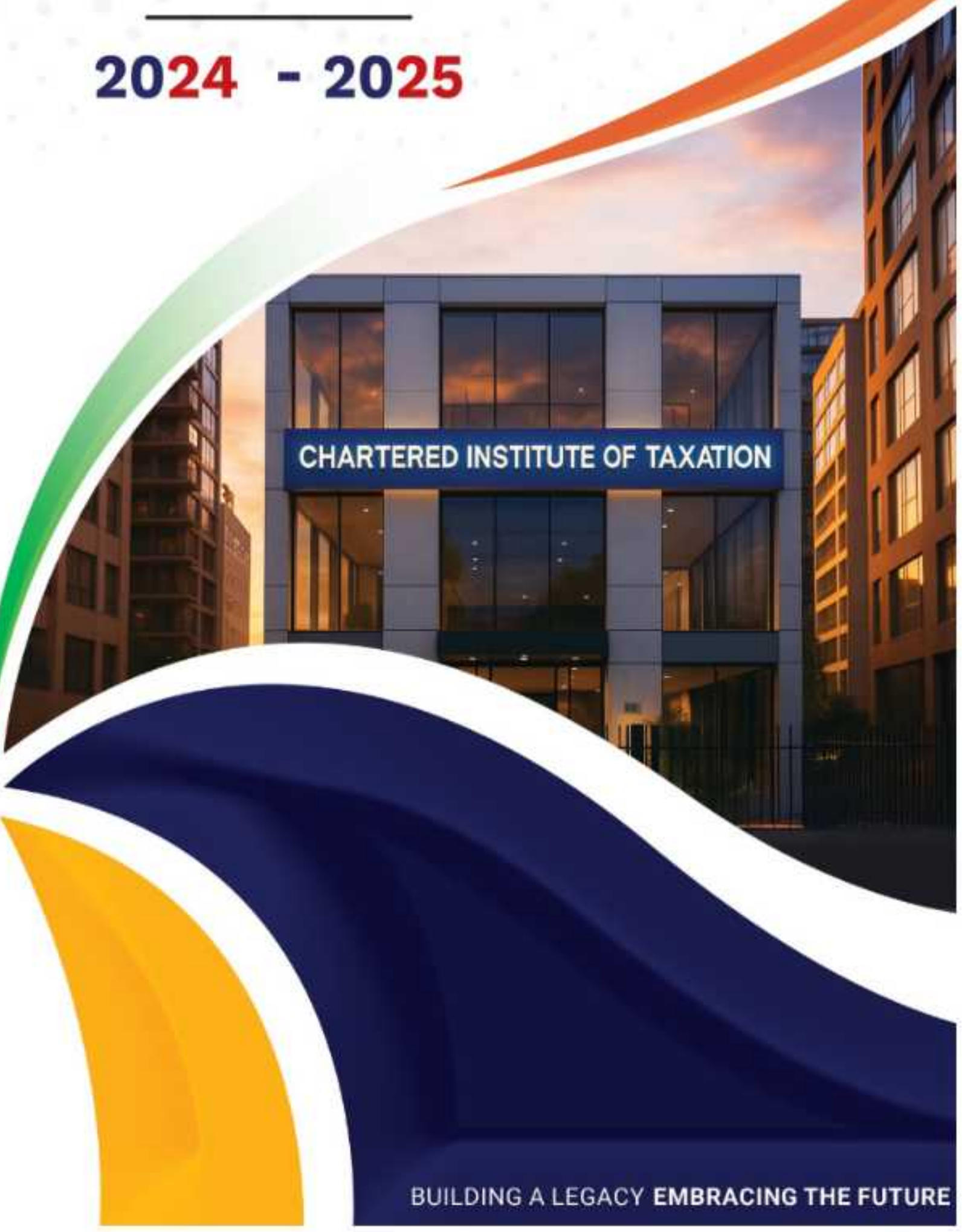
CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

ANNUAL REPORT

2024 - 2025



BUILDING A LEGACY **EMBRACING THE FUTURE**

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ABOUT THE REPORT



Online References

www.citsl.lk/downloads/AR/2425.pdf

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The Annual Report for the fiscal year 2024/2025 encompasses two main areas: Financial Performance and Operational Outcomes.

The Financial Performance section provides an analysis of the Institute's financial position during the period. This analysis is based on the Audited Financial Statements, which cover the twelve-month period from April 1, 2024, to March 31, 2025. These statements provide a comprehensive overview of the Institute's financial activities, including revenue, expenses, assets, and liabilities. The audited statements ensure accuracy and transparency in presenting the financial performance of the Institute.

The Operational Outcomes section focuses on the achievements and milestones of the Institute during the period under review. This section is presented through the review of the Executive Council, which encompasses the period from June 29, 2024, to June 2025. The review highlights the Institute's strategic initiatives, operational effectiveness, and overall performance in fulfilling its objectives. It provides valuable insights into the Institute's accomplishments and the impact of its activities on its stakeholders and the wider community.

ABOUT THE INSTITUTE



The Sri Lanka Institute of Taxation was established in November 1992 by a group of retired senior officials from the Department of Inland Revenue. Its primary objective was to cultivate competent tax professionals and educate the public about taxation. A few years later, the Institute received official recognition from the government when it was incorporated by an Act of Parliament.

To solidify its status as the premier institution for tax professionals in the country, the Sri Lanka Institute of Taxation pursued various initiatives aimed at enhancing its services. These efforts included continuous professional development programs designed to meet the evolving demands of the nation. As the sole National Statutory Body of Tax Professionals and the only dedicated National Institute for tax education in Sri Lanka, the Institute has played a pivotal role in producing highly skilled tax professionals.

In recognition of its importance, the Sri Lanka Institute of Taxation was granted legal recognition and status through the passing of Act No. 21 of 2000 in Parliament on June 19, 2000. This legislative act solidified the Institute's authority and enabled it to further advance its objectives with official endorsement from the government.

With the enactment of the Sri Lanka Institute of Taxation (Incorporation) (Amendment) Act No. 13 of 2023 in Parliament, the name of the Institute has been changed to the "Chartered Institute of Taxation of Sri Lanka."

VISION, MISSION, VALUES AND KBIs

VISION

To be the preferred center of expertise in taxation, excelling in developing professionals, enhancing the value for all stakeholders in enriching the national prosperity.

MISSION

We continuously strive to build tax professionals with competence and confidence, while committing ourselves to educate the public on taxation and advising the Government on improving the associated systems complying with best practices towards ensuring effectiveness.

TAG LINE

The National Statutory Body for Tax Professionals.

VALUES OF THE INSTITUTE



KEY BEHAVIORAL INDICATORS (KBIs)

1. He/She always responds in finishing a given task.
2. He/She gives valid reasons in case of a deviation / exception.
3. He/She shows a clear sense of ownership of the given task.

OBJECTIVES AND PRINCIPLES OF THE INSTITUTE

GENERAL OBJECTIVES ARE AS FOLLOWS;

(a) Create awareness in the field of taxation among the public and to promote and advance the study of the law and practice of taxation, as well as the principles of economic and political science concerning taxation and public finance.

(b) Conduct examinations and award certificates to individuals who have demonstrated their knowledge and proficiency in the subject of taxation, as determined by the Examiners and the Council of the institute.

(c) Formulate a code of conduct to be observed by the members of the Corporation for regulating their professional conduct.

(d) Promote and coordinate the dissemination of tax awareness and knowledge in collaboration with the respective revenue authority.

(e) Facilitate the exchange of information and views on taxation, contributing to the creation of a well-informed public opinion on the subject.

(f) Provide opportunities for the acquisition and dissemination of valuable information regarding taxation in Sri Lanka and other countries.

(g) Make recommendations to the Government for the improvement or simplification of tax law and practice, and to draw attention to anomalies in laws related to taxation, commenting on proposed changes in the laws.

PRINCIPLES OF THE INSTITUTE

The Institute and its members in pursuing the objectives in chapter 2 shall act in accordance with the following principles,

- Mutual respect
- Self – reliance and professionalism
- Priority, each member shall always attempt to foster, promote, and respect the interest of the nation, his profession, and his fellow members.
- Intergrity
- Neutrality

FOR THE YEAR
2024–2025

KEY MILESTONES

SUCCESS STORY OF CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

The term of the Executive Council appointed for the year in concern 2024-2025 commenced on July 1, 2024, following the Annual General Meeting (AGM) held on June 28, 2024. With the new term underway, the Executive Council was tasked with fulfilling the remaining schedule of tasks from the previous term (2023-2024), which concluded on July 28, 2024.

During this new tenure, we aimed to implement several initiatives that would contribute to the growth of the Institute. Below are the key tasks we set out to accomplish and the progress made during the 2024-2025 term:

1. Establishment of a Student Web Portal

We aimed to compile and establish a student web portal to facilitate communication between the student coordinator and students. This portal will allow students to access course materials, review missed lectures, check results, view class timetables, and provide feedback on lessons. Financially, the Institute will benefit from reduced printing costs for course materials.

We negotiated with several suppliers to create a comprehensive Learning Management System (LMS). As an initial step, we have developed a members' portal where staff are currently uploading member details. Soon, members will have access to update their records. Our negotiations with suppliers have yielded positive responses regarding the creation of a comprehensive LMS.

2. Development of an Automated Operational System

We are working to establish a fully automated operational system to minimize employee dependency and reduce errors while enhancing efficiency. This digitalized system will standardize work processes at the Institute and increase productivity within the CIT Secretariat Office. Negotiations are ongoing to integrate the operations of the Institute with the LMS, resulting in a consolidated operating system that includes the LMS as a sub-system.

3. Formulation of a Direct Membership Pathway

The direct membership pathway aims to enhance our member fraternity and attract veterans in the tax industry, thereby increasing public interest and student enrollment. We have already launched this pathway, providing an avenue for potential tax veterans with the necessary competencies to obtain membership and become established tax consultants.

4. Formalization of the "Chartered Tax Consultant" Title

We are in the process of legalizing Tax Consultancy as a recognized profession, allowing our members to certify income tax returns. This initiative will elevate the role of Tax Consultants to be on par with other professions such as accountancy and architecture, thereby enhancing the importance of our Institute.

We have already notified our stance on and requested for a discussion with the Deputy Minister of Finance and Planning, Dr. Harshana Suriapperuma. Currently, we are pursuing this process with the Ministry of Finance.

5. Establishment of Our Own Building

To minimize escalating rental costs, we are working to lease government land for a long-term agreement to construct our own Institute. The Vice President, who chairs the Land Securing Committee, has facilitated discussions with various government bodies. We have identified a suitable plot of land near the Rajagiriya flyover bridge, which will be leased for 30 years at an affordable rate, pending approval from the UDA Board of Directors.

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Key institutional action points executed during 2024/2025.

1. **Completion of Long-Pending Examinations** - We successfully completed several long-overdue examinations by introducing alternative lecturers and arranging extra classes:
    - Application Level – 2024/B2
    - Analyst Level – 2/2024/B2
    - Advisory Level – 2024/B1
2. **Issuance of Certificates with Enhanced Security Features** - We introduced standardized certificates with advanced security features to ensure authenticity, addressing the needs of students seeking employment abroad.
3. **Obtaining TVEC Recognition** - Our efforts to enhance curriculum standards led to recognition from the Tertiary and Vocational Education Commission (TVEC), strengthening our national standing.
4. **Involvement in Composing the National Taxation Curriculum** - We have been invited to collaborate with TVEC to compose the national curriculum for tax education in Sri Lanka, marking a significant milestone for our Institute.
5. **Implementation of Membership Portal** - We launched a membership portal to facilitate communication, payment tracking, and member renewals, enhancing the overall member experience.
6. **Implementation of IMS/LMS** - We are in the process of establishing an Integrated Management System (IMS) and Learning Management System (LMS) to streamline academic delivery and administration. This initiative will address management practices, HR inconsistencies, and improve lecturer-student interactions.



EXECUTIVE COUNCIL

FOR THE YEAR 2024-2025



Mr. Ranil Abeywardhene
President
MBA in Taxation (PIM SJP), FCIT,
Chartered Tax Advisor, MCPM



Mr.V.Rameshkumar
Secretary
FCIT – Sri Lanka, FCMA (UK), CGMA,
FCMA(SL), FCPM



Mr.P. Ruwan C. Gamage
Vice President
MBA in Taxation (PIM -SJP), FCIT, CTA,
MCPM, Reading CMA (Australia)



Mr. Mahie Nuwan Vithanage
Treasurer
FCIT

COUNCIL MEMBERS FOR THE YEAR 2024-2025



Dr. J.A.S. Felix
Council Member

MLL, B. (Hons.) (London); LL. B. (Hons.) (Colombo); Ph. D. (London); FFCIT; Fellow, Society for Advanced Legal Studies, University of London; Diploma (cum laude), Institute Du Federalism (Fribourg - Suisse); Member, Taxes Committee, International Bar Association; Member, Society of Legal Scholars (United Kingdom and Ireland); Fellow, Royal Society of Arts (London); Attorney-at- Law



Mr. J. D. Ranga. A. Nanayakkara
Council Member

BSc (Agric.), MBA (UOC), FCMA (UK), CGMA, FCMA (SL), FCIT (SL), FMATT, FCPM, CPA



Mr. Prabhath Weerasinhe
Council Member

BB Mgt. (HRM) SP, ACA, MAAT, ATII, ACMA (SL), MBA in Taxation (PIM – SJP)



Mr. Sampath Munasinghe
Council Member

FCIT, CTA, MCPM)



Mr. U. P. Gayan T. Karunarathne
Council Member

LLB, B.Sc. (Acct) Sp, ACA, FCIT, ACMA (SL), FMAAT



Mr. Shantha Kumara
Council Member

ACIT, CBA (CA Sri Lanka), LICA, SAT(SL), PGD(Mgt.) (RJT. SL), PGD (Ports, Shipping & Logistics) (Netherlands)



Mr. Prasanna Perera
Council Member

FCIT -Sri Lanka, BSc (Administration)

EXECUTIVE COUNCIL REVIEW

The Annual Report of the Chartered Institute of Taxation of Sri Lanka includes the Executive Council Report, which serves as a comprehensive communication to our members. This section comprises messages from the President, Secretary, and Chief Executive Officer (CEO), as well as individual reports from the chairpersons of various subcommittees.

These contributions collectively provide an overview of the Institute's activities, achievements, strategic direction, and future outlook. The messages from the President, Secretary, and CEO reflect on the major milestones, institutional progress, and challenges encountered during the reporting period. The Executive council review outlines the overall financial performance, ensuring transparency and accountability in the management of the Institute's resources.

Reports submitted by subcommittee chairpersons focus on specialized areas such as land acquisition for permanent premises, public seminars, and web-based systems development. These narratives offer valuable insights into the subcommittee's initiatives, their contributions to enhancing the Institute's functionality, and their efforts to strengthen the knowledge and skills of our members.

The inclusion of these sections in the Annual Report aims to keep our members well-informed, foster transparency, and underscore our commitment to continuous development and professional excellence.



PRESIDENT'S MESSAGE



During my two and a half years as president of this prestigious institute, we have achieved significant milestones across various areas, including the successful name change unveiled at the Grand Launching Ceremony. I am profoundly pleased with the progress we have made in several key domains during the term 2024-2025. These achievements were made possible through the collaborative teamwork of the Executive Council, the staff of the institute, lecturers, members and other stakeholders. Your leadership and the collective effort of everyone involved have clearly made a significant impact on the institute's progress and reputation.

RANIL ABEYWARDHANE
President
Chartered Institute of Taxation of Sri Lanka

I am extremely delighted to pronounce my message at end of another successful tenor of one-year service at the Chartered Institute of Taxation of Sri Lanka. As already conveyed to you, end of this year marks end of my two and half year tenor as the President of the Chartered Institute of Taxation of Sri Lanka. Even though the momentum of progress during the year 2024/2025 was relatively slow in comparison to 2023/2024. However, we managed to complete few tasks where we can be satisfied with the achievements. These value additions now add strengths and innovation increasing the momentum, laying foundation to meet the future prospects. Contemplating to have my message differently unlike in the other years, let me lay out my epitome for the interest of our valuable members.

Having obtained prestigious "Chartered" status in the year 2023, we had the obligation to capitalize the merits of its through a proper execution of a work plan. Having re-elected as the president for the consecutive second term in June 2024, myself together with the Executive council focused on establishing the required infrastructural development. It is apparent that the financial progress made within the year are the dividends of the prudent infrastructural developments we initiated within our Institute.

Financial downturn that was experienced for the past few years has turned out be slowly picking up. We have gained a considerable momentum this year with an increase in the profitability. The momentum of growth gained in 2022/2023 grew further in 2023/2024. It has now turned out to be caught up with the usual momentum for the financial year 2024/2025 **(01/04/2024 to 31/03/2025)** with better indicatives of potential development. Comparatively, the Direct Revenue of the institute has increased from **Rs. 21.22Mn. to Rs. 34.68Mn. (63.40%)** positive growth) during the past two years; the drastic gain that generated from previous year under "Other Income" category has decreased its momentum due to drop of interest rates on bank deposits. The student population during the period **01/04/2024 to 31/03/2025** has increased from 277 students (new enrollments); The financial position has been almost consistent in comparison with the previous year reflecting only a slight growth by **Rs 2.6Mn. (3% positive growth)** from the financial year 2023/2024. The recognition from the exposure through public media, public seminars, MOUs with Universities and social media campaigns have contributed for the increasing student population

Description	2025 (Rs.)	2024 (Rs.)	Change (%)
Total Income	43,049,354.18	37,315,753.78	13%
Total Expenses	31,914,925.47	24,086,515.76	25%
Pre-Tax Surplus	4,790,811.78	4,937,388.91	-3%
Net Surplus	4,507,549.13	4,284,611.36	5%

With immense gratitude and paying tribute to the members of the Executive Council, CEO and Staff of the Secretariat Office of CIT, we managed to launch important mile stones in the journey of success of the Institute. We re-appointed the committee chairmen for the following sub-committees strengthening the infrastructure to better operate than the previous year. Land Securing Committee Chairman too was appointed as only task-based committee to carry out the required tasks that the Executive Council assigned.

1. **Technical Editorial and Educational Committee.**
2. **Public Relations and Promotional Activities Committee**
3. **Public Seminar and Web Based Solutions Development Committee.**
4. **Member's Development and CPD Committee.**
5. **Premises & Physical Facility Committee**
6. **Finance Committee.**
7. **Rule Book Committee**
8. **Land Securing Committee**

Having unveiled the fine-tuned syllabus at the Name Change Launching Ceremony on **17th May 2024**, the syllabus still had few more issues where necessary credits points needed justification. The Technical and Editorial Committee re-worked on the syllabus that was officially launched in 2024. As such, the syllabus needed further fine tuning; in addition, the syllabus committee had to re-define the schedule of exemptions and the transitions from old syllabus to new syllabus as well. Few discussions were held to formulate the **"Examination Board"** where it was not able to complete due to poor response received from the selected resource persons. Also, the publication of **"Tax Review Journal"** was not feasible with limited time factor. It is probable that we could expect to publish the syllabus in a hard-bound booklet together with the exemptions during the year 2025/2026. In addition, I expect that the next council shall establish the Examination Board with prominent tax professionals in the industry. We have formulated a standardized certificate with all the security measurers in tact for the new students who successfully achieves the levels in the syllabus; this includes

We were able to initiate discussions with the Tertiary and Vocational Education Commission (TVEC), in establishing a National Curriculum for Tax Consultancy profession. This has been fruitful where a MOU between the TVEC and CITSL will be signed in recognizing the CITSL as the National Institute for Tax Education. We managed to convince the TVEC that we will be the driving force in tax education and will become the decisive force in bench-marking the qualification criteria.

Public Seminar and Public Relations Committee has witnessed an illustrious record of season, conducting eight seminars/ webinars and workshops under interesting topics within the period of **01/04/2024 to 31/03/2025.** The committee chairman's commitment and dedication of the committee members have ultimately borne fruits where the institute has earned approximately **Rs 1.4 Mn. income from seminar/webinar and workshops.**

Unlike the seminars / webinars or workshops conducted by our competitive institutions, our workshops have always withstood the highest quality in terms of knowledge, skills and the practical aspects. Many outsiders who attended our programs have commended on the quality and contents. The participants too were complacent with the expectations gaining knowledge and receiving answers to their practical problems. matters have ultimately contributed a **net profit of Rs. 1.0 Mn.**

We managed to unveil the comprehensive website and capitalized on it. Most of the information on the courses already initiated by our institute and all other information with regard to the seminars and webinars already embedded in the website. The Public Seminar and Web Based Solutions Development Committee initiated on developing a members' portal which is almost in near completion. We managed to on board a supplier to steer head the Learning Management System or LMS. We expect to utilize a off the shelf LMS to be converted to a tailor-made solution in providing quality service at our Institute.

As rent paid to the landlord at No. 484, Havelock Road, Colombo 06, has been tremendous expense to the operating expenditure of the institute, it has always been discussed to have our Institute established under our own property in the future. In line with the ideology, the Land Securing Committee was established under the leadership of our Vice President to pursue securing a suitable plot of land and finally. Having deliberated at the "Janatha Estate Development Board (JEDB)" and "Urban Development Authority (UDA)", finally the Committee Chairman, Vice President of the Institute managed obtain the approval of the Country President H.E. Anura Kumara Dissanayake for a plot of land to be leased out from the "Urban Development Authority (UDA)". Since the H.E. President has already approved the award of plot of land with approximate space of 30 perches from a land at the close proximity of Rajagiriya flyover bridge. UDA is currently in the process of allocating the land for us where we intend to review the proposal after having received the valuation report from the UDA.

Our intention from the day one we assumed duties at the Institute was to convince the public of an existence of an institute dedicated for taxation purposes. Therefore, we engaged ourselves in many promotional activities to make aware of our presence. We profoundly engaged with OPA to conduct a fruitful session on the latest amendments came through the Income Tax VAT amendment acts. Our contribution for the National Budget was at the paramount importance at OPA. Our proactive proposals specifically focused on increasing tax compliance in the country were very much welcomed by the OPA. Most of our proposals have been considered for implementation by the Government through their National Budget 2025 unveiled in February 2025. We visited a team of the National Budget Division in the Ministry of Finance and expressed our concerns specifically relating to improving tax compliance in the country. We had our first foot prints at the University of Kelaniya conducting a session on Taxation. University of Kelaniya in closely in contact with us where they intend to invite us for their special events as a recognizing us as a resourceful institution.

We built us a report with the Revenue These measures have aided our institute to gain the attention in the industry and persuade the public to reach us in seek of new avenues in the field of Taxation.

It is evident that we as the Executive Council were very much instrumental in generating the change that required for our valuable institute. The Institute lacks many infrastructural requirements and together we managed to overcome some of the infrastructural changes during past two years. However, I firmly believe that next successive Executive Council and the staff of the Institute including the resourceful Chief Executive Officer (CEO) shall be able to meet the balance outstanding infrastructure the Institute is in need.

We have already launched the Direct Membership pathway, opening avenues for the potential veterans in the field of Taxation where they possess the competencies of the curriculum expects. It is also vital that we obtain legality on recognizing "Tax Consultancy" in Sri Lanka. Currently there is no legal recognition for "Tax Consultancy" unlike other professions. We have already conveyed our concerns on legalizing "Tax Consultancy" to the Ministry of Finance through our proposal made directly to the Deputy Minister of Finance and Planning – Dr.Harshana Suriapperuma. I expect the next successive Executive Council shall rive this process determined to add value to our profession.

We expect that our membership fraternity shall endorse our programs and support us to achieve the intended tasks we wish to bring in to the Institute. While wishing you and your families best of luck and all the very best in your careers, I conclude my message wishing our beloved Institute to rein as the apex body for taxation eternally.

Thank you



Mr.Ranil Abeywardhane
President

SECRETARY'S MESSAGE



The Chartered Institute of Taxation of Sri Lanka (CIT Sri Lanka) reported steady progress in 2025, despite not seeing major milestones. The Institute maintained its mandate of promoting excellence, ethics, and professionalism in taxation. Increased engagement with government platforms and increased demand for qualified tax professionals boosted its value. CIT Sri Lanka also gained recognition within the Organization of Professional Associations (OPA) and made significant digital advancements, including the launch of an integrated Membership Portal and the establishment of a student portal with a Learning Management System.

V. RAMESHKUMAR
Secretary

Dear Members and Stakeholders,

It is with great honour and responsibility that I present this message for the Annual Report 2025 of the Chartered Institute of Taxation of Sri Lanka (CIT Sri Lanka). As your Secretary, I am pleased to reflect on a year that, while not marked by major milestones, nevertheless saw steady progress in areas critical to the Institute's growth, recognition, and relevance in the national professional landscape.

Amidst a dynamic and evolving tax environment, CIT Sri Lanka continued to uphold its mandate of promoting excellence, ethics, and professionalism in the field of taxation. 2025 witnessed increased engagement between our Institute and key government platforms. We are proud to note that CIT Sri Lanka was invited to participate in the recently concluded Tax Compliance Enhancement Program conducted by the Presidential Secretariat, affirming our growing reputation as a trusted voice in tax policy discussions.

In line with the government's ongoing commitment to broadening the tax base and enhancing compliance, the demand for qualified tax professionals has surged. This growing demand underscores the indispensable role our members play in guiding individuals, businesses, and institutions through complex regulatory frameworks. As a result, the value and visibility of our profession has significantly increased.

A notable highlight this year was the recognition and prominence given to CIT Sri Lanka within the Organization of Professional Associations (OPA). As Vice President of OPA, I had the privilege of representing our Institute at the highest levels. For the first time in OPA's 50-year history, CIT Sri Lanka was invited to co-sponsor the Post-Budget Seminar. Our President was invited to deliver the keynote address, and CIT Sri Lanka was entrusted with the responsibility of moderating the seminar, clear testament to our growing stature.

Moreover, CIT Sri Lanka was exclusively tasked with preparing and submitting tax-related proposals through OPA, which were then presented to the government. Being part of OPA, the apex body representing 52 professional associations with over 60,000 members has amplified the impact and reach of our recommendations.

One of the most promising developments this year was the identification of a suitable plot of land for our future headquarters, an achievement made possible through the tireless efforts of our President-Elect, Mr. Ruwan Gamage. This marks an important step toward securing a permanent home for the Institute, a vision that is both symbolic and strategic for our future growth.

As we look ahead, I acknowledge that our journey is far from over. While 2025 may not have delivered dramatic breakthroughs, it has laid important groundwork for the years to come. The consistent progress we have made in recognition, visibility, digital transformation, and institutional capacity building speaks to our resilience and our unwavering commitment to the profession.

I extend my heartfelt gratitude to our President, Council Members, Committee Chairs and, staff who continue to serve with diligence and integrity. I am also deeply thankful to our members, whose trust, participation, and feedback fuel our progress. I invite you all to remain actively engaged in the Institute's journey, whether through knowledge sharing, volunteering, or contributing to thought leadership.

Let us continue to work collectively to elevate the profession of taxation, shape progressive tax policy, and strengthen Sri Lanka's fiscal landscape.

Thank you.



Mr. V. Rameshkumar
Secretary

CEO'S MESSAGE



The Chartered Institute of Taxation of Sri Lanka (CITSL) reported a 50% increase in overall income in 2025, thanks to larger academic programs and increased enrollment. The company's 81.7% gross profit margin reflects its strong financial discipline. Despite a slight decrease in net surplus, CITSL invested in digital infrastructure and long-term expansion initiatives. The institute also increased its involvement in public tax education and is working on a National Syllabus for Taxation. The strategic roadmap aims to generate Rs. 50 million in revenue.

S.S.SENAWATTE
Chief Executive Officer

The CEO's Message

Stakeholders Members & Associates,

The Chartered Institute of Taxation of Sri Lanka (CITSL) Annual Report for the year ending March 31, 2025, is presented with great delight.

This year has been characterized by transformation, expansion, and a deeper sense of prospects reported over 50% increase in overall income, because of larger academic programs and increased enrolment. The 81.7% gross profit margin is indicative of our institute strong financial discipline.

The net surplus increased to Rs. 4.5 million in 2025, reflecting strategic investments in digital infrastructure and long-term expansion initiatives. The institute continues to demonstrate strong financial resilience.

A significant increase in access and diversity was observed this year, as over 122 new Analyst Level I students registered totaling 136 students in the first quarter of 2025 and our Application-Level Sinhala language program were effectively launched. We initiated the simultaneous implementation of a new learning management system, a modern institute management system, and a digital membership portal to improve the delivery of quality and efficient services.

Additionally, CITSL has increased its involvement in public tax education by disseminating materials through digital channels to spread tax literacy. We have been accredited by the Tertiary and Vocational Education Commission (TVEC).

Presently, we are engaged in the development of a National Syllabus for Taxation. In the future, our strategic roadmap prioritizes regional development, digital modernization, and academic innovation with the objective of generating Rs. 50 million in revenue at the end of FY 2025/26.

I am grateful to our Council, staff, academic collaborators, and members for their sustained support. In conjunction, we are developing a tax system that is both potent and moral, as well as forward-thinking, for Sri Lanka.



Mr. S.S Senawatte
Chief Executive Officer



FOR THE YEAR
2024-2025

REPORTS OF THE COMMITTEE CHAIRMEN

MESSAGE FROM LAND SECURING COMMITTEE CHAIRMAN



Mr.P. Ruwan C. Gamage
Vice President

A 20-Perch Plot of UDA Land at Rajagiriya Flyover Has Been Allocated to the Institute on a 30-Year Lease, with the Consent of His Excellency the President of the Country.

As the Chairman of the Land Securing Committee of the Chartered Institute of Taxation, following the successful completion of the name change process, I was vested with the responsibility of finding a suitable location to construct a permanent office for the Institute. This initiative began in 2023, recognizing the growing need for a dedicated premises to support the expanding educational and professional activities of the Institute's.

Initially, a plot of land allocated by the JEDB at Colombo 15 was considered. However, several members raised concerns about the suitability of this location, particularly with regard to its appropriateness for an educational institution. As a result, the proposal was not approved by the Council. Undeterred, we continued our efforts to identify an appropriate land. Subsequently, we submitted a formal request to the Urban Development Authority (UDA), seeking assistance in allocating a more suitable plot of land within the Colombo area. In response, the UDA informed the Institute, via letter dated 10th January 2025 of the availability of a 20-perch plot near the Rajagiriya Flyover—an ideal and centrally located land for the proposed office building. Following this communication, the President of the Institute and the majority of Council members visited the land to assess its suitability. Based on the visit and the positive feedback received, I presented the proposal to the Council. The Council unanimously approved the initiative and authorized me to proceed with the UDA's process. Accordingly, we submitted the Institute's formal consent to the UDA.

As per standard procedure, the UDA requested a letter of recommendation and consent from the relevant Line Ministry. However, the initial request was declined, as the Ministry stated that the Institute does not fall under its direct supervision of the line ministry. To address this, we requested the UDA to issue a detailed letter clarifying the Institute's affiliation and relevance to the Ministry. Despite this, the Ministry reiterated its limited authority and declined to recommend the allocation and sought the approval of the line minister. In light of this, we proposed that the matter be escalated for ministerial approval (HE President's approval). After considerable effort and multiple rounds of communication, we successfully obtained the Minister's consent for the allocation of the land to the Institute. Following this, the Ministry sent an official letter of recommendation to the UDA, endorsing the proposed land allocation.

Currently, the UDA is in the process of obtaining the required survey plan, securing board approval, and forwarding the matter for government valuation. As per UDA, this process is expected to take approximately five months. The land will be allocated on a 30-year lease basis, at a rate of 4% (subject to government parameters) of the market value per annum. We attempting to incorporate a clause in the lease agreement allowing for possible extension beyond the initial 30-year term too. This initiative aims to significantly reduce the Institute's current rental expenditure, which stands at approximately Rs. 550,000/= per month.

Securing this land represents a major step forward for the Institute's future, establishing a permanent home that aligns with its mission and vision for years to come. In the meantime, we initiated discussions with officers of the World Bank to explore the possibility of securing funding for the construction of the Institute's office building.



CHAIRMAN'S REPORT OF THE PUBLIC SEMINAR AND WEB-BASED DEVELOPMENT COMMITTEE



Mr. Shantha Kumara
Council Member

It is with great pleasure that I address you as the Chairman of both the Public Seminar Committee and the Web-Based Development Committee of the Chartered Institute of Taxation of Sri Lanka (CITSL).

At the request of the Executive Council, I was entrusted with the significant responsibility of leading these two pivotal committees. I played a central role in setting targets and strategic goals aimed at advancing the mission of the Institute and elevating it to the next level.

These two committees—appointed in August 2024 for the 2024/2025 term—are integral to the operations and outreach of the CITSL. I am proud to present a summary of the progress and achievements during this period

Public Seminar Committee

CITSL, as the premier body for tax professionals in Sri Lanka—established by an Act of Parliament—bears a strong responsibility to educate its members, students, industry professionals, and the general public on developments in taxation.

Objectives and Initiatives

To fulfil this mandate, the Public Seminar Committee set clear targets for organizing seminars, webinars, and workshops throughout the year. These initiatives were designed to provide continuing professional education and to promote awareness of evolving tax laws and practices.

Achievements for the Year

Under my leadership, the committee successfully organized the following events for the benefit of all CITSL stakeholders:

1. Seminar/Workshop on Computation of Income Tax for Corporates,Partnerships and Individuals(Y/A 2023/2024)
2. Seminar on VAT Planning and SSCL Act
3. Workshop on Income Tax Return Filing (Y/A 2023/2024)
4. Workshop on Procedures of IRD Assessments, Appeals and Objections
5. Workshop on Practical Application of Transfer Pricing
6. Free Webinar on the Inland Revenue Amendment Act and VAT Amendment Act

We are pleased to note the overwhelmingly positive feedback received from our valued members. Their input has been instrumental in shaping our events. We strongly believe that these seminars and workshops delivered valuable knowledge and insights to both in-person and virtual participants, enhancing the CITSL's educational outreach.

Notably, we also succeeded in expanding our contact database to over 10,000 email addresses, thanks to the foundation laid by the former Chairman of the Public Seminar Committee. This database continues to serve as a powerful tool to strengthen CITSL's reach and engagement.

Analysis of Participation

Seminars/Webinars/Workshops Conducted (2024/2025)

Event	Members	Students	Non-Members	Total
Computation of Income Tax (Y/A 2023/2024)	34	44	39	117
VAT Planning and SSCL Act (12.10.2024)	14	24	25	63
Income Tax Return Filing (Y/A 2023/2024) (09.11.2024)	31	48	81	160
IRD Assessments, Appeals & Objections (07.12.2024)	15	28	32	75
Transfer Pricing (08.02.2025)	21	20	30	71
Free Webinar on Amendments to IR Act & VAT Act (15.05.2025)	48	42	62	152

Web-Based Development Committee

This committee was established by the Executive Council to continue the critical work of developing CITSL's Website and Core Operating System following the institute's official name change.

Website - Phase II Achievements

Having completed Phase I in 2023/2024, Phase II focused on developing the Member Management System while deferring the Student Management System to Phase III, due to budget and time constraints.

In December 2024, we signed the agreement with the web development partner and is to deliver the following functionalities as per the System Requirements Specification (SRS):

1	Member Portal	• Personal Profile Page (Name, Contact Info, Qualifications with self-editing capability) • Profile Image Upload (JPG, JPEG, PNG formats) • Display and Submission of CPD Hours (Verifiable/Non-Verifiable)
2	Member-Institute Communication Tools	• Communication Threads for members and CITSL representatives • Messaging with attachments • Broadcast messaging to specific groups • Dynamic Polling System • Feedback and Suggestion Platform
3	Administrative Features	• Member profile creation and qualification verification • CPD category and request management • Member group management • Course and lecture coordination • Attendance tracking
4	System Integration & Security	• Secure architecture for data protection and integration compatibility
5	Dashboards and Reports	• Member access to CPD summaries, payment history, and profile status

Payment Platform Integration

We initiated the integration of a Payment Gateway with XERO Accounting Software to:

- Enable automatic updates of payment status
- Track paid, pending, and overdue balances
- Provide complete payment histories for each member
- Enhance accuracy in financial records

Web Site Phase III – Learning Management System (LMS)

Planning is already underway for Phase III, which involves the implementation of a comprehensive Learning Management System (LMS). This system will support the full lifecycle of student engagement, from enrolment to graduation, while also enabling:

- Online course delivery
- Assessments
- Interactive learning features

Acknowledgements

As Chairman of both committees, I extend my heartfelt gratitude to every member of the Public Seminar and Web-Based Development Committees. Your dedication, collaboration, and professional excellence were instrumental in delivering our planned outcomes.

I also express sincere thanks to the Executive Council of CITSL for their unwavering support and encouragement during my tenure.

Special appreciation goes to the resource persons from the Department of Inland Revenue and industry experts who contributed their time and expertise to our seminars and workshops, enhancing their value and impact.

Looking Ahead

I remain confident that, through continued collaboration and dedication, we can build on this year's achievements and guide the Chartered Institute of Taxation of Sri Lanka toward even greater success.

FOR THE YEAR
2024-2025

MANAGEMENT OF THE INSTITUTE

MANAGEMENT OF THE INSTITUTE

Since its establishment over three decades ago, the Chartered Institute of Taxation of Sri Lanka (CITSL) has consistently upheld its commitment to professionalism, integrity, and excellence. Over the years, CITSL has earned the trust and confidence of its members, stakeholders, and the wider community by effectively delivering on its mandate as the premier professional body in taxation.

Promoting Good Governance and Accountability

As a responsible institution, CITSL places strong emphasis on good governance, transparency, and accountability. These principles are foundational to maintaining public confidence and supporting effective tax administration. Through unwavering adherence to high professional standards and ethical practices, CITSL continues to contribute meaningfully to Sri Lanka's national development efforts.

Delivering Value in a Changing Landscape

The year under review brought both challenges and opportunities, requiring the Institute to remain agile and responsive. As the tax landscape continues to evolve shaped by economic shifts, regulatory reforms, and technological advancements, CITSL has strived to stay ahead by offering timely insights and support to its members. Our proactive approach has enabled us to add value to our professional community, even amidst uncertainty and change.

Commitment to Professional Competence

CITSL remains steadfast in its mission to promote and maintain professional competence among its members. In recognition of the dynamic and complex nature of taxation, we have placed significant focus on continuous professional development. Through a variety of educational initiatives, including training programs, workshops, and seminars, we empower our members with up-to-date knowledge and practical skills to navigate the complexities of modern tax systems. These efforts directly contribute to the elevation of the tax profession in Sri Lanka.

Operational Structure

The activities of the Chartered Institute of Taxation of Sri Lanka are broadly organized under two key categories: Strategic/Governance Activities and Operational Activities.

Strategic / Governance Activities

The Executive Council, supported by its various subcommittees, provides the strategic direction of the Institute. These governing bodies play a critical role in shaping CITSL's long-term goals and policy decisions. Their oversight ensures that the Institute operates in alignment with its mission and vision and remains relevant to the ever-evolving needs of the profession and the national economy.

Operational Activities

The execution of the strategic framework set by the Executive Council is entrusted to the Chief Executive Officer (CEO) and the Institute Secretariat. This team is responsible for the day-to-day operations, ensuring the smooth delivery of services, coordination of programs, and implementation of Council-approved initiatives.

The Secretariat plays a vital role in organizing and conducting faculty activities, such as educational programs, workshops, and seminars, that are designed to enhance the professional development of both members and students.

In addition, the CEO and Secretariat maintain a strong focus on member and student services, addressing inquiries, facilitating communications, and ensuring that the diverse needs of our stakeholders are met with professionalism and care.

Collaborative Structure for Institutional Excellence

The operational structure of CITSL reflects a clear division of responsibilities and a collaborative approach. The Executive Council, CEO, and the Secretariat staff work cohesively to drive institutional progress, enhance professional standards, and ensure efficient governance. Through this synergy, CITSL continues to thrive and play a leading role in shaping the future of the tax profession in Sri Lanka.

ATTENDANCE OF THE COUNCIL MEMBERS

The Executive Council of the Chartered Institute of Taxation of Sri Lanka (CITSL) was elected at the Annual General Meeting held on June 28, 2024. During the reporting period, the Executive Council convened eleven (12) regular meetings to deliberate on strategic and operational matters impacting the Institute.

Council Meeting Attendance Overview

The table below presents a summary of the attendance record of Council Members at these meetings;

Council Member	Council Meetings Attended	Percentage (%) of Attendance
Mr. Ranil Abeywardhene	12 out of 12	100
Mr. Ruwan Gamage	11 out of 12	92
Mr. V. Rameshkumar	12 out of 12	100
Mr. Mahie Nuwan Vithanage	12 out of 12	100
Dr. Shivaji Felix	10 out of 12	83
Mr. Ranga Nanayakkara	09 out of 12	75
Mr. Prabath Weerasinghe	04 out of 09	44
Mr. Shantha Kumara	12 out of 12	100
Mr. Sampath Munasinghe	10 out of 12	83
Mr. Gayan Karunaratna	08 out of 12	67
Mr. Prasanna Perera	08 out of 12	67

It is heartening to observe that the majority of Council Members exhibited a strong sense of commitment, accountability, and professional responsibility by actively participating in these deliberations. Their consistent presence and meaningful contributions have played a pivotal role in enhancing governance, enabling timely decision-making, and driving the progress of the Institute.

CITSL sincerely appreciates the dedication and voluntary service rendered by its Council Members, whose collective efforts continue to steer the Institute towards fulfilling its mission and serving the tax profession in Sri Lanka with distinction.

MEMBERSHIP OF THE INSTITUTE

Member Count as of 1st April 2025

Description	Honorary Fellow	Fellow Members	Associate Members	Total
Members as at 31st March 2024	05	198	199	402
Admitted During the year FY 2024/25	-	-	-	-
Transferred to Fellow During FY 2024/25		+05	(05)	
Members Terminated During FY 2024/25	-	-	-	-
Death(s) During FY 2024/25		(01)	-	(01)
Members count as at 31st March 2025	05	202	194	401
Transferred to Fellow During 1st April – 2025-1st June 2025	-	+05	(05)	-
Total Members count as at 1st June 2025	05	213	183	401

FOR THE YEAR
2024-2025

EVENTS, SEMINARS, WORKSHOPS & EXHIBITIONS

Gold Medal Award to Dopika Kanesalingam of Jaffna University







University of Peradeniya Tax Session









University of Kelaniya Tax Session





Meeting the Finance Ministry Staff at Budget Division



Member's Day









Tax Seminar on Income Tax Computation









Tax Seminar on VAT and SSCL









Tax Seminar on Income Tax Return Filing









Seminar on Procedures of IRD Assessments, Appeals and Objections











Tax Seminar on Income Tax Computation







Tax Seminar at OPA









Initiating Direct Membership





Future Minds Exhibition 2025









FOR THE YEAR
2024-2025

FINANCIAL PERFORMANCE REPORT

The financial year ending 31st March 2025 has been a tremendous improvement comparatively with regard to growth of Direct Income visible through the year-on-year increment amounting to **Rs. 13.46Mn. (34.68-21.22)** a positive **63%** growth. This has resulted for a positive growth of the **Gross Profit by 12.25Mn.(28.34-16.09)** ending up with year-on-year increment of **76.11%.** Gross Profit Ratio comparatively has risen to **81.71%** in comparison to the **75.81%** for the financial year ending **31st March 2024** with a growth rate **5.90%.**

The Administrative Expenses for year ending 31st March 2025 has been increased by **Rs.3.63Mn.** However, if not for the write of amount totaling to **Rs. 4.004Mn**. which has been included under the Administrative Expenses, a clear reduction of **1.58%** is reflected in the year-on-year total Administrative Expenses. The Executive Council had to resort to write off an amount accumulated under the receivable income category "Course Fee Receivable", due to the following reasons provided.

1. Students whose income accrued on registrations have not completed the courses.
2. Students abandoning the courses.
3. Duplicate invoices issued, leading to overstated receivables.

The main contributor for the increment of Selling and Distribution expenses has been the Name Change Launching Ceremony expense amounting to **Rs. 3.56Mn. (Sponsorship Income amounting to Rs.2.71Mn. recorded under "Other Income" has been received and accordingly the net impact of the Name Change Launching Ceremony would be Rs.860K).** Leaving the Name Change Launching Ceremony expenses aside, the Selling and Distribution expenses has arisen comparatively high with a rate of **80.78%.** The Institute financed few promotional activities where public advertising was given prominence.

Shifting from general cheque issue for payment purposes to online banking facility has resulted a high banking and card payment charges where an increment of Finance and Other Expenses are visible.

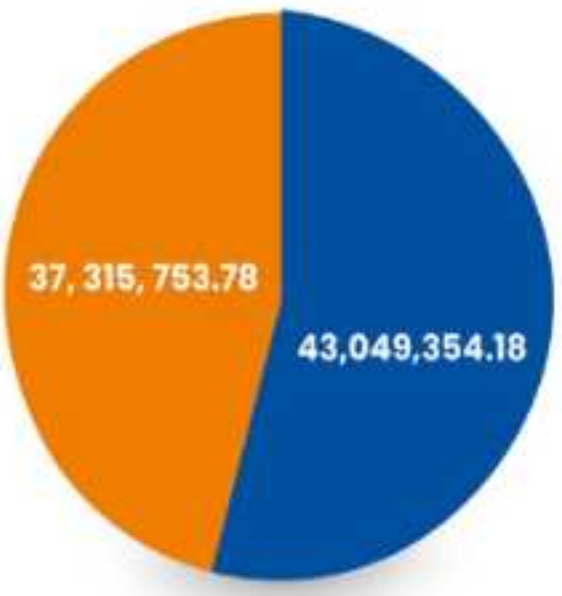
The Income Tax has been computed mainly on the Income whereas the Income from Business of conducting courses has been identified with a loss.

Despite the adverse effects stemming from the course fee write offs, and the increment of expenses, a year-on-year growth of Net Profit has been recorded as **5.20%.**

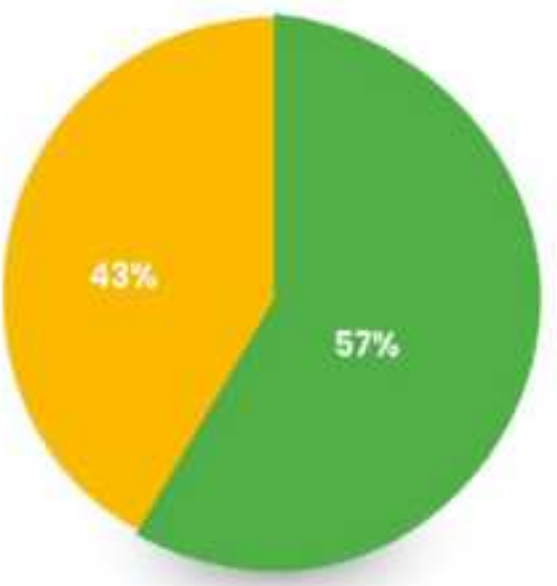
The growth of Financial Position has increased with a rate of **3%**. Where the growth of the Accumulated Fund has arisen with the Net Profits of **Rs. 4.51Mn.** at the rate of **5.14%.** The course fee receivable has been dropped drastically due to the amount written off against the current year profits. The significant increase in the student base has resulted to yield a high cash flow where the Fixed Deposits embedded under "Financial Assets" has arisen from **Rs. 14.57Mn.** compared to the previous year.

The Executive Council has made a special attention to the internal controls and identified several improvements required in terms of reconciliations of income and expenditure. It is obvious that the Institute has to be introduced with a sophisticated computer systems to avoid inefficient manual workloads and the vulnerability for human errors. A proper Learning Management Systems together with a comprehensive operating system for administration purposes shall leave out most of the lapses. The Institute is fully geared up embrace the technology with continuous growth

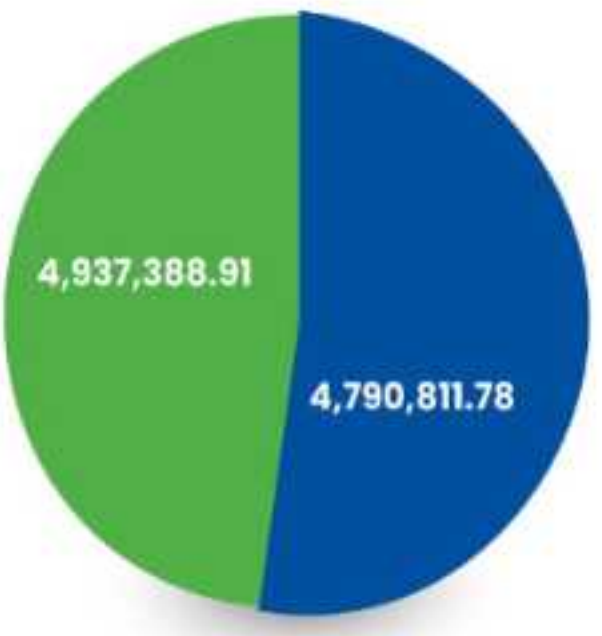
TOTAL INCOME



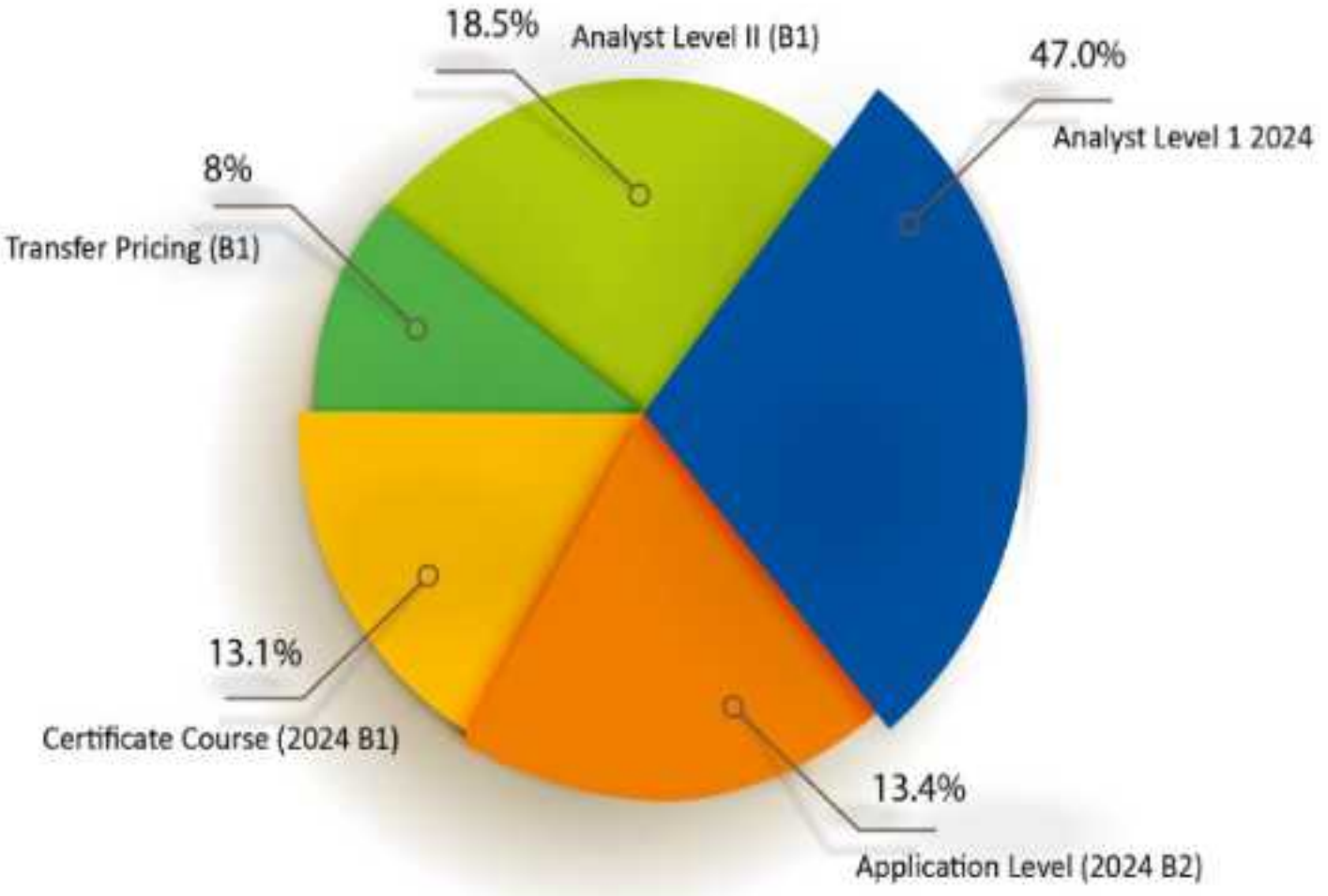
TOTAL EXPENSES



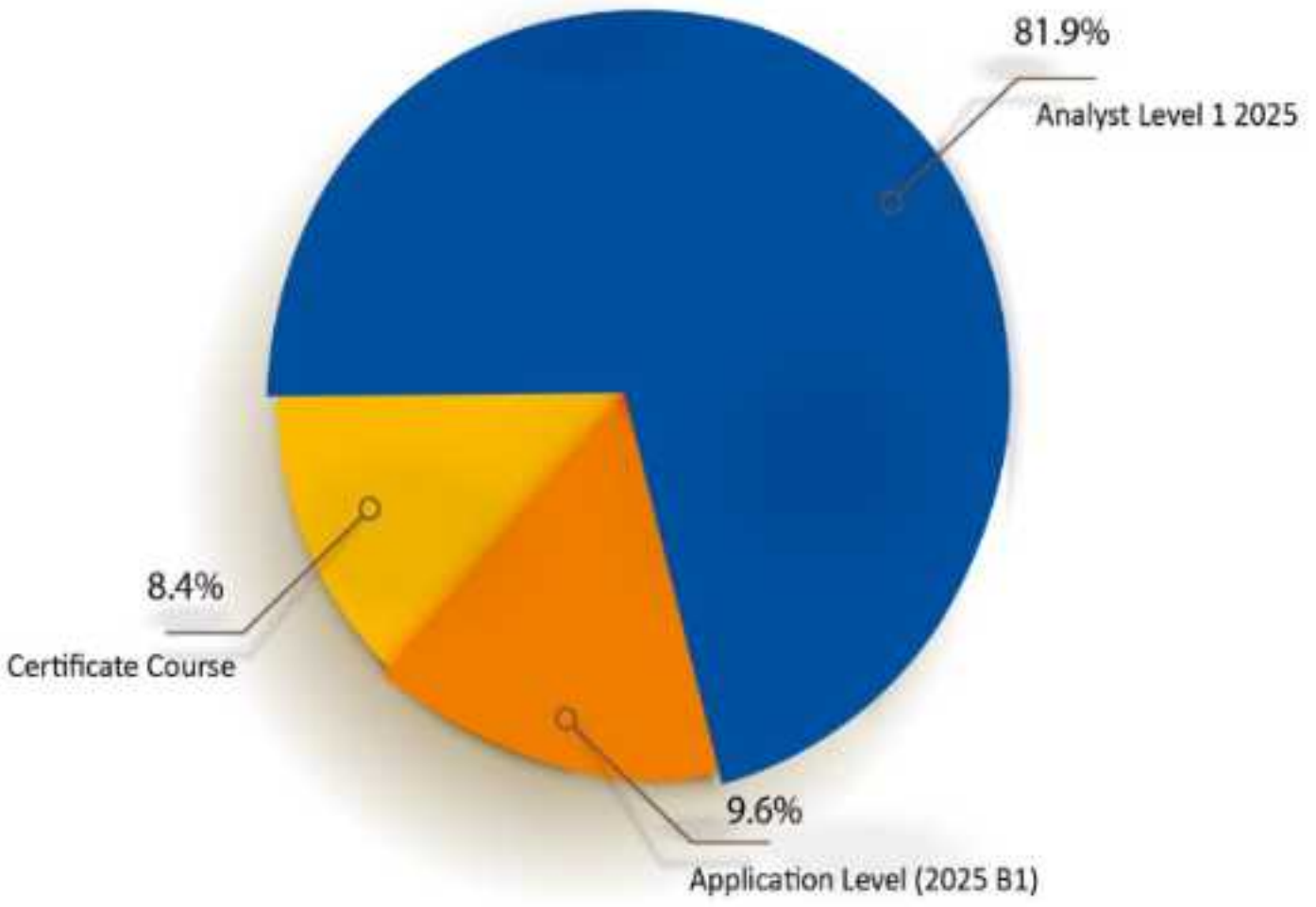
PRE-TAX SURPLUS



CITSL STUDENT DISTRIBUTION - 2024



CITSL STUDENT DISTRIBUTION - Q1 2025



FOR THE YEAR
2024-2025

AUDITED FINANCIAL STATEMENTS

Private & Confidential

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Chartered Institute of Taxation of Sri Lanka *("the institute")*, which comprise the statement of financial position as at 31st March 2025 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 material accounting policy information.

In our opinion, the accompanying financial statements of the Institute give a true and fair view of the financial position of the Institute as at 31st March 2025, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards 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 Institute in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council's and Those Charged with Governance for the Financial Statements

The 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 *(SLFRS for SMEs)* and for such internal control as the Council determines is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, the Council 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 the Council 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.

B. R. DE SILVA & CO. Chartered Accountants

Partners - N.S.C.Ilo Silva FCA, FCMA (UK), L.C.Piyasena FCA, L.L.S.Wickramasinghe ACA, S.M.S.S.Bandara MBA, FCA, D.R.De Silva LL.B. Attorney - at - Law ACA, ACMA (UK)

Partner (Family) W.L.L. Perera FCA

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a 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 an assurance of a high level, but 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.

Report on Other Legal and Regulatory Requirements

As required by section 7 (7) of the Sri Lanka Institute of Taxation (Incorporation) Act No.21 of 2000, 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 Institute.

B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

Date 22/06/2025

LN/ST/IS

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,

	Note	2025 Rs. Cts.	2024 Rs. Cts.
Direct Income	(03)	34,682,192.13	21,224,685.72
Direct Expenses	(04)	(6,343,616.93)	(5,133,617.66)
		28,338,575.20	16,091,068.06
Other Income	(05)	8,367,162.05	12,932,806.61
		36,705,737.25	29,023,874.67
Administration Expenses	(06)	(27,199,033.63)	(23,567,410.88)
Selling and Distribution Expenses	(07)	(4,335,449.24)	(426,073.80)
Finance and other Expenses	(08)	(380,442.60)	(93,031.08)
		(31,914,925.47)	(24,086,515.76)
Surplus / (Deficit) before Taxation		**4,790,811.78**	**4,937,358.91**
Income Tax for the Year	(09)	(283,262.65)	(652,747.55)
Surplus / (Deficit) for the Year		**4,507,549.13**	**4,284,611.36**
Allocation of Surplus for the Year			
Allocation to Accumulated Fund		**4,507,549.13**	**4,284,611.36**
Allocation to Hugh Molagoda Fund		-	-

The notes to the financial Statements in pages (05) to (18) form an integral part of these financial Statements.

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH,

	Note	2025 Rs. Cts.	2024 Rs. Cts.
ASSETS			
Non-current Assets			
Property, Plant and Equipment	(10)	7,048,693.97	7,570,011.07
Capital Work in Progress	(11)	-	870,000.00
Intangible Assets	(12)	1,543,400.00	-
Total Non-current Assets		8,592,093.97	8,440,011.07
Current Assets			
Inventories	(13)	584,361.98	873,347.12
Members' Subscriptions Receivable	(14)	2,885,775.00	733,475.00
Financial Assets	(15)	81,536,884.63	66,970,999.36
Interest Income Receivable	(16)	69,101.62	2,392,377.67
Course Fee Receivable	(17)	2,365,411.00	6,060,894.00
Deposits, Advances & Prepayments	(18)	1,197,941.67	2,538,779.66
Income Tax Recoverable	(24)	1,027,229.77	952,166.56
Cash & Cash Equivalents	(19)	1,600,714.17	8,273,496.20
Total Current Assets		91,267,419.84	88,795,535.57
Total Assets		99,859,513.81	97,235,546.64
FUNDS & LIABILITIES			
Funds			
Accumulated Fund		92,159,764.41	87,652,215.28
Hugh Molagoda Memorial Fund	(20)	70,386.07	69,427.83
Total Funds		92,230,150.48	87,721,643.11
Non-Current Liabilities			
Deferred Tax Liability	(25)	422,484.87	364,266.66
Total Non Current Liabilities		422,484.87	364,266.66
Current Liabilities			
Deferred Income & Deposits	(21)	5,863,202.40	6,258,929.00
Accrued Expenses	(22)	1,329,583.50	1,578,022.13
Bank Overdrafts	(23)	14,092.55	1,312,685.74
Total Current Liabilities		7,206,878.45	9,149,636.87
Total Funds and Liabilities		99,859,513.81	97,235,546.64

We certify that the above statement of financial position, to the best of our belief, contains a true account of the Funds, Liabilities and Assets of the Institute.

Y. B .M. Ranil T. B .Abeywardhene
President

M.N.Vithanage
Treasurer

B. R. DE SILVA & CO. Chartered Accountants

Date 29/06/2025

The Notes to the Financial Statements in pages (05) to (18) form an integral part of these Financial Statements.

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST MARCH 2025.

	Accumulated Fund Rs. Cts.
Balance as at 31st March 2023	**83,367,603.92**
Surplus for the year	4,284,611.36
Balance as at 31st March 2024	**87,652,215.28**
Surplus for the year	4,507,549.13
Balance as at 31st March 2025	92,159,764.41

Figures in brackets indicate deductions.

The notes to the financial Statements in pages (05) to (18) form an integral part of these financial Statements.

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH,

	Note	2025 Rs.	2023 Rs.
Cash Flow From Operating Activities			
Surplus/(Deficit) for the year		4,790,812	4,937,359
Adjustments for			
Depreciation	(10.2)	2,508,406	2,293,848
Amortization	(12.2)	282,600	-
Course Fee Receivable Written Off		4,004,455	-
Interest Income on Fixed Deposits		(4,093,783)	(9,984,907)
Fair Value Gain on Investment in Unit Trust		(1,091,695)	-
Finance Costs	(08)	380,443	93,031
Profit or Loss on Asset Disposal	(05)	(3,000)	(10,000)
Gratuity Expense		-	272,000
Operating Profit before Working Capital Changes		6,778,237	(2,398,668)
Changes in Working Capital			
(Increase) / Decrease in Inventories		288,985	(744,039)
(Increase) / Decrease in Members' Subscriptions & Other Receivables		(2,461,272)	(2,236,054)
(Increase) / Decrease in Deposits & Prepayments		1,340,838	1,791,233
Increase / (Decrease) in Deferred Income & Deposits		(395,727)	2,507,109
Increase / (Decrease) in Accrued Expenses		(248,439)	533,294
Cash generated from Operations		5,302,623	(547,145)
Finance Cost Paid	(08)	(380,443)	(93,031)
Gratuity Paid		-	(272,000)
Current Tax Paid	(24)	-	(133,000)
WHT Paid		(300,108)	(648,077)
Net Cash Flow from Operating Activities		4,622,073	(1,693,253)
Cash Flow From Investing Activities			
Acquisition of Property, Plant & Equipment	(10.1)	(1,987,089)	(2,805,085)
Proceeds from disposal of Property, Plant & Equipment	(5)	3,000	10,000
Net Change in Capital Work in Progress	(11)	(956,000)	(870,000)
Interest Received from Savings Account		373,865	393,264
Interest received from Fixed Deposits		6,044,152	13,393,552
New Investments in Fixed Deposits		(63,976,000)	(17,605,063)
Proceeds from withdrawal of Fixed Deposits		61,501,810	14,250,740
Investment in Unit Trust		(11,000,000)	-
Net cash flow from Investing Activities		(9,996,262)	6,769,408
Net Increase / (Decrease) in Cash & Cash Equivalents		(5,374,189)	5,076,154
Cash & Cash Equivalents at the Beginning of the year		6,960,810	1,884,656
Cash & Cash Equivalents at the End of the year		1,586,622	6,960,810
Note A			
Analysis of Cash & Cash Equivalents	(19) & (23)		
Commercial Bank - Savings Account		1,300,726	1,877,553
Commercial Bank - Current Accounts		125,000	25,000
Peoples' Bank- Current Account		19,500	36,000
Peoples' Bank- Savings Account		48,838	1,355,842
Bank of Ceylon Savings Account		3,742	4,069
Bank of Ceylon Current Account		28,471	(1,119,325)
Bank of Ceylon Savings Account		7,245	4,631,437
Bank of Ceylon Credit Card		(14,093)	(193,361)
Sampath Bank - Wellawatte Branch		49,232	163,800
Cash in Hand		17,961	139,414
Petty Cash		-	20,381
		1,586,622	6,960,810

B. R. DE SILVA & CO. Chartered Accountants

The Notes to the Financial Statements in pages (05) to (18) form an integral part of these Financial Statements.

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2025

1. ENTITY'S INFORMATION

1.1. Reporting Entity

Chartered Institute of Taxation of Sri Lanka *("the Institute")* has been established by the Chartered Institute of Taxation of Sri Lanka (Incorporation) Act No.21 of 2000 as amended by the Act No. 13 of 2023. The registered Principal Office of the Institute is located at No. 484 Havelock Road, Colombo 06.

1.2. Objectives of the Institute

Chartered Institute of Taxation of Sri Lanka has been established for the following objectives.

- To create awareness on the field of taxation among the members of the public and to promote and advance the study of the law and practice of taxation and the principles of economic and political science in relation to taxation and public finance.
- To hold examinations and grant certificates to persons who have satisfactorily accomplished the examinations (to the Council of the Institute) as to their knowledge and ability upon the subject of taxation.
- To formulate a code of conduct to be observed by the members of the institute for the purpose of regulating the professional conduct of its members.
- To promote and co-ordinate the dissemination of tax awareness and knowledge with the respective revenue authorities of Sri Lanka.
- To facilitate the exchange of information and views on taxation and the creation of a well informed public opinion on the subject.
- To provide opportunities for the acquisition and dissemination of useful information concerning taxation in Sri Lanka and other countries.
- To make recommendations to the government for the improvement or simplification of the tax law and practice and to highlight anomalies in laws relating to the taxation and to comment on proposed changes in the laws.

1.3. Responsibilities for preparation and presentation of the Financial Statements

The Council presents herewith the audited financial statements for the year ended 31st March 2025. The Governing Council is responsible for preparing and presenting of those financial statements.

1.4. Date of authorization for issue

The financial statements of the Chartered Institute of Taxation of Sri Lanka for the year ended 31st March 2025 were authorized for issue by the Council on .....

Contd...(06)

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2025

2. ACCOUNTING POLICIES AND BASIS OF PREPERATION

2.1. Statement of Compliance

These Financial statements have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) by the Chartered Institute of Taxation of Sri Lanka.
These financial statements of the Institute comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves and statement of cash flows together with the notes to the financial statements and accounting policies *(the financial statements)*.
These financial statements are presented in Sri Lanka Rupees (Rs.) and all financial information presented in Sri Lanka Rupees has been rounded to the nearest rupee.

2.2. Basis of Measurements

The financial statements have been prepared on the historical cost basis, except otherwise mentioned.

2.3. Comparative Information

The accounting policies have been consistently applied by the Institute and are consistent with those used in the previous year.

2.4. Going Concern

The Governing Council is satisfied for the Institute has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting of these financial statements.

2.5. Use of Estimates and Judgments

The preparation of the financial statements of the Institute in conformity with the Sri Lanka Accounting Standards *(SLFRS for SMEs)* requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses.

B. R. DE SILVA & CO. Chartered Accountants

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CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2025

2.6. Summary of Significant Accounting Policies

The accounting policies set out below, have been applied consistently for all periods presented in the financial statements of the Institution.

2.6.1. Property, Plant & Equipment

Cost

Property, plant and equipment is stated at cost or fair value less accumulated depreciation and any accumulated impairment in value. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. All items of property, plant and equipment are initially recorded at cost.

Depreciation

Provision for depreciation is calculated by using the straight line method on the cost of valuation of all property, plant and equipment in order to write- off such amounts over the estimated useful economic lives of such assets. The estimated useful lives of assets are as follows;

Type of Asset	Years
Office Equipment	04
Other Equipment	05
Furniture & Fittings	10
Computer Equipment	05
Generator	04
Motor Vehicle	05

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

2.6.2. Intangible Assets

An intangible asset is recognized 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 section 18 of SLFRS for SMEs. Accordingly, these assets are stated in the Balance Sheet at cost less accumulated amortization.

The intangible assets are amortized over the useful economic life. The amortization expense on the intangible assets with the finite lives is recognized in the income statement. The estimated useful lives of intangible assets are as follows;

Type of Asset	Years
Corporate video	05
Website	10

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B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2025

2.6.3. Cash & Cash 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 risks of changes in value.

2.6.4. Financial Assets

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition and the classification depends on the purpose for which the financial assets were acquired. All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs and subsequent measurement depend on their classification.

However, at the reporting date there were no financial assets at fair value through profit or loss and Available for Sale Financial Instruments.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Institute has the positive intention and ability to hold them to maturity. Held-to maturity investments are measured at cost.
Investments in short-term government securities and in fixed deposits have been classified under HTM investments.

B. R. DE SILVA & CO. Chartered Accountants

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CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2025

2.6.5. Liabilities and Provisions

Liabilities are recognized in the balance sheet when there is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the suppliers or within one year of the balance sheet date are treated as current liabilities in the balance sheet. Liabilities payable after one year from the balance sheet date are treated as non-current liabilities in the balance sheet.

A provision is recognized in the balance sheet when the Institute has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

2.6.6. Liabilities and Provisions

Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective Statutes and Regulations.

2.7 Statement of Comprehensive Income

2.7.1 Income Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue and associated costs incurred or to be incurred can be reliably measured.

(a) General Income

Enrolment fees from members and registration fees from students, fees for examinations and seminars are recognized as revenue on a cash basis. Course fees and members' subscriptions are recognized on an accrual basis.

(b) Interest Income on Treasury Bills, Fixed Deposits and Savings Accounts

Gross interest income is recognized on an accrual basis.

(c) Other Income

Other income is recognized on an accrual basis.

B. R. DE SILVA & CO. Chartered Accountants

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CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2025

2.7.2 Expenditure Recognition

All expenditure incurred in the running of the Institute and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.
All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the Institute had been treated as capital expenditure.

2.8 Taxation

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.

2.9 Statement Cash flows

Statement of cash flows has been prepared using the indirect method.

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

		2025 Rs. Cts.	2024 Rs. Cts.
(03)	**DIRECT INCOME**		
	Seminar & Workshop Income	1,552,800.00	2,176,150.00
	Associate Members' Subscriptions	932,000.00	985,000.00
	Fellow Members' Subscriptions	1,161,000.00	1,051,000.00
	Memebership Entrance Fees	-	465,000.00
	Student Renewal Fees	473,500.00	280,000.00
	Course Registration Fees	545,000.00	445,000.00
	Examination Fees - Analyst Level	3,289,300.00	1,358,800.00
	Course Fee - Application Level	2,407,111.00	1,164,639.00
	Course Fee - Analyst Level - 1	7,495,657.00	3,834,509.00
	Examination Fees - Professional	-	550,980.00
	Course Fee Analyst Level 2	5,972,734.00	4,355,414.00
	Course Fee - Advisory Level	3,955,177.00	514,873.00
	Professional Level Revision Course	-	409,012.72
	Application Level Exam Fee	184,050.00	688,665.00
	Transfer Pricing Course	1,177,200.00	624,800.00
	CTP Programme	875,000.00	1,100,000.00
	Certificate Course in Taxation	1,217,667.00	1,220,843.00
	Application Level Sinhala 2025 B1	211,200.00	-
	Analyst Level 1 2025 B1	2,923,962.80	-
	Certificate Course in Taxation 2025 B1	296,333.33	-
	Tax Inside Learner Income	12,500.00	-
		34,682,192.13	21,224,685.72
(04)	**DIRECT EXPENSES**		
	Lecture Fees	4,236,000.00	3,309,000.00
	Seminar & Workshop Expenses	396,765.00	971,560.34
	Marking Examiners Fees	10,425.00	52,850.00
	Invigilators' Fee	114,500.00	73,500.00
	Viva Expenses	103,440.00	278,010.00
	Paper settings & Moderator fee	371,850.00	59,000.00
	Course Related Expenses	887,970.93	101,508.82
	Examination Expenses	222,666.00	288,188.50
		6,343,616.93	5,133,617.66
(05)	**OTHER INCOME**		
	Interest Income **Note (05.1)**	4,093,782.58	9,984,906.61
	Fair Value Gain on Unit Trust Investment	1,091,695.47	-
	Convocation Income	57,000.00	2,275,500.00
	Cerificate Awarding Ceremony Income	25,000.00	24,000.00
	Sponsorship on Convocation Merit Awards	-	75,000.00
	Sponsorship for Convocation	-	10,000.00
	Publication Sales	8,800.00	17,600.00
	Profit on Disposal of Fixed Assets	3,000.00	10,000.00

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

			2025 Rs. Cts.	2024 Rs. Cts.
(05)	OTHER INCOME (Contd)			
	IR Act Revenue		15,200.00	-
	Avrudu Day Celebration		20,000.00	-
	Launching Ceremony Income		2,705,000.00	-
	Donation for Members Day		-	105,000.00
	Members Day Income		270,000.00	315,000.00
	Rent Income		-	67,500.00
	Sundry Income		77,684.00	48,300.00
			8,367,162.05	12,932,806.61
(05.1)	INTEREST INCOME			
	Savings Account		372,907.10	393,263.69
	Fixed Deposits		3,720,875.48	9,591,642.92
			4,093,782.58	9,984,906.61
(06)	ADMINISTRATION EXPENSES			
	AGM Expenses		347,967.37	651,219.81
	Audit Fees		169,460.89	100,000.00
	Course Fee Receivable Written Off	Note (06.1)	4,004,455.00	-
	Cleaning Charges		213,100.00	157,400.00
	Council Meeting Expenses		14,230.00	21,690.00
	Committee meeting Expenses		39,473.00	32,795.00
	Casual Wages		871,803.00	715,752.50
	Depreciation		2,508,406.12	2,293,848.25
	Amortization		282,600.00	-
	Electricity Bills		1,120,512.07	1,346,137.14
	Employees' Provident Fund		569,054.87	467,943.00
	Employees' Trust Fund		142,263.22	116,986.00
	Equipment Maintenance		461,367.89	631,682.50
	Sponsorship payments - OPA		137,380.00	30,000.00
	ETF Surcharge		6,186.00	3,990.30
	Gratuity Payment		-	272,000.00
	Staff Annual Bonus		276,883.00	304,206.34
	Insurance		38,383.37	24,478.07
	Members' Day Expenses		808,236.85	508,919.00
	Members' Sports Event Expenses		-	15,000.00
	Newspaper Bills		4,000.00	11,400.00
	Office Maintenance		257,497.74	518,971.00
	Printing & Stationery		302,689.70	321,976.99
	Rents		6,304,000.06	6,170,000.00
	Salaries		4,851,130.28	3,899,527.00
	Staff Welfare		114,412.76	207,266.50
	Subscriptions		179,812.07	99,061.61

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

		2025 Rs. Cts.	2024 Rs. Cts.
(06)	ADMINISTRATION EXPENSES (Contd)		
	Professional fees	-	55,000.00
	Accounting Charges	480,000.00	130,000.00
	Telephone Bills	352,622.32	308,412.75
	Travelling & Transport	515,434.92	580,011.64
	Water Bills	117,475.20	75,492.63
	Fuel for Generator	5,720.00	21,250.00
	Publication Cost	1,505.76	25,037.13
	Certificates Awarding Ceremony Expenses	-	19,545.00
	Attendance Incentives - Office Assistant	60,000.00	60,333.00
	Staff Overtime - Office Assistant	12,900.00	32,828.75
	Software maintenance	500,866.19	449,294.04
	Credit Card Charges	76,773.90	19,857.70
	Staff Training Fees	10,000.00	13,500.00
	Convocation Expenses	-	1,879,725.29
	Logo Registration	-	153,000.00
	Network and Cabling Charges	114,880.00	443,524.66
	Tie Expenses	17,653.33	23,370.00
	T-shirt Expenses	22,710.00	167,266.65
	Event and Functions Expenses	24,000.00	183,289.03
	New Year Celebration	389,601.80	-
	Exhibition Expense	390,112.00	-
	Member's Welfare	47,980.00	-
	OPA POSON Program	21,400.00	-
	VTA Registration and Registration Renewal Fee	3,000.00	-
	Tea/Coffee Machine Expenses	3,830.00	
	Sundry Expenses	5,262.95	4,421.60
		27,199,033.63	23,567,410.88
(06.1)	COURSE FEE RECEIVABLE WRITTEN OFF		
	UP TO 31.03.2023	2,485,055.00	-
	Year 2023/24	1,519,400.00	-
		4,004,455.00	-

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

		2025 Rs. Cts.	2024 Rs. Cts.
(07)	**SALES AND PROMOTIONAL EXPENSES**		
	Advertising	521,356.73	101,872.48
	Web Maintenance Expenses	12,500.00	177,884.32
	Other Promotional Activities	90,100.00	-
	Courier Charges	4,910.00	4,945.00
	Launching Ceremony	3,565,210.51	
	Rates & Taxes	141,372.00	141,372.00
		4,335,449.24	426,073.80
(08)	**FINANCIAL AND OTHER EXPENSES**		
	Bank Charges	101,140.53	19,726.23
	Commission on Card Payments	279,302.07	73,304.85
		380,442.60	93,031.08
(09)	**INCOME TAX EXPENSE**		
	Current Tax Expense *(Note 9.1)*	225,044.43	288,480.89
	Deferred Tax charge/ (Reversal) for the Year *(Note 25)*	58,218.21	364,266.66
		283,262.65	652,747.55

(9.1) **RECONCILIATION AGAINST TAXABLE PROFIT AND SURPLUS FOR THE YEAR**

Surplus for the year before Income Tax	4,790,811.78	4,937,358.91
Aggregate Non Deductible Expenses for Tax	3,208,193.92	2,307,838.55
Aggragate Deductible Expenses for Tax	(10,115,420.95)	(5,184,619.67)
Assessable Income from Business	(2,116,415.25)	2,060,577.79
Income from Interest	3,720,875.48	-
Less : Losses claimed during the year	(2,113,415.25)	-
Taxable Income	1,607,460.24	2,060,577.79
Current Income Tax Expense		
Taxation	**225,044.43**	**288,480.89**

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2025.

(10) PROPERTY, PLANT & EQUIPMENT

(10.1) Gross Carrying Value

Description	*At the beginning of the year*	*Additions During the year*	*Disposals During the year*	*At the end of the year*
	Rs. Cts.	*Rs. Cts.*	*Rs. Cts.*	*Rs. Cts.*
Office Equipment	1,300,455.00	222,000.00	-	1,522,455.00
Other Equipment	9,244,180.84	1,593,089.02	-	10,837,269.86
Computer Equipment	1,871,050.00	172,000.00	-	2,043,050.00
Furniture & Fittings	6,169,476.11	-	9,000.00	6,160,476.11
Motor Vehicle	336,000.00	-	-	336,000.00
Total Value	**18,921,161.95**	**1,987,089.02**	**9,000.00**	**20,899,250.97**

(10.2) Accumulated Depreciation

Description	*At the beginning of the year*	*Charge for the year*	*Disposals/ Transfers*	*At the end of the year*
	Rs. Cts.	*Rs. Cts.*	*Rs. Cts.*	*Rs. Cts.*
Office Equipment	1,099,649.58	110,950.42	-	1,210,600.00
Other Equipment	5,872,319.45	1,572,041.55	-	7,444,361.00
Computer Equipment	1,482,931.12	194,999.88	-	1,677,931.00
Furniture & Fittings	2,829,050.73	563,214.27	9,000.00	3,383,265.00
Motor Vehicle	67,200.00	67,200.00	-	134,400.00
Total Depreciation	**11,351,150.88**	**2,508,406.12**	**9,000.00**	**13,850,557.00**

(10.3) Carrying Values

	2025 *Rs. Cts.*	2024 *Rs. Cts.*
Office Equipment	311,855.00	200,805.42
Other Equipment	3,392,908.86	3,371,861.39
Computer Equipment	365,119.00	388,118.88
Furniture & Fittings	2,777,211.11	3,340,425.38
Motor Vehicle	201,600.00	268,800.00
	7,048,693.97	7,570,011.07

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2025.

(11) CAPITAL WORK IN PROGRESS

(11.1) Gross Carrying Value

Description	At the beginning of the year	Additions During the year	Transfered During the year	At the end of the year
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Corporate Video	630,000.00	350,000.00	(1,000,000.00)	-
Website	220,000.00	606,000.00	(826,000.00)	-
	870,000.00	956,000.00	(1,826,000.00)	-

(12) INTANGIBLE ASSTES

(12.1) Gross Carrying Value

Description	At the beginning of the year	Additions During the year	Transfered During the year	At the end of the year
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Corporate Video	-	1,000,000.00	-	1,000,000.00
Website	-	826,000.00	-	826,000.00
	-	1,826,000.00	-	1,826,000.00

(12.2) Accumulated Amoratization

Description	At the beginning of the year	Charge for the year	Disposals/ Transfers	At the end of the year
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Corporate Video	-	200,000.00	-	200,000.00
Website	-	82,600.00	-	82,600.00
Total Depreciation	-	282,600.00	-	282,600.00

	2025	2024
(12.3) Carrying Values	Rs. Cts.	Rs. Cts.
Corporate Video	800,000.00	-
Website	743,400.00	-
	1,543,400.00	-

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CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH,

	2025 Rs. Cts.	2024 Rs. Cts.
(13) INVENTORIES		
VAT Consolidated Act	28,237.66	28,237.66
Stationery Items	90,274.00	-
Inland Revenue Act	10,540.32	12,046.22
T'shirts with Institute Logo	7,570.00	32,433.24
Lapel Pin	239,870.00	578,000.00
Tie	207,870.00	222,630.00
	584,361.98	873,347.12
(14) MEMBERS' SUBSCRIPTIONS RECEIVABLE		
Associate Members	1,457,800.00	186,475.00
Fellow Members	1,427,975.00	547,000.00
	2,885,775.00	733,475.00
(15) FINANCIAL ASSETS		
Investments in Fixed Deposits	69,445,189.16	66,970,999.36
Investment in NDB Wealth Management	12,091,695.47	-
	81,536,884.63	66,970,999.36
(16) INTEREST INCOME RECEIVABLE		
Interest Income Receivable on Fixed Deposits	69,101.62	2,392,377.67
	69,101.62	2,392,377.67
(17) COURSE FEE RECEIVABLE		
Course Fee Receivable	2,365,411.00	6,060,894.00
	2,365,411.00	6,060,894.00
(18) DEPOSITS, ADVANCES & PREPAYMENTS		
Rent Advance	-	1,425,000.00
Prepayments - Sports Day	-	57,500.00
Prepayments - Ceylinco General Insurance Limited	20,107.92	13,374.41
Cash Advance	1,324.00	1,324.00
Security Deposit on office Rent	475,000.00	475,000.00
Prepayments- Elevator	242,759.75	-
Rent Income Receivable	-	13,000.00
Prepayments - Insurance	-	36,081.25
Prepayments - Corporate Promotions Pvt Ltd	458,750.00	517,500.00
	1,197,941.67	2,538,779.66
(19) CASH AND CASH EQUIVALENTS		
Commercial Bank - Savings Account (8580032064)	1,300,724.30	1,877,553.36
Commercial Bank -Current Account (1580006485)	125,000.00	25,000.00
People's Bank - Savings Account (337-200110006039)	48,838.03	1,355,841.93
People's Bank - Current Account (337-100130006039)	19,500.00	36,000.00
Bank of Ceylon - Savings Account (90187241)	3,742.07	4,068.99
Bank of Ceylon - Savings Account (0090651133)	7,245.47	4,631,437.27
Sampath Bank - Current Account (003660000401)	49,231.97	163,800.00
Bank of Ceylon - Current Account (83910511)	28,471.07	-
Petty Cash	-	20,380.65
Cash in Hand	17,961.26	159,414.00
	1,600,714.17	8,273,496.20

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CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH

	2025 Rs. Cts.	2024 Rs. Cts.
(20) HUGH MOLAGODA FUND		
Balance as at 01st April 2023	69,427.83	35,187.81
Add: Interest for the Year	958.24	34,240.02
Less: Utilized during the year	-	-
Balance as at 31st March 2024	70,386.07	69,427.83
(21) DEFERRED INCOME AND DEPOSITS		
Membership Fees Received in Advance	333,600.00	39,000.00
Exam Fee Received in Advance	-	887,000.00
Un-Identified Deposits	516,091.53	-
Course Fee Received in Advance	162,600.00	62,150.00
Deferred Income - Study Courses	4,850,910.87	5,270,779.00
	5,863,202.40	6,258,929.00
(22) ACCRUED EXPENSES		
Staff Annual Bonus Payable	276,883.00	304,206.34
Lecture Fees Payable	-	580,000.00
APIT Payable	-	21,200.00
WHT Payable	11,700.00	5,600.00
Electricity Bills	-	151,567.02
Telephone Bills	-	83,158.43
Water Bills	-	3,713.04
Audit Fees	120,000.00	100,000.00
Accounts Payable	796,823.20	154,754.30
EPF Payable	107,849.92	151,150.00
ETF Payable	16,327.38	22,673.00
	1,329,583.50	1,578,022.13
(23) BANK OVERDRAFTS		
Bank of Ceylon Credit Card	14,092.55	193,360.96
Bank of Ceylon - Current Account (83910511)	-	1,119,324.78
	14,092.55	1,312,685.74
(24) CURRENT TAX LIABILITIES / (RECOVERABLE)		
Opening Balance as at 01st April,	(952,166.56)	(459,570.51)
Income Tax Provision for the Year	225,044.43	288,480.89
	(727,122.13)	(171,089.62)
Income Tax Paid During the Year	-	(133,000.00)
WHT Paid	(300,107.65)	(648,076.94)
Closing Balance as at 31st March,	(1,027,229.77)	(952,166.56)



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2025

		2025	2024
		Rs. Cts.	Rs. Cts.
(25)	DEFERRED TAX (ASSET)/LIABILITIES		
	Balance at the beginning of the Year	364,266.66	-
	Provision/(Reversal) for the Year	58,218.21	364,266.66
	Balance at the end of the Year	422,484.87	364,266.66

(25.1) *TEMPORARY DIFFEANCES AND CORRESPONDING TAX LIABILITY ARE AS FOLLOWS*

	Temporary Difference	*Tax @ 14%*
Property, Plant and Equipment	3,017,749.10	422,484.87
	3,017,749.10	422,484.87

(26) RELATED PARTY TRANSACTIONS

(26.1) *Identity of the Related Parties*

The institute holds a related party relationship with the key management personnel of the institute.

(26.2) *Transactions with Key Management Personnel*

According to the Section 33 - *"Related Party Disclosures"* of SLFRS for SMEs, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling of the activities of the entity.

The Institute considers its Governing Council as the Key Management Personnel of the Institute.

There were no transactions with Key Management Personnel during the reporting year.

(27) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

No events have arisen since the reporting date which would require adjustments or disclosure in the financial statements.

B. R. DE SILVA & CO. Chartered Accountants

APPRECIATION



The Executive Council of the Chartered Institute of Taxation of Sri Lanka (CITSL) wishes to extend its sincere appreciation and heartfelt gratitude to the following individuals and organizations for their invaluable support, commitment, and cooperation extended throughout the year;

Hon. Minister of Finance and the Staff of the Ministry of Finance;

We are deeply grateful for the continued guidance and collaboration of the Ministry of Finance in supporting our initiatives to advance excellence in taxation, education and practice.

The Commissioner General of Inland Revenue and the Staff of the Inland Revenue Department

We acknowledge with appreciation the support and knowledge-sharing extended by the Commissioner General and the dedicated staff of the IRD, which have significantly enriched the professional development of our members.

All Members of the Chartered Institute of Taxation of Sri Lanka

The active engagement, trust, and contributions of our members remain the cornerstone of our progress. We sincerely thank them for their ongoing support and participation.

Subcommittee Members of the Institute

Our deepest thanks go to the subcommittee members who have selflessly contributed their time, expertise, and energy toward advancing the objectives of the Institute.

Lecturers at the Institute

We commend our lecturers for their professionalism, subject-matter expertise, and commitment to the academic and practical advancement of our students and members.

Chief Executive Officer and the Staff of the Institute

We offer our appreciation to the CEO and the entire Secretariat team for their dedication, efficiency, and relentless efforts in ensuring the smooth and effective operation of the Institute's day-to-day activities.

The Organization of Professional Associations (OPA)

We value the continued support and partnership of the OPA, which has played a key role in enhancing our visibility and advocacy within the broader professional community.

Sponsors of Institute Events

We gratefully acknowledge the generosity of our sponsors including some of our own members whose financial and in-kind contributions have enabled the successful execution of our educational and professional development programs.

Resource Personnel at Seminars and Workshops

Our sincere thanks to the resource people who have enriched our forums with their knowledge and insights, thereby elevating the learning experience of our members and participants.

Invigilators, Examiners, and Marking Examiners

We recognize and thank all academic personnel involved in the examination process for their integrity, diligence, and professionalism in upholding the standards of our assessments.

Suppliers and Partner Organizations

We appreciate the continued support and reliable service of our suppliers and other partners who have helped us fulfill our mission effectively.

Government Officials

Our thanks are extended to the various government officials who have supported the work of the Institute through their cooperation and facilitation.

All Service Providers

We are grateful to the service providers who have offered essential operational support across diverse areas, contributing to the seamless functioning of the Institute.

Institute Auditors

We thank our auditors for their professional engagement and insightful recommendations, which have strengthened the financial integrity and governance of the Institute.

The Executive Council acknowledges the collective contributions of all individuals and institutions who have played a part in the Institute's continued success over the past year. Your unwavering support has been instrumental in advancing the tax profession and upholding the mission of CITSL.

By order of the Executive Council,



Mr. V. Rameshkumar
Secretary



CIT | CHARTERED INSTITUTE OF TAXATION OF SRI LANKA
The national statutory body for tax professionals

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