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 2026 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 2026, 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 Governing Council and Those Charged with Governance for the Financial Statements

The Governing 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 Governing 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 Governing Council is responsible for assessing the Institute's ability to continue as a Going Concern, disclosing, as applicable, matters related to the Going Concern and using the Going Concern basis of accounting unless the Governing 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.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a reasonable assurance on whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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..19/06/2026

LW/ST/IS

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

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

	Note	2026 Rs. Cts.	2025 Rs. Cts.
Direct Income	(03)	46,781,156.57	34,682,192.13
Direct Expenses	(04)	(7,733,803.88)	(6,343,616.93)
		39,047,352.69	28,338,575.20
Other Income	(05)	8,717,537.79	8,367,162.05
		47,764,890.48	36,705,737.25
Administration Expenses	(06)	(25,893,836.71)	(27,199,033.63)
Selling and Distribution Expenses	(07)	(763,496.14)	(4,335,449.24)
Finance and Other Expenses	(08)	(591,494.69)	(380,442.60)
		(27,248,827.54)	(31,914,925.47)
Surplus / (Deficit) before Taxation		20,516,062.94	4,790,811.78
Income Tax for the Year	(09)	(2,413,585.27)	(283,262.65)
Surplus / (Deficit) for the Year		18,102,477.67	4,507,549.13
Allocation of Surplus for the Year			
Allocation to Accumulated Fund		18,102,477.67	4,507,549.13
Allocation to Hugh Molagoda Fund		-	-
		18,102,477.67	4,507,549.13

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) form an integral part of these financial Statements.



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH,

	Note	2026 Rs. Cts.	2025 Rs. Cts.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	(10)	5,052,694.39	7,048,693.97
Intangible Assets	(11)	1,260,800.00	1,543,400.00
Total Non-Current Assets		6,313,494.39	8,592,093.97
Current Assets			
Inventories	(12)	1,047,997.68	584,361.98
Members' Subscriptions Receivable	(13)	3,394,100.00	2,885,775.00
Financial Assets	(14)	92,782,626.14	81,536,884.63
Interest Income Receivable	(15)	6,645,339.98	69,101.62
Course Fee Receivable	(16)	3,982,606.84	2,365,411.00
Deposits, Advances & Pre-payments	(17)	4,329,833.10	1,197,941.67
Income Tax Recoverable	(23)	-	1,027,229.77
Cash & Cash Equivalents	(18)	5,668,033.50	1,600,714.17
Total Current Assets		117,850,537.24	91,267,419.84
Total Assets		**124,164,031.63**	**99,859,513.81**
FUNDS & LIABILITIES			
Funds			
Accumulated Fund		110,262,242.08	92,159,764.41
Hugh Molagoda Memorial Fund	(19)	70,386.07	70,386.07
Total Funds		110,332,628.15	92,230,150.48
Non-Current Liabilities			
Deferred Tax Liability	(24)	301,205.65	422,484.87
Total Non-Current Liabilities		301,205.65	422,484.87
Current Liabilities			
Deferred Income & Deposits	(20)	10,493,554.83	5,863,202.40
Income Tax Payable	(23)	1,412,718.50	-
Accrued Expenses	(21)	1,501,925.55	1,329,583.50
Bank Overdrafts	(22)	121,998.95	14,092.55
Total Current Liabilities		13,530,197.83	7,206,878.45
Total Funds and Liabilities		**124,164,031.63**	**99,859,513.81**

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.

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Mr. P. R. C Gamage
President

.....
Mr. I. W. Shantha Kumara
Treasurer

Date 19/06/2026

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) form an integral part of these financial Statements.

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST MARCH 2026,

	Accumulated Fund Rs. Cts.
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
Surplus for the Year	18,102,477.67
Balance as at 31st March 2026	110,262,242.08

Figures in brackets indicate deductions.

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) 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	2026 Rs.	2025 Rs.
Cash Flow from Operating Activities			
Surplus/(Deficit) for the Year		20,516,063	4,790,812
Adjustments for			
Depreciation	(10.2)	2,455,300	2,508,406
Amortization	(12.2)	282,600.00	282,600
Course Fee Receivable Written-Off		-	4,004,455
Interest Income on Fixed Deposits		(7,308,852)	(4,093,783)
Fair Value Gain on Investment in Unit Trust		-	(1,091,695)
Finance Costs	(08)	591,495	380,443
Profit or Loss on Asset Disposal	(05)	-	(3,000)
Operating Profit before Working Capital Changes		16,536,606	6,778,237
Changes in Working Capital			
(Increase) / Decrease in Inventories		(463,636)	288,985
(Increase) / Decrease in Members' Subscriptions & Other Receivables		(8,701,760)	(2,461,272)
(Increase) / Decrease in Deposits & Pre-payments		(3,131,891)	1,340,838
Increase / (Decrease) in Deferred Income & Deposits		4,630,352	(395,727)
Increase / (Decrease) in Accrued Expenses		172,342	(248,439)
Cash Generated from Operations		9,042,013	5,302,623
Finance Cost Paid	(08)	(591,495)	(380,443)
Current Tax Paid	(23)	(56,261)	-
WHT Paid		(38,655)	(300,108)
Net Cash Flow from/(used in) Operating Activities		8,355,602	4,622,073
Cash Flow From Investing Activities			
Acquisition of Property, Plant & Equipment	(10.1)	(459,300)	(1,987,089)
Proceeds from Disposal of Property, Plant & Equipment	(5)	-	3,000
Net Change in Capital Work-in-Progress		-	(956,000)
Interest Received from Savings Account		343,060	373,865
Interest Received from Fixed Deposits		6,965,792	6,044,152
New Investments in Fixed Deposits		(11,245,742)	(63,976,000)
Proceeds from Withdrawal of Fixed Deposits		-	61,501,810
Investment in Unit Trust		-	(11,000,000)
Net Cash Flow from/(used in) Investing Activities		(4,396,190)	(9,996,262)
Net Increase / (Decrease) in Cash & Cash Equivalents		3,959,412	(5,374,189)
Cash & Cash Equivalents at the Beginning of the Year		1,586,622	6,960,810
Cash & Cash Equivalents at the End of the Year		**5,546,034**	**1,586,622**
Note A			
Analysis of Cash & Cash Equivalents	(19) & (23)		
Commercial Bank - Savings Account		286	1,300,724
Commercial Bank - Current Account		100,000	125,000
People's Bank- Current Account		75,462	19,500
People's Bank- Savings Account		113,612	48,838
Bank of Ceylon Savings Account		3,402	3,742
Bank of Ceylon Current Account		250,000	28,471
Bank of Ceylon Savings Account		88,287	7,245
Bank of Ceylon Credit Card		(121,999)	(14,093)
Sampath Bank - Wellawatte Branch		47,732	49,232
Money Market Account - 2000744243		4,978,649	-
Cash in Hand		10,603	17,961
		5,546,034	**1,586,622**

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) 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, 2026

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. Principal Activities and Nature of Operations

The Institute is an educational and professional body for taxation in Sri Lanka, established by an Act of Parliament. Its principal activities are focused on promoting and advancing the theory and practice of taxation, including tax policy and administration.

The Institute is engaged in the enrollment, education, and training of students and members, and conducts examinations and certification programs leading to the award of professional qualifications in taxation.

Contd...(06)



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

Principal Activities and Nature of Operations (Cont'd)

The Institute functions as the sole recognized tax education body in Sri Lanka and contributes to the Government in the development of tax policy and practice, while promoting tax simplification, enhancing tax awareness, and strengthening compliance frameworks in collaboration with relevant regulatory authorities.

The Institute promotes and upholds high standards of professional conduct among its members and facilitates continuous professional development through seminars, workshops, and technical forums.

It also regulates and supervises the education and professional training of its students and members, undertakes research and publications, and contributes to public policy dialogue on taxation matters.

In addition, the Institute carries out activities in the public interest to enhance tax awareness and compliance and collaborates with local and international stakeholders to promote best practices in taxation.

1.4. Responsibilities for preparation and presentation of the Financial Statements

The Council presents herewith the audited financial statements for the year ended 31st March 2026. The Governing Council is responsible for preparing and presenting of those financial statements.

1.5. Date of authorization for issue

The financial statements of the Chartered Institute of Taxation of Sri Lanka for the year ended 31st March 2026 were authorized for issue by the Council on 19th June 2026.

2. ACCOUNTING POLICIES AND BASIS OF PREPARATION

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.

Contd...(07)

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, 2026

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.

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;

Contd...(08)

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, 2026

Property, Plant & Equipment – Cont'd

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

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.

B. R. DE SILVA & CO. Chartered Accountants

Contd...(09)

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

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.

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.

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.

B. R. DE SILVA & CO. Chartered Accountants

Contd...(10)

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

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.

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.

2.7.3. 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.

The tax liability is computed at the rate of 14% on taxable income, in line with the Principal Activities and Nature of Operations mentioned in the note 1.3.

2.8. 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,

		2026 Rs. Cts.	2025 Rs. Cts.
(03)	DIRECT INCOME		
	Seminar & Workshop Income	2,987,100.00	1,552,800.00
	Associate Members' Subscriptions	1,079,000.00	932,000.00
	Fellow Members' Subscriptions	1,749,000.00	1,161,000.00
	Membership Entrance Fees	45,000.00	-
	Student Renewal Fees	894,600.00	473,500.00
	Course Registration Fees	1,179,000.00	545,000.00
	Examination Fees - Analyst Level	4,464,800.00	3,289,300.00
	Course Fee - Application Level	2,608,000.00	2,407,111.00
	Course Fee - Analyst Level - 1	9,592,259.00	7,495,657.00
	Course Fee - Analyst Level 2	3,624,950.02	5,972,734.00
	Course Fee - Advisory Level	2,465,520.00	3,955,177.00
	Exam Fee Application Level	570,800.00	184,050.00
	Transfer Pricing Course	-	1,177,200.00
	CTP Programme	-	875,000.00
	Certificate Course in Taxation	-	1,217,667.00
	Application Level Sinhala 2025 B1	316,800.00	211,200.00
	Analyst Level 1 2025 B1	4,385,944.20	2,923,962.80
	Certificate Course in Taxation 2025 B1	148,166.67	296,333.33
	Tax Inside Learner Income	-	12,500.00
	Revision fee for Repeat Analyst Level 2 Examination	125,000.00	-
	Revision Fee for Repeat Advisory Level Examination	225,000.00	-
	Certificate Course in UAE Corporate Taxation	1,224,999.99	-
	Certificate Course in Practical Application of Income Tax & Vat English Medium	792,500.01	-
	Certificate Course in Australian Taxation	286,666.67	-
	Certificate Course in UAE Value Added Tax	175,000.00	-
	Subject wise Course Income	844,000.00	-
	Conceptual Framework of Tax Adjudication – Training Session	35,000.00	-
	Certificate Course in Practical Application of Income Tax & Vat Sinhala Medium	687,500.01	-
	Certificate Course in Practical Application of Income Tax & Vat Tamil Medium	255,000.00	-
	Examination Fees - Advisory Level	814,500.00	-
	penalty fee and Abundance Charges	224,950.00	-
	Level Exemption Fee	4,664,100.00	-
	Batch Transfer Fee	39,000.00	-
	Rejoining Fee	277,000.00	-
		46,781,156.57	34,682,192.13

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,

			2026 Rs. Cts.	2025 Rs. Cts.
(04)	**DIRECT EXPENSES**			
	Lecture Fees		4,646,000.00	4,236,000.00
	Seminar & Workshop Expenses		838,190.00	396,765.00
	Marking Examiners Fees		203,050.00	10,425.00
	Invigilators' Fee		171,000.00	114,500.00
	Viva Expenses		76,900.00	103,440.00
	Paper settings & Moderator fee		319,125.00	371,850.00
	Course Related Expenses		593,881.28	887,970.93
	Examination Expenses		572,928.00	222,666.00
	Printing of Certificates		312,729.60	-
			7,733,803.88	6,343,616.93
(05)	**OTHER INCOME**			
	Interest Income	Note (05.1)	7,308,851.92	4,093,782.58
	Fair Value Gain on Unit Trust Investment		923,660.87	1,091,695.47
	Convocation Income		25,000.00	57,000.00
	Certificate Awarding Ceremony Income		-	25,000.00
	Publication Sales		300.00	8,800.00
	Profit on Disposal of Fixed Assets		-	3,000.00
	IR Act Revenue		-	15,200.00
	Avrudu Day Celebration		-	20,000.00
	Launching Ceremony Income		-	2,705,000.00
	Members Day Income		427,625.00	270,000.00
	Sundry Income		32,100.00	77,684.00
			8,717,537.79	8,367,162.05
(5.1)	*INTEREST INCOME*			
	Savings Account		343,060.40	372,907.10
	Fixed Deposits		6,965,791.52	3,720,875.48
			7,308,851.92	4,093,782.58

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,

			2026	2025
			Rs. Cts.	Rs. Cts.
(06)	ADMINISTRATION EXPENSES			
	AGM Expenses		397,116.00	347,967.37
	Audit Fees		182,907.36	169,460.89
	Course Fee Receivable Written Off	Note (06.1)	-	4,004,455.00
	Cleaning Charges		309,800.00	213,100.00
	Council Meeting Expenses		78,263.00	14,230.00
	Committee meeting Expenses		27,234.00	39,473.00
	Casual Wages		189,975.00	871,803.00
	Depreciation		2,455,299.58	2,508,406.12
	Amortization		282,600.00	282,600.00
	Electricity Bills		1,249,725.80	1,120,512.07
	Employees' Provident Fund		787,484.84	569,054.87
	Employees' Trust Fund		196,871.21	142,263.22
	Equipment Maintenance		676,772.18	461,367.89
	Sponsorship payments - OPA		58,000.00	137,380.00
	ETF Surcharge		1,248.60	6,186.00
	Staff Annual Bonus		254,950.00	276,883.00
	Insurance		46,421.58	38,383.37
	Members' Day Expenses		911,185.00	808,236.85
	Members' Sports Event Expenses		15,000.00	-
	Newspaper Bills		-	4,000.00
	Office Maintenance		454,729.69	257,497.74
	Printing & Stationery		304,754.50	302,689.70
	Rents		6,736,333.30	6,304,000.06
	Salaries		6,562,373.67	4,851,130.28
	Staff Welfare		222,172.00	114,412.76
	Subscriptions		250,703.44	179,812.07
	Professional fees		324,900.00	-
	Accounting Charges		81,000.00	480,000.00
	Telephone Bills		316,904.42	352,622.32
	IR Act - COS		3,011.52	-
	Travelling & Transport		727,404.01	515,434.92
	Water Bills		183,490.30	117,475.20
	Fuel for Generator		-	5,720.00
	Publication Cost		14,499.96	1,505.76
	Postage		2,420.00	-
	Attendance Incentives - Office Assistant		175,750.00	60,000.00
	Staff Overtime - Office Assistant		52,500.00	12,900.00
	Software maintenance		520,713.17	500,866.19
	Credit Card Charges & Stamp Duty CC		69,585.66	76,773.90
	Staff Training Fees		-	10,000.00
	Logo Registration		20,350.00	-
	Network and Cabling Charges		-	114,880.00
	Tie Expenses		19,680.00	17,653.33



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

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

		2026 Rs. Cts.	2025 Rs. Cts.
(06)	ADMINISTRATION EXPENSES (Cont'd)		
	T-shirt Expenses	5,791.92	22,710.00
	Event and Functions Expenses	22,945.00	24,000.00
	Exhibition Expense	680,285.00	-
	New Year Celebration	-	389,601.80
	Exhibition Expense	-	390,112.00
	Member's Welfare	20,685.00	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
		25,893,836.71	27,199,033.63
(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,

		2026 Rs. Cts.	2025 Rs. Cts.
(07)	**SALES AND PROMOTIONAL EXPENSES**		
	Advertising	537,996.14	521,356.73
	Web Maintenance Expenses	32,000.00	12,500.00
	Other Promotional Activities	193,500.00	90,100.00
	Courier Charges	-	4,910.00
	Launching Ceremony	-	3,565,210.51
	Rates & Taxes	-	141,372.00
		763,496.14	4,335,449.24
(08)	**FINANCIAL AND OTHER EXPENSES**		
	Bank Charges	127,011.36	101,140.53
	Commission on Card Payments	464,483.33	279,302.07
		591,494.69	380,442.60
(09)	Current Tax Expense (Note 9.1)	2,534,864.50	225,044.43
	Deferred Tax	(121,279.22)	58,218.21
		2,413,585.27	283,262.65

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

Surplus for the year before Income Tax	20,516,062.94	4,790,811.78
Aggregate Non Deductible Expenses for Tax	3,686,018.68	3,208,193.92
Aggregate Deductible Expenses for Tax	(13,061,698.16)	(10,115,420.95)
Assessable Income from Business	11,140,383.45	(2,116,415.25)
Income from Interest	6,965,791.52	3,720,875.48
Less : Losses claimed during the year	-	(2,113,415.25)
Taxable Income	18,106,174.98	1,607,460.24
Current Income Tax Expense		
Taxation	**2,534,864.50**	**225,044.43**

(9.2) Tax liability is computed at the rate of 14% on income liable to tax in line with the principal activities and nature of operations mentioned in note 1.3



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2026,

(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	1,522,455.00	-	-	1,522,455.00
Other Equipment	10,837,269.86	145,500.00	-	10,982,769.86
Computer Equipment	2,043,050.00	53,800.00	-	2,096,850.00
Furniture & Fittings	6,160,476.11	260,000.00		6,420,476.11
Motor Vehicle	336,000.00	-	-	336,000.00
Total Value	**20,899,250.97**	**459,300.00**	**-**	**21,358,550.97**

(10.2) Accumulated Depreciation

(8,701,759.20)	*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	1,210,600.00	110,996.75	-	1,321,596.75
Other Equipment	7,444,361.00	1,558,653.32	-	9,003,014.32
Computer Equipment	1,677,931.00	134,787.17	-	1,812,718.17
Furniture & Fittings	3,383,265.00	583,662.34	-	3,966,927.34
Motor Vehicle	134,400.00	67,200.00	-	201,600.00
Total Depreciation	**13,850,557.00**	**2,455,299.58**	**-**	**16,305,856.58**

(10.3) Carrying Values

	2026	*2025*
	Rs. Cts.	*Rs. Cts.*
Office Equipment	200,858.25	311,855.00
Other Equipment	1,979,755.54	3,392,908.86
Computer Equipment	284,131.83	365,119.00
Furniture & Fittings	2,453,548.77	2,777,211.11
Motor Vehicle	134,400.00	201,600.00
	5,052,694.39	**7,048,693.97**

(10.4) The cost of fully depreciated Property, Plant and Equipment which are still in use as at the reporting date was Rs. 1,045,988 /-



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2026,

(11) INTANGIBLE ASSTES

(11.1) Gross Carrying Value

Description	*At the beginning of the year* Rs. Cts.	*Additions During the year* Rs. Cts.	*Transferred During the year* Rs. Cts.	*At the end of the year* 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

(11.2) Accumulated Amortization

Description	*At the beginning of the year* Rs. Cts.	*Charge for the year* Rs. Cts.	*Disposals/ Transfers* Rs. Cts.	*At the end of the year* Rs. Cts.
Corporate Video	200,000.00	200,000.00	-	400,000.00
Website	82,600.00	82,600.00	-	165,200.00
Total Depreciation	**282,600.00**	**282,600.00**	-	**565,200.00**

(11.3) Carrying Values

	2026 Rs. Cts.	*2025* Rs. Cts.
Corporate Video	600,000.00	800,000.00
Website	660,800.00	743,400.00
	1,260,800.00	**1,543,400.00**



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH,

	2026 Rs. Cts.	2025 Rs. Cts.
(12) INVENTORIES		
VAT Consolidated Act	28,237.66	28,237.66
Stationery Items	497,960.90	90,274.00
Inland Revenue Act	7,277.89	10,540.32
T-shirts with Institute Logo	63,711.23	7,570.00
Lapel Pin	225,420.00	239,870.00
Tie	188,190.00	207,870.00
Back Pack	37,200.00	-
	1,047,997.68	584,361.98
(13) MEMBERS' SUBSCRIPTIONS RECEIVABLE		
Associate Members	1,767,800.00	1,457,800.00
Fellow Members	1,626,300.00	1,427,975.00
	3,394,100.00	2,885,775.00
(14) FINANCIAL ASSETS		
Investments in Fixed Deposits	79,767,269.80	69,445,189.16
Investment in NDB Wealth Management	13,015,356.34	12,091,695.47
	92,782,626.14	81,536,884.63
(15) INTEREST INCOME RECEIVABLE		
Interest Income Receivable on Fixed Deposits	6,645,339.98	69,101.62
	6,645,339.98	69,101.62
(16) COURSE FEE RECEIVABLE		
Course Fee Receivable	3,982,606.84	2,365,411.00
	3,982,606.84	2,365,411.00
(17) DEPOSITS, ADVANCES & PREPAYMENTS		
Rent Advance	3,066,666.68	-
Prepayments - Ceylinco General Insurance Limited	22,092.38	20,107.92
Cash Advance	1,324.00	1,324.00
Security Deposit on Office Rent	475,000.00	475,000.00
Prepayments - Elevator	-	242,759.75
Prepayments - Corporate Promotions Pvt Ltd	264,750.04	458,750.00
Advance for Land - Rajagiriya	500,000.00	-
	4,329,833.10	1,197,941.67
(18) CASH AND CASH EQUIVALENTS		
Commercial Bank - Savings Account (8580032064)	285.56	1,300,724.30
Commercial Bank -Current Account (1580006485)	100,000.00	125,000.00
People's Bank - Savings Account (337-200110006039)	113,612.46	48,838.03
People's Bank - Current Account (337-100130006039)	75,462.46	19,500.00
Bank of Ceylon - Savings Account (90187241)	3,401.52	3,742.07
Bank of Ceylon - Savings Account (0090651133)	88,287.39	7,245.47
Sampath Bank - Current Account (003660000401)	47,731.97	49,231.97
Bank of Ceylon - Current Account (83910511)	250,000.00	28,471.07
Money Market Account	4,978,648.88	-
Cash in Hand	10,603.26	17,961.26
	5,668,033.50	1,600,714.17



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH,

	2026 Rs. Cts.	2025 Rs. Cts.
(19) HUGH MOLAGODA FUND		
Balance as at 01st April 2025	70,386.07	69,427.83
Add: Interest for the Year	-	958.24
Less: Utilized during the year	-	-
Balance as at 31st March 2026	70,386.07	70,386.07
(20) DEFERRED INCOME AND DEPOSITS		
Membership Fees Received in Advance	339,100.00	333,600.00
Exam Fee Received in Advance	19,300.00	-
Un-Identified Deposits	192,741.53	516,091.53
Course Fee Received in Advance	22,900.00	162,600.00
Seminar and Worksop Fee Received in Advance	10,500.00	-
Deferred Income - Study Courses	973,333.32	4,850,910.87
Deferred Income - Application Level	345,000.00	-
Deferred Income - Analyst Level 1	2,680,000.00	-
Deferred Income - Analyst Level 2	1,699,999.98	-
Deferred Income - Advisory Level	3,492,680.00	-
Deferred Income - Students Renewal Fee	718,000.00	-
	10,493,554.83	5,863,202.40
(21) ACCRUED EXPENSES		
Staff Annual Bonus Payable	254,950.00	276,883.00
WHT Payable	-	11,700.00
Audit Fees	150,000.00	120,000.00
Accounts Payable	867,647.75	796,823.20
EPF Payable	199,285.13	107,849.92
ETF Payable	30,042.66	16,327.38
	1,501,925.54	1,329,583.50
(22) BANK OVERDRAFTS		
Bank of Ceylon Credit Card	121,998.95	14,092.55
	121,998.95	14,092.55
(23) CURRENT TAX LIABILIIES / (RECOVERABLE)		
Opening Balance as at 01st April,	(1,027,229.77)	(952,166.56)
Income Tax Provision for the Year	2,534,864.54	225,044.43
	1,507,634.78	(727,122.13)
Income Tax Paid During the Year	(56,261.00)	-
WHT Paid	(38,655.27)	(300,107.65)
Closing Balance as at 31st March,	1,412,718.50	(1,027,229.77)



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026

(24) DEFERRED TAX (ASSET)/LIABILITIES	2026 Rs. Cts.	2025 Rs. Cts.
Balance at the beginning of the Year	422,484.87	364,266.66
Provision/(Reversal) for the Year	(121,279.22)	58,218.21
Balance at the end of the Year	301,205.65	422,484.87

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

	Temporary Difference	Tax @ 14%
Property, Plant and Equipment	2,151,468.99	301,205.66
Intangible Asset	-	-
	2,151,468.99	301,205.66

(25) RELATED PARTY TRANSACTIONS

(25.1) *Identity of the Related Parties*

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

(25.2) *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.

(25.3) *Related Party Transactions*

During the financial year, the Institute engaged the professional services of Council Member, Mahesh Ranawakarachchi, as a resource person for seminars and workshops organized by the Institute for the benefit of its students, members, and other participants. Professional fees paid during the year were as follows:

Programme	Professional Fees (Rs.)
Seminar on Submission of Statement of Estimated Tax (SET) Return	20,000
Workshop on Practical Application of VAT	35,000
	55,000

The above transactions were conducted in the ordinary course of the Institute's activities and amounted to Rs. 55,000 during the financial year under review.



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026

(26) CONTINGENT LIABILITIES

There were no significant Contingent Liabilities as at the reporting date that require adjustment to or disclosure in the Financial Statements, except as set out below.

(26.1) Pending Litigations

Ms. Usha Sivagurunathan, the former Chief Executive Officer (CEO) of the Institute, has filed a Writ Application in the Court of Appeal of Sri Lanka seeking an order of reinstatement to the position of Chief Executive Officer. The application challenges the decision of the Council of the Institute to suspend her services during the probationary period of her appointment.

As at the date of approval of these Financial Statements, the proceedings remain pending before the Court of Appeal. The matter has been fixed for its next hearing on 3 August 2026.

The Institute is of the view, based on the advice of its Legal Counsel, that it has a strong legal basis to defend the claim. Accordingly, no provision has been recognised in these Financial Statements in respect of this matter, as it is not probable that an outflow of economic benefits will be required to settle the obligation.

(27) CAPITAL EXPENDITURE COMMITMENTS

The Institute do not have significant capital commitments as at the reporting date, other than capital commitments for intangible assets of Institute Management Software Project (IMS) amounting to Rs.2,478,400/-

(28) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material events occurring after the balance sheet date that require adjustments or disclosure in the Financial Statements.

