

**THE CHARTERED INSTITUTE OF
LOGISTICS AND TRANSPORT
SRI LANKA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**



KPMG
(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT

To the Members of The Chartered Institute of Logistics and Transport Sri Lanka

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Chartered Institute of Logistics and Transport Sri Lanka ("the Institute"), which comprise the statement of financial position as at 31 December, 2019, and the statements of income and expenditure, changes in funds and 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 Institute as at 31 December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium – sized Entities ("SLFRS for SME's").

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. These Financial statements do not comprise other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

Auditors' 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 auditors' 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of The Chartered Institute of Logistics and Transport Sri Lanka

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

A handwritten signature in blue ink, appearing to read 'KPMG'.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
10 March 2020

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
STATEMENT OF FINANCIAL POSITION

As at 31st December,

	Note	2019 Rs.	2018 Rs.
Assets			
Non-current assets			
Property, plant and equipment	4	285,463	384,821
Total non-current assets		285,463	384,821
Current assets			
Inventory	5	916,533	-
Membership fee receivable	6	575,225	1,571,587
Corporate partnership receivable	7	6,650,000	2,900,000
Other receivables	8	2,432,222	3,193,658
Fixed deposits	9	22,085,359	20,151,501
Cash and cash equivalents	10	2,241,729	6,039,212
Total current assets		34,901,068	33,855,958
Total assets		35,186,531	34,240,779
Funds and liabilities			
Funds			
Accumulated fund		25,873,165	27,625,743
Mentee scholarship fund	11	46,684	66,684
John Diandas memorial fund	12	6,111,010	5,818,437
Total funds		32,030,859	33,510,864
Non-current liabilities			
Deferred tax liability	18	61,123	31,778
Total non-current liabilities		61,123	31,778
Current liabilities			
Membership subscription received in advance		262,435	68,085
Corporate partnership fee received in advance		150,000	-
Accrued expenses	13	1,148,605	371,874
Refundable deposits		66,310	-
Income tax payable	18	15,887	258,178
Bank overdraft	10	1,451,312	-
Total current liabilities		3,094,549	698,137
Total funds and liabilities		35,186,531	34,240,779

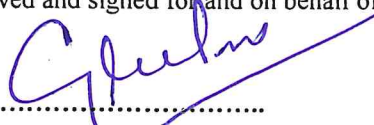
The accounting policies and explanatory notes form an integral part of these financial statements.


 Accountant

We certify that these financial statements have been prepared in compliance with the requirements of section 16 of the rule book of the Institute.

The Committee members are responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.

Approved and signed for and on behalf of the Committee of Chartered Institute of Logistics and Transport.


 Gayani De Alwis
 Chairperson


 Upali Gunawardena
 Treasurer

10 March, 2020
 Colombo

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31st December,

	Note	2019 <u>Rs.</u>	2018 <u>Rs.</u>
Income	14	10,868,375	9,647,950
Other income	15	<u>3,850,507</u>	<u>5,812,494</u>
Total income		14,718,882	15,460,444
Administrative expenses	16	(2,407,613)	(2,082,181)
Other operational expenses	17	(14,613,997)	(11,608,702)
Total expenses		<u>(17,021,610)</u>	<u>(13,690,883)</u>
Surplus/(Deficit) before tax		<u>(2,302,728)</u>	<u>1,769,561</u>
Tax expense	18	(29,345)	(198,043)
Surplus/(Deficit) for the year		<u><u>(2,332,073)</u></u>	<u><u>1,571,518</u></u>

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

Figures in brackets indicate deductions.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
STATEMENT OF CHANGES IN FUNDS

For the year ended 31st December

	Accumulated fund	Mentee scholarship fund (Restricted)	JDM fund (Restricted)	Total
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Balance as at 31st December 2017	26,054,225	66,684	5,843,620	31,964,529
Income to the fund	-	-	68,898	68,898
Expenses from the fund	-	-	(94,081)	(94,081)
Surplus for the year	1,571,518	-	-	1,571,518
Balance as at 31st December 2018	<u>27,625,743</u>	<u>66,684</u>	<u>5,818,437</u>	<u>33,510,864</u>
Income to the fund	-	-	712,573	712,573
Expenses from the fund	-	(20,000)	(420,000)	(440,000)
Surplus/(Deficit) for the year	(2,332,073)	-	-	(2,332,073)
Prior year adjustments made to the retained earnings	579,495	-	-	579,495
Balance as at 31st December 2019	<u><u>25,873,165</u></u>	<u><u>46,684</u></u>	<u><u>6,111,010</u></u>	<u><u>32,030,859</u></u>

The accounting policies and notes form an integral part of these financial statements.
Figures in brackets indicate deductions.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
STATEMENT OF CASH FLOWS

For the year ended 31st December,

	Note	2019 <u>Rs.</u>	2018 <u>Rs.</u>
Cash flows from operating activities			
Surplus/(Deficit) before tax		(2,302,728)	1,769,561
Adjustments for;			
Interest income		(1,771,722)	(2,936,430)
Depreciation of property, plant and equipment	4	163,420	116,011
Property, plant and equipment written off (Net)	4	18,222	-
		<u>(3,892,808)</u>	<u>(1,050,858)</u>
Changes in;			
Inventory		(916,533)	-
Membership fee receivable		996,362	(203,037)
Corporate partnership receivable		(3,750,000)	(2,500,000)
Other receivables		(1,092,927)	(1,559,232)
Membership subscription received in advance		194,350	1,750
Corporate partnership fee received in advance		150,000	-
Accrued expenses		776,731	83,601
Refundable deposits		66,310	-
Cash flow (used in)/generated from operating activities		<u>(3,575,707)</u>	<u>(4,176,918)</u>
Income tax paid		(242,291)	-
Net cash flow used in operating activities		<u>(7,710,806)</u>	<u>(5,227,776)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(82,284)	(160,404)
Property, plant and equipment written off (Net)	4	-	7,187
Interest income received		1,771,722	2,936,430
Net movements in fixed deposits		500,000	5,938,601
Net cash from investing activities		<u>2,189,438</u>	<u>8,721,814</u>
Cash flows from financing activities			
John Diandas Memorial fund	12	292,573	(25,183)
Mentee scholarship fund		(20,000)	-
Net cash flow (used in) from financing activities		<u>272,573</u>	<u>(25,183)</u>
Net increase in cash and cash equivalents		(5,248,795)	3,468,855
Cash and cash equivalents at the beginning of the year		6,039,212	2,570,357
Cash and cash equivalents at the end of the year	10	<u>790,417</u>	<u>6,039,212</u>

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

Figures in brackets indicate deductions.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

The Chartered Institute of Logistics and Transport Sri Lanka (“the Institute”) is an Association registered and located at 450, D.R. Wijewardana Mawatha, Colombo 10.

1.2 Principal Activities and nature of Operation

The principal activities of the Institute are to promote and encourage the art and science of logistics and transport. The Association is governed by the Council members in accordance with the rules set out in the rule book of the Association.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Institute which comprise of the statement of financial position, statement of income and expenditure and accumulated fund and statement of cash flows together with the accounting policies and notes to the financial statements of the institute as at 31st December 2019 and for the year then ended are prepared in accordance with Sri Lanka Accounting Standard for Small and Medium – sized Entities (“SLFRS for SME’s) adopted by the institute of Chartered Accountants of Sri Lanka (ICASL).

2.2 Responsibility for Financial statements

The committee members are responsible for the preparation and presentation of the Financial Statements.

2.3 Approval of Financial Statements by Directors

The Financial Statements for the year ended 31st December 2019, were authorized for issue by the Board of Directors on 10th March 2020.

The Committee members are responsible for the preparation and presentation of the Financial Statements.

2.4 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and applied consistently with no adjustments being made for inflationary factors affecting the financial statements.

These Financial Statements have been prepared on the basis that the Institute would continue as a going concern for the foreseeable future.

2.5 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupee (LKR), which is the Institute’s functional currency.

**THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS**

2. BASIS OF PREPARATION (CONTINUED)

2.6 Use of Estimates and Judgments

The preparation of the financial statements in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affect only that period or in the period or revision and future periods if the revision affects both current and future periods.

2.7 Materiality and Aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SUMMARY OF SIGNIFICANT POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

Certain comparative amounts in the financial statements have been reclassified to conform to the current year's presentation.

(a) Foreign Currency Translation

All transactions in foreign currencies are translated to Sri Lanka Rupees at the foreign exchange rates prevailing at the time of such transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Sri Lanka Rupees at the foreign exchange rates prevailing on that date. The foreign exchange differences arising on translation are recognized in the Statement of income and expenditure and accumulated fund.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities 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 Institute in the management of its short-term commitments. The statement of Cash Flow is reported based on the indirect method.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the Cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and when the group of asset to obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

(c) Property, plant and equipment (continued)

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent Measurement

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Institute incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight- line basis in profit or loss over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of Property, plant and equipment are as follows:

<u>Class of tangible assets</u>	<u>Useful Life</u>
Computer equipment	4
Furniture	10

All assets are depreciated from the month of the asset is available for use up to the month of disposal.

(d) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured on an accrual basis. Revenue is measured at the fair value of the consideration received or receivable. The following specific criteria are used for the purpose of recognition of revenue.

(i) Membership subscription

Membership subscription is accounted for on time accrual basis.

(i) Interest income

Interest income represents the interest on fixed deposits and is accounted on accrual basis.

(e) Expenses

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 Institute's profit/loss for the year.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

(f) Funds

i) Unrestricted funds

Unrestricted funds are those that are available for use by the organization at the discretion of the Committee, in furtherance of the general objectives of the organization and which are not designated for any specific purpose.

ii) Restricted funds

Where the grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the statement of income and expenditure to match with expenses incurred in respect of identified project. Utilized funds are held in their respective fund accounts and included under accumulated fund in the statement of financial position until such time as they are required.

iii) Designated funds

Unrestricted funds designated by the Committee for a specific purpose are identified as designated funds. The activities for which these funds may be used are identified in the financial statements.

(g) Income Tax Expenses

Income tax expense comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided using the liability method, on for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of assets and liabilities, which is the amount attributed to those assets and liabilities for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted as at the reporting date. Deferred tax liabilities are not recognized for the permanent differences.

(h) Events occurring after the reporting date

All material events occurring after reporting date events have been considered and where necessary adjustments to or disclosures in the financial statements have been made.

(i) Capital commitments and contingencies

Contingencies are possible assets or obligations 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 Institute's control.

Commitments and contingent liabilities are disclosed in notes to the financial statements.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
 NOTES TO THE FINANCIAL STATEMENTS

As at 31st December,

4 Property, plant and equipment	Computer equipment <u>Rs.</u>	Furniture equipment <u>Rs.</u>	Total 2019 <u>Rs.</u>	Total 2018 <u>Rs.</u>
<u>Cost</u>				
Balance as at 01 st January	746,638	104,006	850,644	706,500
Additions during the year	82,284	-	82,284	160,404
Write off during the year	(21,490)	-	(21,490)	(16,260)
Balance as at 31st December	<u>807,432</u>	<u>104,006</u>	<u>911,438</u>	<u>850,644</u>
<u>Accumulated depreciation</u>				
Balance as at 01 st January	434,056	31,767	465,823	358,885
Charge for the year	153,033	10,387	163,420	116,011
Write off of depreciation during the year	(3,268)	-	(3,268)	(9,073)
Balance as at 31st December	<u>583,821</u>	<u>42,154</u>	<u>625,975</u>	<u>465,823</u>
Carrying amount as at 31st December	<u>223,611</u>	<u>61,852</u>	<u>285,463</u>	<u>384,821</u>

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31st December,</i>	2019	2018
	<u>Rs.</u>	<u>Rs.</u>
5 Inventory		
Ties	314,168	-
Pins	123,760	-
Tshirts	252,630	-
Liquor Stock	225,975	-
	<u>916,533</u>	<u>-</u>
6 Membership fee receivable		
Balance as at the beginning of the year	1,571,587	1,368,550
Received during the year	(301,000)	(226,375)
Provision made during the year	(1,647,425)	-
Prior year adjustmenets	(1,162)	-
Receivables for the year	953,225	429,412
Balance as at the end of the year	<u>575,225</u>	<u>1,571,587</u>
7 Corporate partnership receivable		
South Asia Gateway Terminals	350,000	350,000
Hayleys Advantis	1,500,000	1,500,000
Hellmann Worldwide Logistics	150,000	150,000
Inter Air and Sea Logistics (Pvt) Ltd	150,000	150,000
John Keels Logistics	150,000	150,000
Logicare (Pvt) Ltd	150,000	150,000
Oviklo International	150,000	150,000
Sri Lanka Ports Authority	150,000	150,000
Trelleborg Lanka	150,000	150,000
Diesel & Motor Engineering PLC	1,500,000	-
Emergent Cold	350,000	-
Ceyline Holdings	350,000	-
MC Larens Holding	350,000	-
Abans Logistics (Pvt) Ltd.	150,000	-
Lanka Shipping and Logistics	150,000	-
Chriss Logix	150,000	-
National Transport Commission	150,000	-
PickMe	150,000	-
Civil Aviation Authority of Sri Lanka	150,000	-
Kotalawala Defence University	150,000	-
Aitken Spence Maritime Ltd.	150,000	-
	<u>6,650,000</u>	<u>2,900,000</u>
8 Other receivables		
Fixed deposit interest receivable	1,187,802	1,093,967
WHT receivable	102,695	31,094
International conference 2015/2016 receivable	11,500	11,500
International conference 2018 receivables	40,000	690,000
International conference 2019 receivables	192,500	-
WiLAT ignite receivables	15,000	65,000
Workshop - warehouse receivable	-	50,000
Logistics excellence award receivables	18,000	108,000
PBKML sponsorship receivables	15,000	15,000
LLE 26 th July 2019 Receivables	65,000	-
WiLAT Receivables	525,000	-
Railway consultancy project receivable	-	1,129,097
Centenary dinner receivable	250,000	-
BRI conference 2020 advance payment	225	-
Undeposited Funds	9,500	-
	<u>2,432,222</u>	<u>3,193,658</u>

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31st December,</i>	2019	2018
	<u>Rs.</u>	<u>Rs.</u>
9 Fixed deposits		
Bank of Ceylon	5,718,427	5,151,501
National Savings Bank	500,000	500,000
Sampath Bank	15,866,932	14,500,000
	<u>22,085,359</u>	<u>20,151,501</u>
10 Cash and cash equivalents		
Bank of Ceylon	1,054,192	2,509,887
Sampath Bank	1,117,287	3,499,325
Hatton National Bank	40,250	-
Petty cash	30,000	30,000
	<u>2,241,729</u>	<u>6,039,212</u>
Sampath Bank overdraft	(1,451,312)	-
	<u>790,417</u>	<u>6,039,212</u>
11 Mentee scholarship fund		
Balance as at the beginning of the year	66,684	66,684
Expenses from the fund	(20,000)	-
Balance as at the end of the year	<u>46,684</u>	<u>66,684</u>
The purpose of this fund is to provide scholarship to students.		
12 John Diandas Memorial fund		
Balance as at the beginning of the year	5,818,437	5,843,620
Income to the fund- (Fixed Deposit interest)	712,573	68,898
Expenses from the fund	(420,000)	(94,081)
Balance as at the end of the year	<u>6,111,010</u>	<u>5,818,437</u>

The purpose of this fund is to promote the study and research, along with the publication, presentation and discussion thereof on public transport as relevant to Sri Lanka and the conduct of the annual John Diandas Memorial Lecture.

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

<i>As at 31 December</i>	2019 Rs.	2018 Rs.
13 Accrued expenses		
Unidentified deposits	317,974	283,374
Accrued expenses	730,631	-
Audit fee payable	100,000	88,500
	1,148,605	371,874
<i>For the year ended 31 December</i>	2019 Rs.	2018 Rs.
14 Income		
Membership fees	3,168,375	2,495,950
Corporate partnership	7,700,000	7,152,000
	10,868,375	9,647,950
15 Other income		
Interest income	1,771,722	2,936,430
International conference	601,269	916,451
Income from the move game	9,676	-
Certificate Name Change Fee	1,500	-
Balance transferred from WiLAT account	29,448	-
Application submission fee	-	153,500
Membership Processing Fee	435,417	-
GATF project	-	70,000
Accreditation Fee	468,457	-
Bad debt recovery income	3,500	62,000
Other income	15,000	80,251
Qualifying examination fee	35,000	19,000
Sales of CILT Ties	35,600	6,000
Sales of CILT Pins	17,500	77,900
Sale of JDML Books	-	2,000
Sales of CILT T-shirts	23,200	-
JDML 2019	3,396	-
L S De Silva ML 2019	5,322	-
Certificate programme in aviation management	30,000	-
Membership pack	40,000	-
Student membership fee	324,500	193,050
Warehouse management workshop	-	168,765
Railway consultancy project	-	1,127,147
	3,850,507	5,812,494
16 Administrative expenses		
Postage and telephone	238,368	180,733
Printing and stationery	196,160	144,562
Courier charges	3,200	4,730
Depreciation on computer equipment	153,033	108,045
Depreciation on furniture	10,387	7,966
Entertainment and refreshments	161,515	108,864
Sundry/ general expenses	600,670	299,565
Other administration Expenses	50,000	-
Write offs of computer equipment	-	7,187
Travelling	174,413	74,815
Monthly allowance	60,000	336,851
Salary	759,867	615,000
CILT Banners	-	14,500
CILT Pins	-	179,363
	2,407,613	2,082,181

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

<i>For the year ended 31st December,</i>	2019	2018
	<u>Rs.</u>	<u>Rs.</u>
17 Other operational expenses		
Annual fee for internet payment gateway	60,000	60,000
Annual general meeting expenses	1,476,161	858,022
Audit fee	129,150	191,909
Bad debt - International Conference	12,500	-
Bad debt - membership	750	308,588
Bank charges	17,450	26,634
CILT advance certificate course expenses	140,800	-
CILT education	70,970	553,507
CILT educational professional fee	100,000	192,969
CILT International annual payment	1,427,619	1,193,460
Consultancy fee	2,034,000	2,000,000
Centenary celebration dinner	206,492	-
Dinner with Mr. Kevin	-	109,901
Flyer designing of CILT tie	-	2,000
International convention	1,234,709	997,889
John Harris visit	-	86,224
L.S De Silva Memorial Lecture	-	67,642
Link magazine designing charges	100,000	50,000
Logistics leaders evening 19th	-	117,134
Logistics leaders evening 10th January 2019	606,167	-
Logistics leaders evenings 26th July 2019	85,499	-
Tax consultancy fee	150,765	-
Membership card printing	-	35,025
New membership data base	76,800	594,955
P. B. Karandawala Memorial	50,940	145,011
Printing CILT ties	-	470,313
Professional charges	-	-
Provision for doubtful debt	1,647,425	-
Quickbook accounting package	93,551	8,663
Road safety workshop	35,131	-
Railway consultancy project	627,147	-
Secretarial fee	3,273,188	2,182,125
Set off membership	-	10,750
Strategic planing meeting	98,701	66,542
Student ID card printing	33,375	24,016
Transferred balance from YPF	-	314,589
Transferred balance from WiLAT	-	796,717
Video development	-	75,000
Web/email maintenance	451,823	69,117
Warehouse management workshop	6,696	-
YPF-Young Professional Forum	158,815	-
Cost of sales-Ties	49,853	-
Cost of sales-Pins	20,089	-
Cost of sales-T shirts	30,870	-
Merchandise given free	106,561	-
	<u>14,613,997</u>	<u>11,608,702</u>

THE CHARTERED INSTITUTE OF LOGISTICS AND TRANSPORT SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December,

	2019 <u>Rs.</u>	2018 <u>Rs.</u>
18 Tax expenses		
18.1 Income tax		
Current tax expense	-	166,265
	<u>-</u>	<u>166,265</u>
<i>Deferred tax expense</i>		
Origination/(reversal) of temporary differences	29,345	31,778
Income tax expense recognised under profit or loss	<u>29,345</u>	<u>198,043</u>

The institute is liable for income tax expense under the Inland Revenue Act No. 24 of 2017 at the rate of 14%. Accordingly, the Institute is liable for income tax on business profit or investment income whichever is higher. Accordingly, income tax has been recongnized in the financial statements.

18.2 Deferred tax Asset/ (Liability)

Movement in deferred tax liabilities

Balance at the beginning of the year	(31,778)	-
Recognized in income and expenditure	(29,345)	(31,778)
Balance as at end of the year	<u>(61,123)</u>	<u>(31,778)</u>

18.3 Composition of deferred tax liabilities

	2019		2018	
	Temporary difference	Tax effect	Temporary difference	Tax effect
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Deferred tax liabilities attributable to;				
Property, plant and equipment	(436,595)	(61,123)	(226,986)	(31,778)
	<u>(436,595)</u>	<u>(61,123)</u>	<u>(226,986)</u>	<u>(31,778)</u>

Note : Deferred tax is provided using the Liability Method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes @ 14%.

Deferred tax adjustment had been made in the financial statements as reversal of deferred tax asset on the tax loss in the near future is remote.

19 Commitments and contingent liabilities

The Institute has no outstanding commitments and significant contingencies as at the reporting date.

20 The Committee Members' responsibility statement

The Committee Members are responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.