

**SRI LANKA ASSOCIATION OF
PROFESSIONAL CONFERENCE
EXHIBITION & EVENT
ORGANIZERS**

FOR THE YEAR ENDED 31ST DECEMBER 2017



Private & Confidential **INDEPENDENT AUDITOR'S REPORT TO THE SHARE HOLDERS OF
SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE EXHIBITION AND
EVENT ORGANIZERS**
(Company Limited by Guarantee)

1. Report on the Financial Statements

We have audited the accompanying financial statements of Sri Lanka Association of Professional Conference Exhibition & Event Organizers, ("the Company"), which comprise the Statement of Financial Position as at 31st December, 2017, and the statement of 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 information.

2. Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for SME's, and for such internal controls as Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.



4. Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31st December 2017, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

5. Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

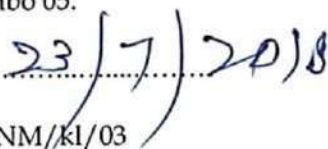
- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion:
 - We have obtained all the information and explanations that were required for the audit and as far as it appears from our examination, proper accounting records have been kept by the Company.
 - The financial statements of the Company, comply with the requirements of section 151 of the Companies Act 07 of 2007.


B. R. DE SILVA & CO.
Chartered Accountants

Colombo 05.

Date :

LCP/NM/kl/03





SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE EXHIBITION AND EVENT ORGANIZERS

(Company Limited by Guarantee)

INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER,

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		Rs. Cts.	Rs.
<u>INCOME</u>			
Membership Fee		205,000.00	340,000
Joining Fee		-	15,000
SNAV Income		-	1,340,172
Tour Income		-	210,000
IATO Conference		2,595,000.00	-
Other Income	(03)	268,170.85	127,973
		<u>3,068,170.85</u>	<u>2,033,145</u>
<u>EXPENDITURE</u>			
Depreciation		2,795.00	2,795
AGM Expenses		139,890.12	58,228
Domain Registration		3,450.00	3,450
Members' Get-Together Expenses		57,176.00	150,410
Web Developer		51,000.00	67,500
Secretary Fee		152,350.00	84,060
Bank Charges		250.00	1,600
Audit Fee		56,100.00	45,000
Audit fee under Provision		14,823.00	47,846
Memberships Receivable- Written off		-	30,000
SNAV expense		-	390,363
Meeting Expenses		14,460.00	-
IATO Conference		2,193,803.50	-
Professional fees		11,500.00	-
Workshop Expenses		15,000.00	-
Total Expenditure		<u>2,712,597.62</u>	<u>881,252</u>
Excess of Income over Expenditure before Taxation		355,573.23	1,151,893
Taxation	(04)	-	-
Excess of Income over Expenditure after Taxation		<u><u>355,573.23</u></u>	<u><u>1,151,893</u></u>



**SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE EXHIBITION AND
EVENT ORGANIZERS**

(Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER

	<u>Notes</u>	<u>2017</u> Rs. Cts.	<u>2016</u> Rs.
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, Plant & Equipment	(05)	-	2,795
Financial Assets	(06)	2,918,080.44	2,649,910
		<u>2,918,080.44</u>	<u>2,652,705</u>
<u>Current Assets</u>			
Membership Fee Receivable	(07)	85,000.00	95,000
Cash at Bank & In Hand	(08)	1,383,824.30	1,272,527
Total Assets		<u>4,386,904.74</u>	<u>4,020,232</u>
<u>EQUITY AND LIABILITIES</u>			
Accumulated Fund		4,330,804.74	3,975,232
<u>Current Liabilities</u>			
Audit Fee Payable		56,100.00	45,000
Total Current Liability		<u>56,100.00</u>	<u>45,000</u>
Total Equity and Liabilities		<u>4,386,904.74</u>	<u>4,020,232</u>

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.

.....
Chief Financial Officer

4/7/2018
.....
Date

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Signed for and on behalf of the Board by,

	<u>Name</u>	<u>Signature</u>
DIRECTORS }

Date of Approval by the Board

4/7/2018
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**SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE EXHIBITION AND
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(Company Limited by Guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2017**

	<u>Accumulated</u> <u>Fund</u>
	Rs. Cts.
Balance as at 31st December, 2015	2,823,338.19
Excess of Income over Expenditure	1,151,893.32
Balance as at 31st December, 2016	3,975,231.51
Excess of Income over Expenditure	355,573.23
Balance as at 31st December, 2017	4,330,804.74



SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE EXHIBITION AND EVENT ORGANIZERS

(Company Limited by Guarantee)

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER

	<u>2017</u>	<u>2016</u>
	Rs.	Rs.
Profit/(Loss) before Tax	355,573	1,151,893
<u>Adjustment for,</u>		
Depreciation	2,795	2,795
Interest Income	(268,171)	(127,972)
Prior year Adjustment	-	-
Operating Profit / (Loss) before working Capital Changes	90,197	1,026,716
(Increase)/Decrease in Member Ship Fee Receivable	10,000	(45,000)
(Increase)/Decrease in Payables	11,100	45,000
Net Cash Flow after working Capital Changes	111,297	1,026,716
<u>Cash Flow from/ (Used in)</u>		
Purchase of Property, Plant & Equipment	-	-
Investment in Financial Assets	-	-
Net Cash from Investing Activities	-	-
WHT Paid	-	-
Tax Paid	-	-
Net (Increase)/Decrease in Cash & Cash Equivalents	111,297	1,026,716
Cash & Cash Equivalents at the beginning of the Year	1,272,527	245,811
Cash & Cash Equivalents at the end of the Year	<u>1,383,824</u>	<u>1,272,527</u>
Petty Cash	1,720	3,240
Hatton National Bank	1,382,104	1,269,287
	<u>1,383,824</u>	<u>1,272,527</u>



**SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE, EXHIBITION
& EVENT ORGANIZERS**
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2017

1. CORPORATE INFORMATION

1.1 General

Sri Lanka Association of Professional Conference, Exhibition & Event Organizers is a Limited liability Company (Guarantee) incorporated and domiciled in Sri Lanka. The registered office of the Company is located at 4th Floor, Hotel School Building, No. 78, Galle Road, Colombo 03. Sri Lanka Association of Professional Conference, Exhibition & Event Organizers had been operated as an Association for over 05 years. However, with effect from 10th February, 2012 it was incorporated as a Company limited by Guarantees.

1.2 Principal Activities and Nature of Operations

During the year, the principal activity of the Company is development of Professional Meetings, Conventions, Seminars and Events of the MICE Industry in Sri Lanka.

1.3 The notes to the Financial Statements on pages (05) to (10), form an integral part of the Financial Statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Policies

2.1.1 Basis of Preparation

The Statement of Financial Position, Income & Expenditure Account, Changes in Equity and Cash Flow, together with accounting policies and notes ("Financial Statements") of the Company as at 31st December 2017 and for the year then ended comply with all material aspects of the applicable Sri Lanka Accounting Standards.

These financial statements presented in Sri Lanka Rupees have been prepared on a historical cost basis.

The Directors have made an assessment on the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

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SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE, EXHIBITION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2017

2.1.2 Taxation

(a) Current Taxes

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.

2.1.3 Borrowing Costs

Borrowing Costs are recognized as an expense in the period in which they are incurred.

2.2 Valuation of Assets and their Measurement Bases

2.2.1 Trade and Other Receivables

Other receivables are stated at the amounts that they are estimated to realize. A provision has not been made for bad debts.

2.2.2 Cash and Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to 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. Investment with short maturities i.e. three months or less from the date of acquisitions is also treated as cash equivalents.

2.2.3 Property, Plant & Equipment

(a) Cost

Property, Plant & Equipment are recorded at cost less accumulated depreciation.

(b) Depreciation

The provision for depreciation is calculated using a straight line method on the cost of revaluation of all Property, Plant and Equipment in order to write off such amounts over the following estimated useful lives. The principle annual rates used are;

Furniture	20%
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Depreciation is provided for in the financial statements from the date the assets are available for use and up to the date of disposal.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2017

2.3 Liabilities and Provisions

- 2.3.1 All known liabilities have been accounted for in preparing the financial statements.

2.4 Income Statements

2.4.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes. The following specific criteria are used for the purpose of recognising of revenue.

(a) Membership Fee

Membership fee is recognized on a cash basis.

(b) Interest Income

Interest Income is recognized on a cash basis.

2.4.2 Expenditure Recognition

- (a) Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- (b) For the purpose of presentation of the Income Statement the Directors are of the opinion that the function of expenses method, presents fairly the elements of the Company's performance, and hence such presentation method is adopted.



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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER**

	<u>2017</u>		<u>2016</u>
	Rs.	Cts.	Rs.
(3) <u>OTHER INCOME</u>			
Interest Income	268,170.85		127,973
	<u>268,170.85</u>		<u>127,973</u>
(4) <u>TAXATION</u>			
Income Tax B/F	-		-
<u>Add:</u> Provision for the year	<u>-</u>		<u>-</u>
	-		-
<u>Less:</u> <i>Payments during the year</i>			
1st Installment	-		-
2nd Installment	-		-
3rd Installment	-		-
WHT	<u>-</u>		<u>-</u>
Balance at the end of the year	<u>-</u>		<u>-</u>



**SRI LANKA ASSOCIATION OF PROFESSIONAL CONFERENCE EXHIBITION
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER, 2017

(05) PROPERTY, PLANT & EQUIPMENT

Cost

<u>Asset</u>	<u>Cost as at</u> <u>01.01.2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance as at</u> <u>31.12.2017</u>
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Furniture & Fittings	13,975.00	-	-	13,975.00
	<u>13,975.00</u>	<u>-</u>	<u>-</u>	<u>13,975.00</u>

Accumulated Depreciation

<u>Asset</u>	<u>Balance as at</u> <u>01.01.2017</u>	<u>Depreciation</u> <u>during</u> <u>the Year</u>	<u>Disposals</u>	<u>Balance as at</u> <u>31.12.2017</u>
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Furniture & Fittings	11,180.00	2,795.00	-	13,975.00
	<u>11,180.00</u>	<u>2,795.00</u>	<u>-</u>	<u>13,975.00</u>
Written down Value	<u>2,795.00</u>			<u>-</u>



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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER

	<u>2017</u>		<u>2016</u>
	Rs.	Cts.	Rs.
(6) <u>FINANCIAL ASSETS</u>			
Fixed Deposit - HNB	2,918,080.44		2,649,910
	<u>2,918,080.44</u>		<u>2,649,910</u>
(7) <u>MEMBERSHIP FEE RECEIVABLE</u>			
Diethelum Travels Lanka (Pvt) Ltd	10,000.00		10,000
Walkers Tours Limited	10,000.00		10,000
Taj Lanka Hotels PLC	5,000.00		5,000
Asia Tours (Pvt) Ltd	-		10,000
DAV Technologies (Pvt) Ltd	10,000.00		10,000
Cinnamon Lakeside Colombo	5,000.00		5,000
Galadari Hotel	5,000.00		5,000
M & S Travel Solition (Pvt) Ltd	10,000.00		10,000
Beyond Boundaries Global (Pvt) Ltd	10,000.00		10,000
CITRUS Vacations (Pvt) Ltd	20,000.00		20,000
	<u>85,000.00</u>		<u>95,000</u>
(8) <u>CASH AT BANK</u>			
Petty Cash	1,720.00		3,240
Hatton National Bank	1,382,104.30		1,269,287
	<u>1,383,824.30</u>		<u>1,272,527</u>

