

SRI LANKA SHIPPERS' COUNCIL

Financial statements for the year ended
31st March 2023

**Edirisinghe & Co.
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INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF SRI LANKA SHIPPERS' COUNCIL****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Sri Lanka Shippers' Council (the Association), which comprise the statement of financial position as at March 31, 2023, and the statement of income and expenditure, 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, so far as appears from our examination, the Company maintained proper accounting records for the year ended March 31, 2023 and the financial statements give a true and fair view of the Association's state of affairs as at March 31, 2023 and its deficits and cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (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 Company in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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 Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with SLFRS for SMEs and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 misstatements, 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing website at: <http://slaasc.com/auditing/auditorsresponsibility.php>. This description forms part of our auditor's report.



Partners: P.P. Edirisinghe FCA ACIM MBA, Ms. M.K.K. Karunaratne FCA ACMA, P.K.A.M. Alahakoon ACA MAAT
S.A. Harischandra FCA ACMA CGMA MBA Bcom (Sp.)
Consultants: A.T.P. Edirisinghe FCA FCMA (UK), A.D. Jayasena FCA

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INDEPENDENT AUDITOR'S REPORT (CONTINUED.)

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.

Edirisinghe & Co.

Edirisinghe & Co.
Chartered Accountants
Colombo
19-Jun-23



SRI LANKA SHIPPERS' COUNCIL
STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 March,

	Note	2023 Rs.	2022 Rs.
Income	2	410,000	415,000
Other Income	3	3,007,001	1,670,567
Total income		3,417,001	2,085,567
Administration expenses	4	804,744	716,508
Other operating expenses	5	908,386	467,194
Total expenditure		1,713,130	1,183,702
Surplus before tax expense		1,703,871	901,865
Income tax expense	6	-	(28,585)
Surplus for the year		1,703,871	873,280

Figures in brackets indicate deductions.

The accounting policies and notes to accounts form an integral part of these financial statements.

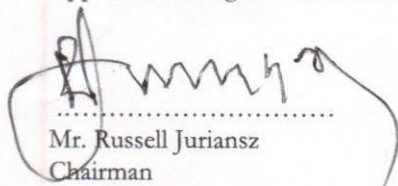


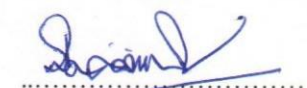
SRI LANKA SHIPPERS' COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 31 March,

	Note	2023 Rs.	2022 Rs.
Assets			
Current assets			
Inventory		75,263	75,263
Short term investments	7	4,711,580	3,301,745
Subscription receivable	8	265,000	65,000
Investment income receivable	9	97,709	12,390
Prepayment	10	54,097	46,506
Current account with the Ceylon Chamber of Commerce	11	492,984	550,304
Income tax receivable	12	64,903	977
Total current assets		5,761,535	4,052,184
Total assets		5,761,535	4,052,184
Accumulated fund and liabilities			
Accumulated fund		5,676,985	3,973,114
		5,676,985	3,973,114
Current liabilities			
Subscription received in advance		15,000	-
Accrued expenses	13	69,550	79,070
Total current liabilities		84,550	79,070
Total Liabilities & accumulated fund		5,761,535	4,052,184

The Managing Committee is responsible for the preparation and presentation of these financial statements
Signed for on behalf of the Managing Committee.

Approved and signed for and on behalf of the Managing Committee of Sri Lanka Shippers' Council:


.....
Mr. Russell Juriansz
Chairman
Sri Lanka Shippers' Council


.....
Mr. Trisherman Frink
Vice Chairman
Sri Lanka Shippers' Council

The accounting policies and notes to accounts form an integral part of these financial statements.



SRI LANKA SHIPPERS' COUNCIL
STATEMENT OF CHANGES IN FUNDS
For the year ended 31 March,

	Accumulated Fund Rs.	Total Rs.
Balance as at 01 April 2021	3,099,834	3,099,834
Surplus for the year	873,280	873,280
Balance as at 31 March 2022	3,973,114	3,973,114
Balance as at 01 April 2022	3,973,114	3,973,114
Surplus for the year	1,703,871	1,703,871
Balance as at 31 March 2023	5,676,985	5,676,985

Figures in brackets indicate deductions.

The accounting policies and notes to accounts form an integral part of these financial statements.



SRI LANKA SHIPPERS' COUNCIL
CASH FLOW STATEMENT

For the year ended 31 March,

	2023 Rs.	2022 Rs.
Cash flows from operating activities		
Surplus before tax expense	1,703,871	901,865
Interest income	(657,001)	(170,567)
Net cash flows before working capital changes	1,046,870	731,298
Adjustment for working capital changes		
Increase in subscription receivable	(200,000)	(30,000)
Increase of prepayments	(7,591)	(30,402)
Increase / (decrease) subscription received in advance	15,000	(20,000)
Increase / (decrease) accrued expenses	(9,520)	13,570
Cash generated from operations	844,759	664,466
Income tax payment	(63,927)	(62,678)
Net cash generated from operating activities	780,832	601,788
Cash flows from investing activities		
Interest received	571,683	162,270
Net investments during the year	(1,409,835)	(142,642)
Net cash flows (used in)/ generated from investing activities	(838,152)	19,628
Net increase/ (decrease) in cash and cash equivalents	(57,320)	621,416
Cash and cash equivalents at the beginning of the year	550,304	(71,112)
Cash and cash equivalents at the end of the year (Note 6)	492,984	550,304

Note A

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

Current account with the Ceylon Chamber of Commerce	492,984	550,304
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Figures in brackets indicate deductions

The accounting policies and notes to accounts form an integral part of these financial statements



SRI LANKA SHIPPERS' COUNCIL
NOTES AND ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. Accounting policies

1.1 Corporate Information

Sri Lanka Shippers' Council ("The association") is an affiliated association of the Ceylon Chamber of Commerce. The registered office is located at No.50, Nawam Mawatha, Colombo 02.

1.2 Principal activities And Nature of operations

The Association facilitates its members to be more competitive in their business logistics; performance and cost by the following;

- i. Being the APEX Body, protect the interest of members and being a strong advocate to the government.
- ii. Ensuring cost effective strategies are developed and implemented in the logistics; and value chain to make Association's members more competitive.
- iii. Facilitate greater efficiencies in logistics by reducing logistic barriers and simplifying trade.
- iv. Acting as the mandator in resolving conflict among the members.
- v. Facilitating a level playing field by developing and promoting a code of conduct / ethics for the members.
- vi. Establishing a center for excellence for information sharing and to upgrade competencies of members to compete globally.
- vii. Leveraging regional and global partnerships and facilitating global best practices in logistics in Sri Lanka.

1.3 Basis of preparation

The financial statements have been prepared on the historical cost.

(a) Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees , which is the association's functional currency.

(b) Use of estimates and judgments

The preparation of financial statements in conformity with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) requires management to make judgments , estimates and assumption that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumption are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which from the basis of marketing the judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of which the estimates are revised if the revision affects only the financial year or in the period of the revision and future period if the revision and future financial years.



SRI LANKA SHIPPERS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

1.4 Significant Accounting policies

The accounting policies set out below have been applied consistently to all period presented in these financial statements. Certain comparative amounts in the financial statements have been reclassified to conform to the current year's presentation.

(a) Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(b) Investments

Investments comprise of investment in unit trust and fixed deposits. They are recognised at amortized cost.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with maturity of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Association in the management of its short- term commitments.

Cash flow statement

Cash flow statement has been prepared using the indirect method.

(d) Liabilities and provisions

Liabilities are recognized in the balances sheet when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

A provision is recognized if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle that obligation.

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured on an accrual basis. Revenue is measured at the fair value of the consideration received or receivable. Revenue represents entrance fee, membership subscription and event income, which are recorded on accrual basis.

Investment income on fixed deposits are recognised using effective interest rate applicable for the period.

(f) Expenditure

All expenditure incurred in the operations of the business and in maintaining the capital assets in a state of efficiency have been charged to income in arriving at the association's loss/ profit for the year.



SRI LANKA SHIPPERS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

(g) Taxation

The liability for the taxation has been computed in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto. Taxation for the current and previous period to the extent unpaid is recognized as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior period exceed the amount due for the excess is recognized as an asset in the financial statements.

(h) Events occurring after the reporting date

All material post reporting event have been considered , disclosed and adjusted where applicable.

(i) Commitments and Contingencies

Contingencies are possible assets or obligation that arise from a past event and would be confirmed only on the occurrence or non- occurrence of uncertain future events, which are beyond the association's control. Commitments and contingent liabilities are disclosed in notes to the financial statements.



SRI LANKA SHIPPERS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March,

	2023 Rs.	2022 Rs.
2 Income		
Membership subscription	405,000	395,000
Entrance fee	5,000	20,000
	410,000	415,000
3 Investment income		
-Interest income from the fixed deposit	488,396	119,106
-Unrealized gain from the Unit trust	168,605	51,461
Income received in connection with:		
- Annual General Meeting Participation fee/Sponsorship	2,200,000	1,500,000
- Reimbursement of legal fees	150,000	-
	3,007,001	1,670,567
4 Administration expenses		
Printing and stationery	8,808	2,673
Secretarial fees	747,936	671,760
Postage, telegrams, telex and faxes	-	75
Communication cost	48,000	42,000
	804,744	716,508
5 Other operating expenses		
Tax advisory service	17,450	16,500
Audit fee	48,100	37,000
Business meeting expenses	24,575	9,450
Sundry expenses	21,423	8,962
Web hosting charges	-	12,667
Website maintaining	72,333	40,000
Web domain renewal fee	4,917	4,583
Annual Software licensing charge	14,713	6,420
Cost of CISCO Server endpoint solution	9,439	-
Book donation- CSR	-	51,570
Subscription paid to Global Shippers Forum	674,953	280,042
Press Conference	20,483	-
	908,386	467,194
6 Income tax expense		
Current tax expense	-	28,585
	-	28,585
6.1 Reconciliation between accounting surplus / (deficit) and taxable profit		
Accounting surplus before income tax	1,703,871	901,865
Other sources of income	(657,001)	(170,567)
Disallowed expenses	-	-
Losses claimed for the year	(1,046,870)	(731,298)
Business income	-	-
Interest income taxable	488,396	119,106
Losses claimed for the year	(488,396)	-
Taxable income	-	119,106
Taxable income at 24%	-	119,106
Taxable income at 30%	-	-
	-	119,106
Tax at 24%	-	-
Tax at 30%	-	28,585
Tax on taxable income	-	28,585



SRI LANKA SHIPPERS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,

	2023 Rs	2022 Rs
7 Short term investments		
National Development Bank PLC	3,400,285	2,409,054
Sampath Bank PLC	250,000	-
NDB Wealth Management	1,061,296	892,691
	4,711,580	3,301,745
8 Subscription receivable		
Subscription receivable	265,000	65,000
	265,000	65,000
9 Investment income receivable		
Fixed deposit		
National Development PLC	97,431	12,390
Sampath Bank PLC	278	-
	97,709	12,390
10 Prepayments		
SLSC - LK domain registration renewal fee	20,833	5,750
Nidro Supply (Pvt) Ltd - Web maintenance charges	26,333	32,333
Nidro Supply (Pvt) Ltd - Web hosting renewal charges	-	6,333
Cost of CISCO Server endpoint solution 01year	4,397	-
Lanka Communication Services - Annual Software licensing charge	2,533	2,089
	54,097	46,506
11 Current account with the Ceylon Chamber of Commerce		
Current account with The Ceylon Chamber of Commerce	492,984	550,304
	492,984	550,304
All the receipts and payments of the Council are done through the current accounts of The Ceylon Chamber of Commerce. Therefore the balance reflects the Council's cash and cash equivalents.		
12 Income tax receivable		
Balance at the beginning of the year	(977)	33,116
Tax paid for previous year	(11,374)	(33,116)
	(12,351)	-
Tax paid for the year	(52,553)	(29,562)
Provision for the year	-	28,585
Balance at the end of the year	(64,903)	(977)
13 Accrued expenses		
Tax advisory service	21,450	20,500
Audit fees	48,100	37,000
Book Donation- CSR Project	-	21,570
	69,550	79,070



SRI LANKA SHIPPERS' COUNCIL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023,

- 14 Employee benefits**
- 14.1 Defined contribution plan**
No contributions have been made to Employees' Provident Fund and Employees' Trust Fund since the Council has not employed any employees during the year.
- 14.2 Defined benefit obligation**
- 15 Commitments and contingencies**
The Council does not have contingent liabilities and commitments that require provisions or disclosures in the financial statements.
- 16 Events occurring after the reporting date**
There were no material events occurring after the reporting date which require adjustments to or disclosure in the financial statements.
- 17 Litigations and claims**
There are no litigations and claims against the Council as at the year end.

