remain transparent and inclusive while facilitating meaningful impact from each stakeholder group that ultimately links to our overall value creation aspirations.

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 events	Returns and School payments (tax / rates etc)	Formal letters	Marketing / Social Media platforms / Promotional brochures / E-flyers/ Website	Job Bank	Reciprocal arrangements for exemptions	Market research / Surveys / Student feedback/ Questionnaires
Students	On going	On going	Bi-annually	On going	On going		On going	On going	On going		On going
Passed Finalists		On going	Bi-annually	On going	On going		On going	On going	On going		On going
Members		On going	Bi-annually	On going	On going		On going	On going	On going		On going
Accredited Education Centres	On going	On going		On going	On going		On going	On going			On going
Accounting Bodies & Universities	As & when required	On going		On going			On going	On going		On going	On going
Employers	As & when required	On going		On going			On going	On going	On going		On going
Employees		On going		On going	On going		On going				On going
Government and Regulators	As & when required	On going		On going		On going	On going				As & when required

STAKEHOLDER ENGAGEMENT EVENTS

Stakeholder	Felicitation of A/L outstanding performers, Student get-together	AAT Prize winners ceremony / Student orientation / Scholarships	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	On going				
Passed Finalists			Bi-annually		Annually	Annually	On going				
Members				Annually		Annually	On going	AGM & AR - Annually		On going	
Accredited Education Centres						Annually			Once in 5 years		On going
Accounting Bodies & Universities						Annually		AR - Annually	Once in 5 years		
Employers						Annually					
Employees						Annually				On going	Annually
Government and Regulators						Annually		AR - Annually			

Risk Management

By being mindful of the challenging external environment, AATSL enhanced the focus on the risk management strategy during the year under review. 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 long-term value creation capacity. As we aspire to improve our risk management strategy, we consistently review and update 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 minimize 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 the same. The reviews are undertaken quarterly, and reports are submitted to the Audit, Compliance, Risk Management and Ethics Committees for necessary action and to be tabled at the Governing Council meetings.

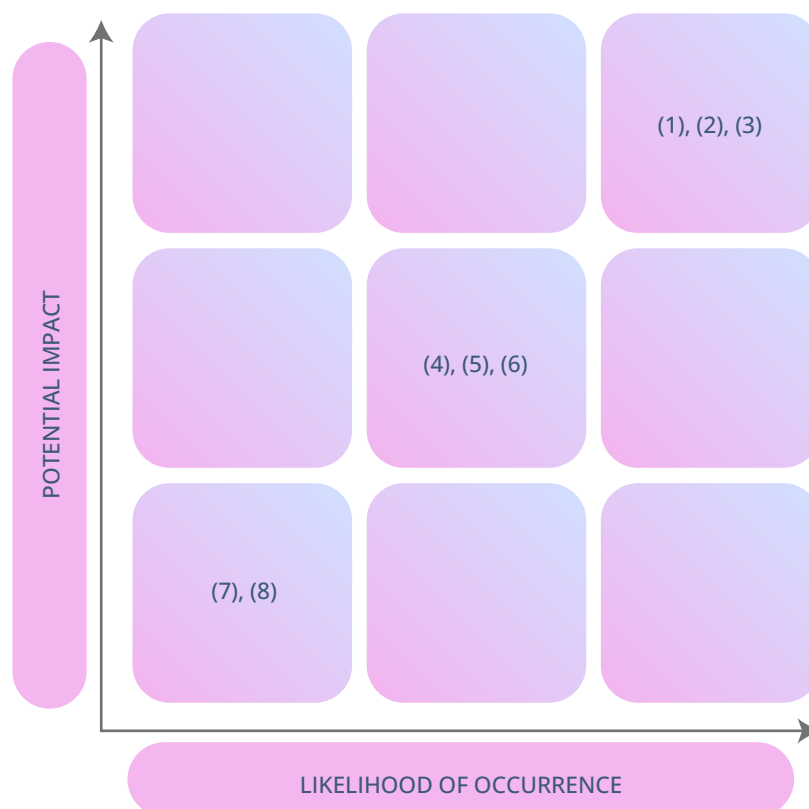
RISK MITIGATION

During the financial year 2023/24, AAT Sri Lanka recognised and implemented agreed-upon risk mitigation measures to respond to the challenges stemming from the economic crisis to safeguard operational continuity from logistical challenges and revisit our investment portfolio to protect the Association's financial stability in the short and medium term. In addition, we identified optimal investment opportunities and took measures to increase our ROI 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 organisation.

The following risk matrix demonstrates AAT Sri Lanka's key risk exposures, prioritized based on the potential impact and likelihood of our 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 	High
2. Industry competition	<ul style="list-style-type: none"> ➤ Investing in brand building strategies (Eg: sponsoring the Sirasa TV Debater program with AAT) ➤ Periodical market research to understand market needs and student expectations ➤ Improving social media outreach and digitalisation to cater to Gen Z 	High
3. 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 	High
4. 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 Continuing Professional Development programs for members 	Moderate
5. 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 	Moderate
6. Changing dynamics in education	<ul style="list-style-type: none"> ➤ Investing in partnerships and alliances with key organisations in the education sphere ➤ Close collaboration with the government and advocacy for change 	Moderate
7. 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 	Low
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 	Low

The Audit, Compliance, Risk Management and Ethics Committee Report

The Audit, Compliance, Risk Management, and Ethics Committee (ACRMEC) of AAT Sri Lanka serves as a pivotal body responsible for upholding the highest standards of governance, transparency, and integrity within the Association. With a mandate to ensure compliance with laws and regulations, as well as the quality and integrity of accounting, auditing, and reporting practices, the Committee operates within the framework approved by the Governing Council.

MANDATE AND RESPONSIBILITIES

The Committee assists the Governing Council in overseeing and ensuring the quality and integrity of accounting, auditing, and reporting practices, in addition to compliance with legal and regulatory requirements. Furthermore, the Committee is entrusted with the appraisal of all financial and non-financial interests of the Association.

COMPOSITION OF AUDIT, COMPLIANCE, RISK MANAGEMENT AND ETHICS COMMITTEE

Chaired by Mr. K. L. Jagath Nandana Perera, a distinguished Fellow Member of the Institute of Chartered Accountants, the ACRMEC boasts a diverse composition of experienced professionals. Each member brings a wealth of experience and expertise to the Committee, ensuring the effective execution of its responsibilities. Additionally, the Secretary of the Governing Council serves as the Secretary to the Committee, facilitating seamless coordination and communication.

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

Committee Member	Period	Meetings attended / Meetings eligible to attend
Ms. F. S. Naayila Marikkar – Chairperson	01/04/2023 30/11/2023	4/ 4
Ms. G. M. Iresha U. Bandara - Alt. Chairperson	01/04/2023 30/11/2023	1/4
Mr. Kapila Ranasinghe - Member	01/04/2023 30/11/2023	4/4
Mr. K. L. Jagath Nandana Perera - Chairman	01/02/2024 31/03/2024	2/2
Mr. Thushara Kariyawasam - Alt. Chairman	01/02/2024 31/03/2024	2/2
Ms. Kaushalya Kalavitigoda - Member	01/02/2024 31/03/2024	0/2

MEETINGS

Throughout the year under review, the Committee convened six times, diligently fulfilling its mandate to oversee and ensure the integrity of AAT Sri Lanka's operations. These meetings provided a forum for comprehensive discussions and assessments, with proceedings regularly reported to the Governing Council through meticulously documented meeting minutes.

An important aspect of the Committee's work involved engaging key stakeholders to enhance transparency and effectiveness. Notably, the CEO, CFO, and Partner of Messrs. KPMG Sri Lanka, renowned Chartered Accountants, were invited to attend meetings to review and sign internal audit reports. Their expertise and insights added valuable perspective to the Committee's deliberations, ensuring robust oversight of internal controls and risk management practices.

Furthermore, in a proactive effort to uphold the integrity of the Association's external audit process, the engagement partner of Messrs. Ernst & Young, another esteemed Chartered Accountancy firm, was invited to meet with the Committee independently of executive management. This meeting aimed to address any potential limitations of scope or concerns that could impact the effectiveness of the audit. Following thorough discussions, the external auditors concluded that there were no significant issues warranting concern, reaffirming confidence in the audit process.

SUMMARY OF ACTIVITIES FOR THE YEAR 2023/24

- 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

In the pursuit of transparency and accuracy, the Committee plays a pivotal role in overseeing the financial reporting processes of AAT Sri Lanka. As part of its mandate, the Committee collaborates closely with the Finance and Administration Committee to meticulously review the Association's financial statements before presenting them to the Governing Council.

Throughout the review process, the Committee engages with management to discuss and analyse the financial statements thoroughly. These discussions serve as a forum to ensure that the statements are prepared in accordance with the Sri Lanka Financial

Reporting Standards for SMEs, as well as the requirements outlined in the Companies Act No. 7 of 2007. The Committee meticulously examines every aspect of the financial statements, seeking assurance that they accurately reflect the Association's financial position and performance.

Upon obtaining confirmation from management regarding the adherence to regulatory standards and best practices, the ACRMEC provides its endorsement for the financial statements to be presented to the Governing Council. This endorsement is a testament to the Committee's dedication to upholding the highest standards of integrity and compliance in financial reporting.

RISKS AND INTERNAL CONTROLS

At the heart of AAT Sri Lanka's governance framework lies a robust system of internal controls, meticulously crafted to provide reasonable assurance to the Governing Council while safeguarding the Association's financial integrity. Throughout the year under review, the Committee undertook a comprehensive review of the Association's internal control systems, focusing particularly on their effectiveness in ensuring the reliability of financial reporting.

During this period, the Committee dedicated significant effort to assessing the effectiveness of internal controls over financial reporting, spanning from April 01, 2023, to March 31, 2024. Through meticulous analysis and evaluation, the Committee was able to provide assurance to the Governing Council that the internal controls had been effective throughout the reporting period.

The internal controls are designed to provide reasonable assurance but do not offer absolute protection against risks. However, the Committee's rigorous review process ensures that the internal controls are continually assessed and strengthened to mitigate risks effectively.

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

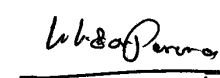
During the reporting period, the internal auditors conducted five internal audits and submitted reports to present the findings. This review included the internal auditor's evaluation of the internal control systems. The Committee also reviewed the adequacy of the internal audit coverage through the 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, Compliance, Risk Management and Ethics Committee,



K. L. Jagath Nandana Perera
Chairman

Audit, Compliance, Risk Management and Ethics committee

07 May 2024

Human Resources Development Sub-Committee Report

AAT Sri Lanka's Governing Council established the Human Resources Development sub-committee as one of the sub-committees under the Finance and Administration Committee to manage the human capital development of the organisation. The sub-committee is primarily responsible for reviewing, monitoring and providing appropriate recommendations to the Governing Council regarding AAT's human resource strategy as well as policies. The sub-committee fulfils the crucial task of aligning human resource management goals with overall organisational goals.

The human resources sub-committee serves as a valuable source of feedback, expertise and guidance for the Human Resources Division in the development, implementation, and operation of human resource management programmes. The members of this esteemed sub-committee are appointed by the Governing Council for a term of two years. In the event 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.

The Human Resources sub-committee plays a crucial role in ensuring that the Human Resources Division is equipped with the necessary resources and knowledge to effectively carry out the responsibilities within its oversight.

RESPONSIBILITIES

The Human Resources sub-committee is tasked with ensuring that AAT's human resources management activities meet the requirements of employees effectively while meeting regulatory standards and labour laws. To this end, the sub-committee executes the following responsibilities on behalf of the Governing Council:

- Optimising the HR function at all levels
- Review performance appraisals of staff
- Review overtime payments

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

OVERSIGHT AND ADVISORY

- Oversee the implementation of 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 resource services
- Advisory support for developing, implementing and monitoring of a sound performance management system in accordance with the achievement of the Association's strategic objectives
- Regularly evaluate HR procedures in relation to industry benchmarks and provide suggestions as needed

MEETINGS

Sub-committee member	Meetings attended / Meetings eligible to attend
Mr. Jagath Perera - Chairman (01/04/2023-31/01/2024)	06/06
Ms. Jani Ganeshan - Chairperson (01/02/2024 - 31/03/2024)	01/01
Mr. Indraka Liyanage - Member (01/04/2023-31/03/2024)	07/07

The sub-committee meetings are held at the AAT head office physically or virtually. During the year under review, the sub-committee held 07 meetings. The Chairman of the sub-committee head the sub-committee meetings. The CEO and Head of Human Resources and Administration attend the meetings of the Committee unless otherwise advised by the Chairman of the sub-committee.

SUB-COMMITTEE ACTIVITIES DURING 2023/24

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 24-hour coverage for all staff members
3. Celebrated women employees on the International Women's day
4. Reviewed the effectiveness of training programmes
5. Ensured the opening of online EPF accounts for all staff members
6. Employee retention rate was maintained at 79% with the total staff strength standing at 72 staff members

7. Reviewed performance and assisted employees to ensure that engagement level towards work improved in efficiency during the year under review
8. As per the request made by Chief Executive Officer, Committee has approved to pay additional one month incentive as an appreciation of the performance made by the staff members in achieving the organizational objectives effectively and efficiently during the year under review

The Human Resource 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 a positive working culture towards supporting and achieving the Association's strategic objectives.

On behalf of the Human Resources Development sub-committee



Jani Ganeshan

Chairperson

Human Resources Development
sub-committee

07 May 2024

Statement of Governing Council Members' Responsibility on Internal Controls

Governing Council members of AAT Sri Lanka hold the paramount responsibility of safeguarding the integrity and effectiveness of the Association's internal control mechanisms. These controls are meticulously designed to manage risks inherent in operations, ensuring the pursuit of value creation in the short, medium, and long term. While internal controls offer reasonable assurance, they do not guarantee absolute protection against material misstatements of financial information, financial losses or fraud.

The approach to identifying, evaluating, and managing potential risks is underpinned by robust risk frameworks, meticulously crafted to adapt to the evolving operating landscape. A dedicated Committee, appointed by the Governing Council, periodically reviews this risk management process, guided by overarching objectives.

The Governing Council members affirm that, to the best of their knowledge, the current internal control systems are adequate in providing reasonable assurance regarding the reliability of financial reporting. We attest that the preparation of financial statements for external purposes aligns with relevant financial reporting standards.

The integrity of our internal control system concerning financial reporting is ensured through the following measures:

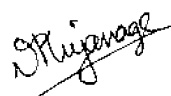
- The appointment of Committees to oversee operational matters, ensuring alignment with AAT Sri Lanka's objectives, strategies, annual budget as well as approved policies and directions.
- The diligent monitoring of compliance with policies and procedures by the Audit, Compliance, Risk Management, and Ethics Committee, conducted through ongoing internal auditing on a quarterly basis.
- The review and approval of the annual internal audit plan and internal audit reports, including management comments, by the aforementioned Committee.
- The proactive addressing of internal control issues identified by internal and external auditors, with appropriate rectification measures.
- The meticulous documentation of minutes from Audit, Compliance, Risk Management, and Ethics Committee meetings by the Association's Secretary.
- The presentation of meeting minutes, along with major internal audit findings, to the Governing Council for information and review.
- The monthly submission of a compliance statement by the CEO to the Governing Council, ensuring adherence to established protocols.

CONFIRMATION

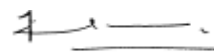
The Governing Council of AAT Sri Lanka expresses its confidence that, through the outlined procedures, the Association's financial reporting system offers reasonable assurance concerning the reliability of financial reporting and the preparation of external financial statements. Moreover, the Governing Council affirms its confidence that the preparation of financial statements for external purposes adheres strictly to the Sri Lanka Financial Reporting Standards for SMEs.

By Order of the Governing Council

Association of Accounting Technicians of Sri Lanka

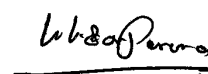


Indraka Liyanage
President



Dr. D.B.S. Chamara Bandara
Chairman

Finance & Administration Committee



K. L. Jagath Nandana Perera
Chairman

Audit, Compliance, Risk Management and Ethics Committee

07 May 2024

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

The Annual Report of the Governing Council of the Association of Accounting Technicians of Sri Lanka presents a comprehensive analysis of the Audited Financial Statements, 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 2024. This report follows the guidelines stipulated in the Companies Act No. 7 of 2007.

PRINCIPAL ACTIVITIES

The principal activity of AAT Sri Lanka is the facilitation of professional accounting education. As such, the core activities that AAT Sri Lanka carries out include the registration of students for the award of qualification by conducting examinations, enrolment to membership and facilitating the continuous professional development of members. The Governing Council Members on the Affairs of the Association can affirm that there were no significant changes to the activities of the organisation. To the best of the knowledge of the Governing Council Members on the Affairs of the Association, 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 recognised mid-level accounting and business qualification', the Governing Council perpetuates a culture of integrity, professionalism and respect.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

The principal reports incorporated in this annual report provide a comprehensive analysis of financial and non-financial events of the year under review. As such, these reports are vital to the appropriate and transparent presentation 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 2024 have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs), issued by the Institute of Chartered Accountants of Sri Lanka and in compliance with requirements of the Companies Act No. 07 of 2007. The President and Vice President of the Governing Council signed the financial statement for the year ended 31st March 2024 on behalf of the Governing Council and the auditor's report on the financial statements are provided on pages 126 to 127.

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:

	2023/24 Rs.	2022/23 Rs.
Income	512,892,617	381,957,725
Surplus after tax	226,558,421	128,809,311
Accumulated fund	1,267,692,590	1,038,944,288
Total assets	1,557,627,116	1,289,505,969

ACCOUNTING POLICIES

The notes to the financial statements present the important accounting policies adopted by the Association in preparation of 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 31st March 2024 consisted of sixteen nominated and elected members and their brief profiles are given in the Management Discussion and Analysis section of this annual report.

RETIREMENT AND RE-ELECTION OF GOVERNING COUNCIL MEMBERS

In accordance with Article 49 of the Association of AAT Sri Lanka, a new Governing Council was appointed for the year 2024-2025 during the financial year 2023/24.

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

REMUNERATION TO GOVERNING COUNCIL MEMBERS

The Governing Council members serve in an honorary capacity and derive 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 stakeholders and to manage economic, environmental and social impacts with due consideration given to ESG concerns during value creation activities.

EQUITABLE TREATMENT OF MEMBERS

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

DONATIONS

No financial donation was made 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 30%.

GOING CONCERN

In determining the basis of preparing the financial statements for the year ended 31st March 2024, based on available information, the Governing Council assessed the existing and anticipated effects of the changes to the economic situation in the country, financial policy changes and the appropriateness of the use of the going concern basis.

Following due consideration given to the financial position, operating conditions, regulatory and other factors - the members of the Governing Council are satisfied that the Association has adequate resources to continue its operations in the foreseeable future. As such, the financial statements of the Association have been prepared based on the going concern concept.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The members of the Governing Council have taken action to identify, evaluate and manage the risks faced by the Association. The Governing Council members periodically 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

In line with ESG concerns, the Association has taken specific steps, particularly in ensuring the conservation of our use of 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 during the year under review.

CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

No contingent liabilities and capital commitments were made as of 31st March 2024.

EVENTS AFTER THE REPORTING PERIOD

During the year under review, the Association monitored and gained insights into the external environment and macroeconomic conditions. The Association has put in place a contingency plan to manage key activities relating to employees, students, members and other stakeholders.

Moreover, the Association continues 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

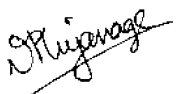
The members of the Governing Council approved the financial statements on 07 May 2024.

NOTICE OF MEETING

The Annual General Meeting will be held at the AAT Centre, No. 540, Ven. Muruththettuwa Ananda Nahimi Mawatha, Colombo 05, on 15 July 2024 at 5.00 pm onwards.

The notice of the Annual General Meeting appears on page 165.

For and on behalf of the Governing Council



Indraka Liyanage

President

Association of Accounting Technicians of
Sri Lanka

07 May 2024



Financial Reports

Independent Auditors' Report



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

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

REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of The Association of Accounting Technicians of Sri Lanka ("the Association") which comprise the Statement of Financial Position as at 31 March 2024, 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 2024 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 for Professional Accountants (including Sri Lanka Independence Standards) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

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

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

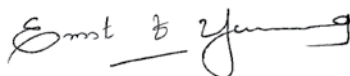
Association to cease to continue as a going concern.

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Association.



07 May 2024
Colombo

Statement of Comprehensive Income

Year ended 31 March	Note	2024 Rs.	2023 Rs.
Income	3	512,892,617	381,957,725
Cost of Services	4	(245,566,895)	(202,312,634)
Gross Surplus		267,325,722	179,645,091
Other Operating Income		1,900,000	3,525,000
Administration and Establishment Expenses		(133,031,744)	(117,861,785)
Student Promotion and Awareness Expenses		(36,913,118)	(55,897,516)
Surplus from Operation		99,280,860	9,410,790
Finance Income	5	207,216,975	142,239,827
Net Income from Investment Property	6	13,834,931	6,233,406
Other Income	7	8,519,370	5,692,796
Best Annual Report Competition Expenses		(5,561,538)	-
Surplus for the Year before Tax		323,290,598	163,576,819
Income Tax Expense	9	(96,732,177)	(34,767,508)
Surplus for the Year after Tax		226,558,421	128,809,311
Other Comprehensive Income			
Gain / (Loss) Arising from Changes in Assumptions in Retirement Benefit Obligations (Net of Taxes)	20.2	2,189,882	(3,773,787)
Total Comprehensive Income for the Year		228,748,303	125,035,524

Accounting policies and Notes on pages 132 through 154 form an integral part of the Financial Statements.

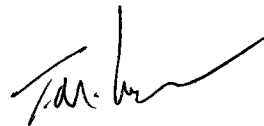
Statement of Financial Position

As at 31 March	Note	2024 Rs.	2023 Rs.
ASSETS			
NON-CURRENT ASSETS			
Property and Equipment	10	136,837,308	127,878,372
Investment Property	11	130,686,683	133,415,577
Intangible Assets	12	1,070,160	2,326,980
Long Term Investments	13	846,917,548	623,783,504
Total Non-Current Assets		1,115,511,699	887,404,433
CURRENT ASSETS			
Inventories	14	14,446,120	24,502,640
Trade and Other Receivables	15	12,051,091	8,193,093
Short Term Investments	16	374,027,748	333,060,690
Deposits, Prepayments and Advances	17	13,039,949	22,766,460
Cash and Cash Equivalents	18.1	28,550,509	13,578,653
Total Current Assets		442,115,417	402,101,536
Total Assets		1,557,627,116	1,289,505,969
FUNDS AND LIABILITIES			
Accumulated Fund		1,267,692,590	1,038,944,288
Other Funds	19	47,082,710	44,653,828
Total Funds		1,314,775,300	1,083,598,116
NON-CURRENT LIABILITIES			
Retirement Benefit Obligation	20	28,187,328	26,710,684
Rent Received in Advance	21	33,820,710	33,841,528
Deferred Tax Liabilities	22	5,881,099	6,996,953
Total Non-Current Liabilities		67,889,136	67,549,166
CURRENT LIABILITIES			
Trade and Other Payables	23	74,779,830	88,096,979
Advances and Deposits Received	24	44,024,788	38,641,427
Income Tax Payable	25	50,436,375	1,935,263
Bank Overdraft	18.2	5,721,685	9,685,019
Total Current Liabilities		174,962,679	138,358,688
Total Funds and Liabilities		1,557,627,116	1,289,505,969

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

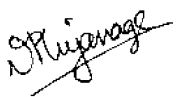


N. M. K. Ranasinghe
Chief Financial Officer

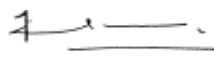


Tishanga Kumarasinghe
Chief Executive Officer

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



Indraka Liyanage
President



Dr. Chamara Bandara
Vice President

Accounting policies and Notes on pages 132 through 154 form an integral part of the Financial Statements.

07 May 2024
Colombo

Statement of Changes in Funds

	Accumulated Fund Rs.	Other Funds Rs.	Total Rs.
Balance as at 01 April 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
Surplus for the Year after Tax	226,558,421	-	226,558,421
Other Comprehensive Income (Net of Taxes)	2,189,882	-	2,189,882
Net Movement in Other Funds	-	2,428,882	2,428,882
Balance as at 31 March 2024	1,267,692,590	47,082,710	1,314,775,301

"Other funds" represent the funds which are created for special purposes. (Refer Note 19).

Accounting policies and Notes on pages 132 through 154 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended 31 March	Note	2024 Rs.	2023 Rs.
Cash Flows from / (used in) Operating Activities			
Net Surplus before Tax		323,290,598	163,576,819
Adjustments for			
Depreciation - Property and Equipment	10	7,555,958	6,869,288
Depreciation - Investment Property	11	2,728,893	2,728,893
Amortisation - Intangible Assets	12	1,256,819	2,081,866
Gain on Disposal of Property and Equipment	7	(238,714)	(24,997)
Provision for Gratuity	20	5,716,619	5,076,411
Interest Income	5	(207,216,975)	(142,239,827)
Net Income from Investment Property-before charging depreciation	6	(16,563,825)	(8,962,300)
Operating Surplus before Changes in Working Capital		116,529,373	29,106,153
Changes in Working Capital			
Increase in Inventories		10,056,521	(11,635,087)
(Decrease) / Increase in Trade and Other Receivables, Prepayments and Deposits		5,868,512	(9,202,041)
(Decrease) / Increase in Trade and Other Payables		(13,317,148)	46,227,369
Decrease in Advances and Deposits Received		5,362,537	34,861,405
Cash Generated from Operations		124,499,795	89,357,799
Tax Paid		(50,285,439)	(37,231,055)
Gratuity Paid		(1,111,570)	(2,085,165)
Net Cash from Operating Activities		73,102,786	50,041,580
Cash Flows from/ (used in) Investing Activities			
Acquisition of Property and Equipment	10	(16,769,564)	(5,159,498)
Movement in Capital Work in Progress - Intangible Assets	12	-	(42,200)
Interest Income	5	207,216,975	142,239,827
Net Income from Investment Property	6	16,563,825	8,962,300
Net Movement in Short-term Investments	16	(40,967,058)	401,317,582
Sales Proceeds on Disposal of Property and Equipment		493,386	25,000
Net Cash used in Investing Activities		166,537,564	547,343,011
Cash Flows from / (used in) Financing Activities			
Net Movement in Long-term Investments		(223,134,044)	(623,783,504)
Net Movement in Other Funds		2,428,882	10,658,981
Net Cash Flows from / (used in) Financing Activities		(220,705,162)	(613,124,523)
Net Increase/(Decrease) in Cash and Cash Equivalents		18,935,188	(15,739,933)
Cash and Cash Equivalents at the Beginning of the Period (Note A)		3,893,634	19,633,567
Cash and Cash Equivalents at the End of the Period (Note B)		22,828,823	3,893,634
Note A			
Cash and Cash Equivalents at the Beginning 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
Note B			
Cash and Cash Equivalents at the End of the Period			
Cash and Bank Balances	18.1	28,550,509	13,578,653
Bank Overdraft	18.2	(5,721,685)	(9,685,019)
		22,828,823	3,893,634

Accounting policies and Notes on pages 132 through 154 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 REPORTING ENTITY

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

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The principal activities of the Association are as follows

- Enrollment of students.
- Regulating student education, training and securing advancement of the accounting profession.
- Conducting examinations and awarding membership for those who have completed all examinations with training requirements.
- Supporting 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 2024 were authorised for issue by the Council on 07 May 2024.

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 2024, 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 Lankan 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 31 March 2024 are prepared in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (hereafter referred to 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 the 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 does 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 company'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.

(a) 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, Plant 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

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.

Notes to the Financial Statements

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 investments are considered as long term financial investments.

Investment 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 investments 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 SMEs.

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

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

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

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, study material, publications, 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:

- The financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- 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 (FVTPL). Financial liabilities are initially recognised at fair value less any directly attributable transaction costs. The Association does not have financial liabilities other than payables for the year ended 31 March 2024.

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.

Notes to the Financial Statements

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 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.

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

c) Examination Fees

Fees on Examinations are recognised as income on the date the exam is held.

d) Income from Business school and AAT Classes

Income from courses is recognised as income at the end of the course period. Income from courses relate to future periods are shown in the Statement of Financial Position as Fees received in Advance under current liabilities.

e) Income from sale of publications

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

f) Annual Conference, Seminars and Workshops

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

2.4.2 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.

Notes to the Financial Statements

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.

3. INCOME

Year ended 31 March	2024	2023
	Rs.	Rs.
AAT Classes	4,473,700	4,601,650
Annual Conference	7,447,725	3,546,350
Branch operations	8,582,936	8,854,740
Business School	26,554,483	21,907,300
Education & Training	15,147,490	16,170,006
Examination fees	310,521,440	212,706,190
Membership fees & subscriptions	17,214,074	15,856,487
Passed Finalists' Workshops	6,629,500	9,051,850
Public Lectures & Seminars	67,750	187,850
Student registration, renewal and exemption fees	116,253,519	89,075,302
	512,892,617	381,957,725

4. COST OF SERVICES

Year ended 31 March	2024	2023
	Rs.	Rs.
AAT Classes	3,368,793	3,544,427
Annual Conference	8,202,113	3,447,346
Branch operations	14,464,517	13,154,899
Business School	20,663,889	15,944,642
Education & Training	19,263,959	19,950,974
Examination	136,752,153	106,380,691
Membership & subscriptions	12,017,997	11,315,175
Passed Finalists' Workshops	7,246,638	10,757,707
Public Lectures & Seminars	158,439	291,895
Student registrations, renewals and exemptions	23,428,397	17,524,878
	245,566,895	202,312,634

5. FINANCE INCOME

Year ended 31 March	2024	2023
	Rs.	Rs.
Interest on Term Deposits	202,876,943	139,351,071
Interest on Savings / Money Market Account	4,050,310	2,705,774
Interest received from Staff Loans	289,722	182,982
	207,216,975	142,239,827

*Notes to the Financial Statements***6. NET INCOME FROM INVESTMENT PROPERTY**

Year ended 31 March	2024	2023
	Rs.	Rs.
Rental Income	19,326,120	19,326,120
Other Income	85,000	-
Less : Rates & Taxes - Current year	(66,727)	(80,615)
Reimbursement of rates paid	-	2,284,825
Depreciation - Building	(2,728,894)	(2,728,894)
Insurance	(87,735)	(83,030)
Professional fees	(63,015)	(485,000)
Building maintenance	(2,629,818)	(12,000,000)
	13,834,931	6,233,406

7. OTHER INCOME

Year ended 31 March	2024	2023
	Rs.	Rs.
Rental income	4,414,170	4,260,120
Hire of Auditorium / Lecture Halls	29,000	15,000
Other miscellaneous income	3,837,486	1,392,679
Gain on disposal of Fixed Assets	238,714	24,997
	8,519,370	5,692,796

8. SURPLUS FOR THE YEAR

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

Year ended 31 March	2024	2023
	Rs.	Rs.
Payment for External Auditors - Audit Fee	303,514	207,200
Depreciation	7,555,958	6,869,288
Amortisation	1,256,819	2,081,866
Donations	-	250,000
Staff Costs		
Salaries and Allowances	77,132,890	66,580,724
Defined contribution plan (EPF and ETF)	11,569,934	9,987,109
Other Staff expenses	35,193,797	22,460,640
Defined benefit plan (Gratuity)	5,716,619	5,076,411

9. INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 March 2024 are as follows:

Year ended 31 March	2024	2023
	Rs.	Rs.
Current Income Tax		
Current income tax charge (9.1)	98,981,731	31,119,375
Over provision for the year in respect of previous year	(195,180)	-
Deferred Tax		
Deferred tax (Reversal) / Charge	(2,054,376)	3,648,133
	96,732,177	34,767,508

9.1 RECONCILIATION BETWEEN INCOME TAX AND THE ACCOUNTING SURPLUS

Year ended 31 March	2024	2023
	Rs.	Rs.
Trade Income		
Accounting profit before tax	323,290,598	163,576,819
Net aggregate allowable items	6,648,506	(190,559,703)
	329,939,104	(26,982,884)
Less :		
Other income	(207,216,975)	(142,239,827)
Trade income	122,722,129	(169,222,711)
Other Statutory Income		
Interest income	207,216,975	142,239,827
Total other statutory income	207,216,975	142,239,827
Taxable Income		
Trade income	122,722,129	(169,222,711)
Other statutory income	207,216,975	142,239,827
Total Assesable Income	329,939,104	(26,982,884)
Less : Qualifying Payments	-	-
Taxable Income	329,939,104	(26,982,884)
Tax on taxable Income at 30%	98,981,731	-
Tax on taxable income from Business 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	98,981,731	31,119,375

Notes to the Financial Statements

10. PROPERTY AND EQUIPMENT

	Freehold land	Building	Office Equipment and Name Board	Furniture and Fittings
	Rs.	Rs.	Rs.	Rs.
At Cost				
Balance as at 01 April 2022	75,435,799	94,379,958	27,187,282	28,472,670
Additions	-	-	1,353,900	123,950
Disposals	-	-	-	-
Balance as at 31 March 2023	75,435,799	94,379,958	28,541,182	28,596,620
Additions	-	-	5,717,673	730,515
Disposals	-	-	(605,484)	(352,855)
Balance as at 31 March 2024	75,435,799	94,379,958	33,653,371	28,974,280
Depreciation				
Balance as at 01 April 2022	-	51,530,986	23,634,447	25,631,010
Charge for the year	-	1,418,851	1,575,521	1,623,869
Disposals	-	-	-	-
Balance as at 31 March 2023	-	52,949,837	25,209,968	27,254,879
Charge for the year	-	1,418,852	1,988,580	542,634
Disposals	-	-	(605,484)	(317,640)
Balance as at 31 March 2024	-	54,368,689	26,593,064	27,479,873
Written Down Value				
As at 31 March 2023	75,435,799	41,430,121	3,331,214	1,341,742
Written Down Value				
As at 31 March 2024	75,435,799	40,011,269	7,060,307	1,494,407

10.1 During the financial year, the Association acquired property and equipment to the aggregate value of Rs. 16,769,564/- (2023 Rs. 5,159,498/-), Cash payments amounting to Rs. 16,769,564/- (2023 Rs. 5,159,498/-) 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 2024 was Rs.84,480,905/- (2023 - Rs.77,763,313/-)

10.3 Based on the assessment of potential impairment carried out internally as at 31 March 2024, 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 equipments 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	-	-

Computers and Communication Equipment	Library Books	Motor Vehicle	Generator	Elevator	Total
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
28,340,119	416,841	9,131,040	5,069,500	2,027,221	270,460,430
3,681,647	-	-	-	-	5,159,497
(568,225)	-	-	-	-	(568,225)
31,453,541	416,841	9,131,040	5,069,500	2,027,221	275,051,702
10,321,376	-	-	-	-	16,769,564
(3,002,003)	-	-	-	-	(3,960,342)
38,772,914	416,841	9,131,040	5,069,500	2,027,221	287,860,924
23,431,223	416,841	9,131,040	5,069,500	2,027,221	140,872,268
2,251,047	-	-	-	-	6,869,288
(568,225)	-	-	-	-	(568,225)
25,114,045	416,841	9,131,040	5,069,500	2,027,221	147,173,331
3,605,892	-	-	-	-	7,555,958
(2,782,549)	-	-	-	-	(3,705,673)
25,937,388	416,841	9,131,040	5,069,500	2,027,221	151,023,616
6,339,496	-	-	-	-	127,878,372
12,835,526	-	-	-	-	136,837,308

*Notes to the Financial Statements***11. INVESTMENT PROPERTY**

	Land Rs.	Building Rs.	Total Rs.
Cost			
As at 01 April 2022	122,500,000	66,303,202	188,803,202
Additions	-	-	-
As at 01 April 2023	122,500,000	66,303,202	188,803,202
Additions	-	-	-
Balance as at 31 March 2024	122,500,000	66,303,202	188,803,202
Depreciation			
As at 01 April 2022	-	52,658,732	52,658,732
Charge for the year	-	2,728,893	2,728,893
As at 01 April 2023	-	55,387,625	55,387,625
Charge for the year	-	2,728,894	2,728,894
Balance as at 31 March 2024	-	58,116,519	58,116,519
Carrying Value			
As at 31 March 2023	122,500,000	10,915,577	133,415,577
Carrying Value			
As at 31 March 2024	122,500,000	8,186,683	130,686,683

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.

Based on the assessment of potential impairment carried out internally as at 31 March 2024, 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

12.1 AT COST

	Balance as at 01.04.2023	Additions	Disposals / Transfers	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
Computer Software	16,447,888	409,500	-	16,857,388
	16,447,888	409,500	-	16,857,388
Capital work-in progress				
Website and Other Software Development	409,500	-	(409,500)	-
	409,500	-	(409,500)	-
Total Value of Intangible Assets	16,857,388	409,500	(409,500)	16,857,388

12.2 AMORTISATION

	Balance as at 01.04.2023	Additions	Disposals / Transfers	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
Computer Software	14,530,408	1,256,819	-	15,787,227
Total Amortisation	14,530,408	1,256,819	-	15,787,227

12.3 NET BOOK VALUES

Balance as at 31 March	2024	2023
	Rs.	Rs.
Computer Software	1,070,160	1,917,480
Capital work-in progress	-	409,500
Total Carrying Amount of Intangible Assets	1,070,160	2,326,980

12.4 During the financial year, the Association did not acquire any Intangible Assets for cash. (2023 - Rs. 42,200/-)

12.5 The gross carrying amount of fully depreciated Intangible Assets that are still in use as at 31 March 2024 was Rs. 13,750,967/- (2023 - Rs. 8,919,341/-)

12.6 Based on the assessment of potential impairment carried out internally as at 31 March 2024, no provision was required to be made in the financial statements as at the reporting date.

*Notes to the Financial Statements***13. LONG TERM INVESTMENTS**

	2024	2023
	Rs.	Rs.
Term deposits - Bank of Ceylon	300,800,972	319,005,074
- People's Bank	246,797,099	52,880,389
- DFCC Bank	131,033,395	108,980,602
- Seylan Bank	130,665,960	111,004,633
- Hatton National Bank	37,620,122	31,912,806
	846,917,548	623,783,504

Due to the volatility of interest rates in the current market, management has decided to invest a certain amount of the total portfolio in long term in order to avoid the exposure towards the interest rate risk and to earn best income in the long run.

14. INVENTORIES

	2024	2023
	Rs.	Rs.
Practical training books	14,403	18,171
Suggested answers and other publications	1,219,068	1,449,914
Student guides	350,139	497,403
Study texts	4,361,133	7,345,029
Stationery items	4,834,046	9,568,603
Answer booklets & Supplementaries	3,667,331	5,623,520
	14,446,120	24,502,640

15. TRADE AND OTHER RECEIVABLES

	2024	2023
	Rs.	Rs.
Trade Debtors	4,347,159	1,458,137
Other receivables	957,549	990,170
Staff Loans (Note 15.1)	6,746,383	5,744,786
	12,051,091	8,193,093

15.1 STAFF LOANS

	2024	2023
	Rs.	Rs.
Staff loans	5,313,491	4,521,557
Pre paid staff expenses	1,432,892	1,223,229
	6,746,383	5,744,785

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.

16. SHORT TERM INVESTMENTS

	2024 Rs.	2023 Rs.
Term deposits - Bank of Ceylon	185,891,845	115,092,463
- People's Bank	85,795,036	122,534,247
- Seylan Bank	46,859,452	39,413,822
- Sampath Bank	19,089,086	56,020,158
- NDB Bank	36,392,329	-
	374,027,748	333,060,690

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.

17. DEPOSITS, PREPAYMENTS AND ADVANCES

	2024 Rs.	2023 Rs.
Prepayments / Advances	11,074,449	20,522,960
Deposits (Note 17.1)	1,965,500	2,243,500
	13,039,949	22,766,460

17.1 DEPOSITS

	2024 Rs.	2023 Rs.
Refundable deposits	944,500	812,500
Bulk postage deposit	500,000	500,000
Security deposits	461,000	871,000
Rent deposit	60,000	60,000
	1,965,500	2,243,500

18. CASH AND CASH EQUIVALENTS

18.1 FAVOURABLE BALANCES

	2024 Rs.	2023 Rs.
Cash at bank	28,314,522	13,379,480
Stamps	22,000	22,505
Cash-in-hand	213,987	176,668
	28,550,509	13,578,653

*Notes to the Financial Statements***18.2 UNFAVOURABLE BALANCES**

	2024	2023
	Rs.	Rs.
Hatton National Bank	(3,400,378)	(4,661,250)
Bank Of Ceylon	(2,321,308)	(5,023,769)
	(5,721,686)	(9,685,019)
Total cash and cash equivalents for the purpose of Statement of Cash Flow	22,828,823	3,893,634

19. OTHER FUNDS

	Balance as at 01.04.2023	Contribution	Distribution	Balance as at 31.03.2024
	Rs.	Rs.	Rs.	Rs.
Scholarship fund	178,660	20,000	82,500	116,160
Member's benevolence fund	28,700	-		28,700
Toastmasters club fund	10,100			10,100
Prize fund	437,406	671,000	515,000	593,406
Achievers network fund	3,276,343	561,500	664,944	3,172,899
AAT Nenawaruna Scholarship fund	1,644,000	104,000	1,030,000	718,000
Life membership fund				
MAAT	35,149,062	10,506,000	6,856,075	38,798,988
SAT	1,789,362	108,000	326,965	1,570,397
FMAAT	2,140,194	275,000	341,134	2,074,060
	44,653,828	12,245,500	9,816,618	47,082,710

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.

20. RETIREMENT BENEFIT OBLIGATION

	2024	2023
	Rs.	Rs.
Balance at the beginning of the year	26,710,684	18,328,313
Current service cost	2,668,987	2,478,337
Interest cost	3,047,632	2,598,074
	32,427,303	23,404,724
Payments made during the year	(1,111,570)	(2,085,165)
(Profit) / Loss arising from changes in assumptions	(3,128,405)	5,391,125
Balance at the end of the year	28,187,328	26,710,684

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

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

	2024	2023
Discount interest rate	12%	16%
Salary increment rate	10%	14%
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.

20.1 EXPENSES RECOGNIZED DURING THE YEAR IN INCOME STATEMENT

	2024	2023
	Rs.	Rs.
Current service cost	2,668,987	2,478,337
Interest cost	3,047,632	2,598,074
Actuarial (Gain) / Loss recognised in other comprehensive income	(3,128,405)	5,391,125

20.2 RETIREMENT BENEFIT OBLIGATIONS (NET OF TAXES)

	2024	2023
	Rs.	Rs.
(Gain) / Loss arising from changes in assumptions	(3,128,405)	5,391,125
Tax at 30% p.a	938,521	(1,617,338)
	(2,189,882)	3,773,787

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	(2,215,346)	2,462,409	25,971,982	30,649,737
Salary Increment rate	2,485,814	(2,273,113)	30,673,142	25,914,215

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 2024.

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

Notes to the Financial Statements

21. RENT RECEIVED IN ADVANCE

	2024 Rs.	2023 Rs.
Bharti Airtel Lanka (Pvt) Ltd	33,820,710	33,820,710
Mobitel (Pvt) Ltd	-	20,818
	33,820,710	33,841,528

22. DEFERRED TAX LIABILITIES

	2024 Rs.	2023 Rs.
Balance at the beginning of the year	6,996,953	4,966,158
Amount originated/(reversed) during the year		
(Reversed) /Charged to profit or loss	(2,054,376)	3,648,133
Charged / (Reversed) to other comprehensive income	938,521	(1,617,338)
Balance at the end of the year	5,881,099	6,996,953

	2024		2023	
	Temporary Difference Rs.	Tax Effect Rs.	Temporary Difference Rs.	Tax Effect Rs.
Deferred Tax Arising from				
Accelerated depreciation for tax purpose	47,790,997	14,337,299	50,033,862	15,010,158
Post - employment retirement benefit	(28,187,328)	(8,456,198)	(26,710,684)	(8,013,205)
	19,603,669	5,881,101	23,323,178	6,996,953

22.1 RECONCILIATION OF NET DEFERRED TAX LIABILITY

	Statement of financial position		Statement of Comprehensive Income		Other comprehensive income	
	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.	2024 Rs.	2023 Rs.
Accelerated depreciation for tax purposes	14,337,299	15,010,158	(672,859)	7,478,036	-	-
Defined benefit plans	(8,456,198)	(8,013,205)	(1,381,515)	(3,829,903)	-	-
Tax effect on actuarial gains/losses on defined benefit plans	-	-	-	-	938,521	(1,617,338)
Deferred tax effect on profit or loss and other comprehensive income			(2,054,373)	3,648,133	938,521	(1,617,338)
Net deferred tax liability as at 31 March	5,881,101	6,996,952				

23. TRADE AND OTHER PAYABLES

	2024	2023
	Rs.	Rs.
Trade Payables	21,299,913	30,021,571
Other Payables	53,188,513	54,633,656
Stamp Duty Payable	3,900	4,600
SSCL Payable	287,504	3,437,152
	74,779,830	88,096,979

24. ADVANCES AND DEPOSITS RECEIVED

	2024	2023
	Rs.	Rs.
Fees received in advance	38,893,258	33,364,897
Refundable deposits	90,000	25,000
Refundable rent deposits	5,041,530	5,251,530
	44,024,788	38,641,427

25. INCOME TAX PAYABLE

	2024	2023
	Rs.	Rs.
Balance at the beginning of the year	1,935,263	8,046,943
Charge for the year	98,786,552	31,119,375
	100,721,815	39,166,318
Less: Payments made during the year	(42,751,591)	(36,056,904)
Withholding tax	(7,533,848)	(1,174,151)
Payable at the end of the year	50,436,375	1,935,263

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.

*Notes to the Financial Statements***28. FINANCIAL RISK MANAGEMENT**

Governing Council has the overall responsibility for the establishment and overseeing of the Association's risk management that oversees through the Audit, Compliance 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 asset fails to meet its contractual obligation.

CREDIT RISK EXPOSURE

The maximum risk exposure of financial assets which are generally subject to credit risk are equal to their carrying amounts.

As at 31st March	2024	2023
	Rs.	Rs.
Term Deposits	1,220,945,296	956,844,194
Receivables & Deposits	25,091,040	30,959,552
Cash at Bank	22,592,835	3,694,462
Total credit risk exposure	1,268,629,171	991,498,208

To minimize the credit risk, all deposits are held in government banks and private banks which have higher ratings.

BALANCES WITH BANKS

	2024	2023
	Rs.	Rs.
Fitch Rating		
AAA	685,892	690,400
A	897,853,453	699,333,342
A-	344,998,788	260,364,913
	1,243,538,133	960,388,655

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	5,304,708	-	-	-	5,304,708
Staff Loans	-	937,194	1,490,047	2,886,250	5,313,491
Short & Long Term Investments	-	290,754,526	83,273,222	846,917,549	1,220,945,297
Refundable Deposits	-	-	-	1,965,500	1,965,500
Cash and Cash Equivalents	28,550,509	-	-	-	28,550,509
	33,855,217	291,691,720	84,763,269	851,769,299	1,262,079,505
Financial Liabilities					
Trade and Other Payables	24,844,794	45,778,080	4,156,956	-	74,779,830
Refundable Deposits	90,000	-	-	5,041,530	5,131,530
Rent Received in Advance	-	-	-	33,820,710	33,820,710
Bank Overdraft	5,721,686	-	-	-	5,721,686
	30,656,480	45,778,080	4,156,956	38,862,240	119,453,756

Governing Council is satisfied that the Association has adequate liquidity and business plans to continue the operation and to mitigate the increased liquidity risks for the next 12 months from the reporting date.

28.3 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates, which will affect the Association's profit or loss or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Association manages its interest rate risk by monitoring and managing cash flows, negotiating favourable rates on deposits including and maintaining an appropriate combination of deposits with Government and private banks.

*Notes to the Financial Statements***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 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:

	2024	2023
	Rs.	Rs.
Payments		
Reimbursement of travelling expenses of all members of the Governing Council on attending of meetings	680,000	450,500
Reimbursement of examination center visit, AECs & other visit expenses	241,908	112,552
Receipts		
Received to AAT special funds from members of the Governing Council	201,500	214,500
Other receipts from members of the Governing Council	218,986	-

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

	2024	2023
	Rs.	Rs.
Payments to CA Sri Lanka		
Seminar/ Conference Participation	171,000	173,000
Registration and tickets for Annual Report Awards Competition	295,000	230,000
Receipts from CA Sri Lanka		
Sponsorships	1,100,000	1,850,000



Supplementary Information

Ten Year Summary

Statement of Comprehensive Income

Year Ended 31 March	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Income	512,893	381,958	317,828	282,965	289,545	275,000	232,717	219,122	212,410	226,401
Cost of services	(245,567)	(202,313)	(148,044)	(137,764)	(155,117)	(136,854)	(135,133)	(123,980)	(129,853)	(112,510)
Gross surplus	267,326	179,645	169,784	145,202	134,428	138,146	97,584	95,142	82,557	113,891
Other income	10,419	9,218	6,339	6,770	6,527	6,577	12,332	6,061	24,785	5,529
Net income from investment property	13,835	6,233	16,000	14,683	14,300	13,045	12,237	11,112	10,823	9,832
Administration, Establishment and Finance Expenses	(138,593)	(117,862)	(92,402)	(85,290)	(90,032)	(91,348)	(86,982)	(81,358)	(80,565)	(73,000)
Student Promotion and Best Annual Report Expenses	(36,913)	(55,898)	(21,453)	(24,720)	(35,546)	(32,510)	(15,489)	(19,874)	(20,526)	(23,290)
Finance income	207,217	142,240	36,422	51,798	58,217	46,178	39,308	29,794	15,540	17,586
Surplus for the year before tax	323,291	163,576	114,690	108,442	87,894	80,088	58,991	40,878	32,614	50,549
Tax expense	(96,733)	(34,768)	(16,697)	(20,373)	(14,149)	(18,885)	(16,407)	(8,314)	(4,999)	(9,927)
Surplus for the year after tax	226,558	128,809	97,993	88,069	73,745	61,203	42,584	32,564	27,615	40,622
Other comprehensive income										
Gain/Loss arising from changes in assumptions in retirement Benefit Obligations	2,190	(3,774)	11,199	(5,061)	(168)	230	(2,208)	2,298	2,888	(1,917)
Total comprehensive income for the year	228,748	125,035	109,192	83,008	73,577	61,433	40,376	34,862	30,503	38,705

Ten Year Summary Statement of Financial Position

As at 31 March	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	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	136,837	127,878	129,588	135,241	140,169	143,974	153,687	154,437	157,057	137,089
Investment Property	130,687	133,416	136,144	138,873	141,602	144,331	147,060	149,789	152,518	155,247
Intangible Assets	1,070	2,327	4,367	6,394	7,916	7,143	3,985	1,211	1,696	416
Long term investments	846,918	623,784	-	-	-	-	-	-	-	-
	1,115,512	887,404	270,099	280,508	289,687	295,449	304,732	305,437	311,271	292,752
Deferred tax assets	-	-	-	-	-	-	-	-	-	744
Total Non-Current Assets	1,115,512	887,404	270,099	280,508	289,687	295,449	304,732	305,437	311,271	293,496
CURRENT ASSETS										
Inventories	14,446	24,503	12,868	9,366	5,217	12,371	10,058	10,727	10,940	4,897
Trade and Other Receivables	12,051	8,193	9,787	5,193	7,007	7,584	8,000	7,896	2,279	3,269
Short Term Investments	374,028	333,061	734,378	651,298	564,515	446,193	352,076	261,705	232,963	221,125
Deposits, Prepayments and Advances	13,040	22,766	11,970	12,904	7,015	8,520	8,253	19,422	27,043	16,814
Non-Current Assets Held for Sale	-	-	-	-	-	-	-	-	-	9,198
Income Tax Receivable	-	-	-	-	-	2,276	-	-	433	-
Cash and Cash Equivalents	28,551	13,579	22,670	21,385	23,282	19,523	21,610	44,183	23,602	27,109
Total Current Assets	442,116	402,102	791,673	700,146	607,035	496,467	399,997	343,933	297,260	282,412
Total Assets	1,557,628	1,289,506	1,061,773	980,654	896,722	791,916	704,729	649,370	608,531	575,908
FUNDS AND LIABILITIES										
Accumulated Fund	1,267,693	1,038,944	913,909	804,716	721,708	648,132	586,698	546,323	511,461	480,958
Other Funds	47,083	44,654	33,995	31,795	33,072	34,820	34,264	32,683	30,959	28,346
Total Funds	1,314,776	1,083,598	947,904	836,512	754,780	682,952	620,962	579,006	542,420	509,304
NON-CURRENT LIABILITIES										
Retirement Benefit Obligation	28,187	26,711	18,328	27,548	18,883	15,344	13,139	8,934	9,894	11,463
Rent Received in Advance	33,821	33,842	-	17,068	21,021	21,021	21,021	21,443	21,422	21,402
Deferred Tax Liabilities	5,881	6,997	4,966	3,625	4,334	5,798	2,765	2,103	2,216	-
Total Non-Current Liabilities	67,889	67,549	23,294	48,241	44,238	42,163	36,925	32,480	33,532	32,865
CURRENT LIABILITIES										
Trade and Other Payables	74,780	88,097	41,870	45,013	39,533	33,005	22,820	21,246	23,602	20,535
Advances and Deposits Received	44,025	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	50,436	1,935	8,047	10,100	4,482	-	4,109	4,255	-	1,182
Bank Overdraft	5,722	9,685	3,037	4,079	2,206	5,012	2,701	6,126	3,481	4,677
Total Current Liabilities	174,963	138,359	90,575	95,901	97,704	66,801	46,842	37,884	32,579	33,739
Total Funds and Liabilities	1,557,628	1,289,506	1,061,773	980,654	896,722	791,916	704,729	649,370	608,531	575,908

Ten Year Summary Statement of Cash Flows

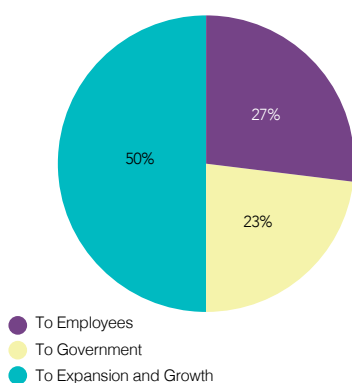
For the Year Ended 31 March	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000	Rs. ' 000
Cash Flows from / (used in) Operating Activities										
Net Surplus before Tax	323,291	163,577	114,690	108,442	87,894	80,088	54,657	40,878	32,614	50,550
Adjustments for										
Depreciation - Property and Equipment	7,556	6,869	8,406	9,906	11,132	12,772	12,078	11,202	9,176	5,411
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	1,257	2,082	2,700	2,881	2,554	1,774	1,238	485	120	123
Gain/(Loss) on Disposal of Property and Equipment	(239)	(25)	(68)	(85)	(268)	(28)	(4,864)	2	(17,163)	(51)
Provision for Gratuity	5,717	5,076	5,403	4,239	3,472	3,062	2,521	2,160	2,511	2,159
Interest Income	(207,217)	(142,240)	(36,422)	(51,798)	(58,217)	(46,178)	(39,308)	(29,794)	(15,540)	(17,391)
Income from Investment Property-before charging depreciation	(16,564)	(8,962)	(18,729)	(17,412)	(17,029)	(15,773)	(14,966)	(13,841)	(13,553)	(12,562)
Operating Surplus before Changes in Working Capital	116,529	29,106	78,709	58,902	32,267	38,445	14,084	13,821	894	30,968
Changes in working capital										
Inventories	10,057	(11,635)	(3,502)	(4,149)	7,154	(2,313)	669	212	(6,077)	2,328
Trade and Other Receivables, Prepayments and Deposits	5,869	(9,202)	(3,661)	(4,075)	2,083	149	11,065	2,004	(41)	(9,940)
Trade and Other Payables	(13,317)	46,227	(3,143)	5,480	6,528	10,571	1,573	(2,354)	3,066	7,135
Advances and Deposits Received	5,363	34,861	(16,155)	(18,727)	22,700	11,571	10,955	761	(1,848)	3,113
Cash Generated from Operations	124,500	89,357	52,248	37,431	70,730	58,423	38,346	14,444	(4,006)	33,604
Tax Paid	(50,285)	(37,231)	(19,232)	(14,640)	(8,828)	(22,274)	(11,311)	(3,994)	(4,780)	(9,582)
Gratuity Paid	(1,112)	(2,085)	(1,600)	(1,459)	(130)	(589)	(770)	(567)	(68)	(1,255)
Net Cash from/ (used in) Operating Activities	73,103	50,042	31,416	21,332	61,772	35,560	26,265	9,883	(8,854)	22,767
Cash Flows from/ (used in) Investing Activities										
Acquisition of Property and Equipment	(16,770)	(5,159)	(2,818)	(4,978)	(7,342)	(3,163)	(11,328)	(10,169)	(38,852)	(27,849)
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 Capital Working Progress - Property & Equipment	-	-	-	-	281	(281)	-	1,584	-	-
Interest Income	207,217	142,240	36,422	51,798	58,217	46,178	39,308	29,794	15,540	17,391
Income from Investment Property	16,564	8,962	18,729	17,412	17,029	15,773	14,966	13,841	13,553	12,562
Net Movement in Short-term Investments	(40,967)	401,318	(83,081)	(86,783)	(118,322)	(94,117)	(90,371)	(28,741)	(21,838)	(23,866)
Sales Proceeds on Disposal of Property and Equipment	493	25	133	85	2	28	4,864	-	26,907	139
Net Cash Flows from/ (used in) Investing Activities	166,538	547,344	(31,288)	(23,825)	(53,460)	(40,514)	(46,572)	6,309	(6,090)	(22,163)
Cash Flows from / (used in) Financing Activities										
Net Movement of Rent Advances	-	-	-	-	-	-	(422)	21	20	19
Net Movement in Long term investments	(223,134)	(623,784)	-	-	-	-	-	-	-	-
Net Movement in Other Funds	2,429	10,659	2,200	(1,277)	(1,748)	556	1,581	1,724	2,612	3,117
Net Cash Flows from Financing Activities	(220,705)	(613,125)	2,200	(1,277)	(1,748)	556	1,159	1,745	2,632	3,136
Net Increase/(Decrease) in Cash and Cash Equivalents	18,935	(15,740)	2,328	(3,770)	6,564	(4,397)	(19,148)	17,937	(12,312)	3,740
Cash and Cash Equivalents at the Beginning of the Period (Note A)	3,894	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432	28,692
Cash and Cash Equivalents at the End of the Period (Note B)	22,829	3,894	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432
Note A										
Cash and Cash Equivalents at the Beginning 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
Note B										
Cash and Cash Equivalents at the End of the Period										
Cash and Bank Balances	28,551	13,579	22,670	21,385	23,282	19,523	21,610	44,182	23,602	37,109
Bank Overdraft	(5,722)	(9,685)	(3,037)	(4,079)	(2,206)	(5,012)	(2,701)	(6,125)	(3,482)	(4,677)
	22,829	3,894	19,634	17,306	21,075	14,511	18,909	38,057	20,120	32,432

Value Added Statement

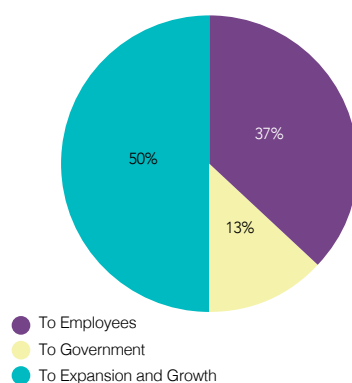
For the Year Ended 31 March	2024 Rs.	2023 Rs.
VALUE ADDITION		
Revenue	512,892,617	381,957,725
Income from Investment property	19,326,120	19,326,120
Other income	217,721,345	151,457,624
Total	749,940,082	552,741,469
Less: Operating expenses	(269,617,644)	(273,249,697)
Value added	480,322,438	279,491,772
DISTRIBUTION OF VALUE ADDITION		
To employees as salaries and other benefits	129,613,240	104,104,883
Total to Employees	129,613,240	104,104,883
Income Tax	98,786,551	31,119,375
SSCL	12,706,701	5,808,952
Total to the Government	111,493,252	36,928,327
TO EXPANSION AND GROWTH		
As depreciation and Amortisation	11,541,670	11,680,047
As reserves	226,558,421	128,809,311
Deferred Taxation	1,115,855	(2,030,796)
Total to the Expansion and Growth	239,215,946	138,458,562
Total Distribution of Value Addition	480,322,438	279,491,772

COMPOSITION OF VALUE OF DISTRIBUTION

2023/24



2022/23



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Glossary

AAT	- Association of Accounting Technicians of Sri Lanka
ACRMEC	- Audit, Compliance, Risk Management and Ethics Committee
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 the Association of Accounting Technicians of Sri Lanka
GRI	- Global Reporting Initiative
HNDA	- Higher National Diploma in Accountancy
IBC	- Inner Back Cover
IFAC	- International Federation of Accountants
IR	- Integrated Reporting
IT	- Information Technology
MAAT	- Member of the 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

Corporate Sponsors 2023/2024



Your Trusted Payment Network



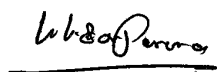
Notice of Annual General Meeting

Notice is hereby given that the 36th Annual General Meeting of the Association of Accounting Technicians of Sri Lanka will be held on 15 July 2024 from 5.00 p.m. onwards at the Prof. Lakshman R. Watawala Auditorium, AAT Centre, No. 540, Ven. Muruththettuwa Ananda Nahimi Mawatha (Thimbirigasyaya Road), Colombo 05, for the following purposes.

1. To receive and consider the Annual Report of the Governing Council for the Financial Year 2023/24.
2. To receive and consider the Audited Financial Statements of the Association and Report of the Auditors thereon for the year ended 31 March 2024.
3. To re-appoint M/S. Ernst & Young, Chartered Accountants as Auditors of the Association for the Financial Year 2024/25 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 2024/25 and up to the date of the next Annual General Meeting.

By Order of the Governing Council

ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA



K. L. Jagath Nandana Perera

Secretary

20 June 2024

Corporate Information

COMPANY NAME

Association of Accounting Technicians of Sri Lanka

LEGAL FORM

Limited Liability Company (Guarantee)

COMPANY REGISTRATION NUMBER

GA90

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

540, Ven. Muruththettuwa Ananda Nahimi Mw,
(Thimbirigasyaya Road), Narahenpita, Colombo 05.

Contact : +94 11 2559669, 2552662, 2595857

Email : aatsled@sltnet.lk

Website : www.aatsl.lk

FINANCIAL YEAR END

31 March

EXTERNAL AUDITORS

Ernst & Young – Chartered Accountants

INTERNAL AUDITORS

KPMG – Chartered Accountants

TAX PAYER IDENTIFICATION NUMBER

154000917

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

LAWYERS

F. J. G. De Saram & Company

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Annual Reports



ASSOCIATION OF ACCOUNTING TECHNICIANS OF SRI LANKA

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