

ANNUAL REPORT AWARDS 2010



The Institute of
Chartered Accountants
of Sri Lanka



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Paying Tribute to Excellence in Annual Reporting

The Annual Report Awards 2010

The Chartered Accountants Annual Report Awards is a prestigious event which recognises and honours those organizations that have achieved excellence in annual reporting – presenting a true and fair view of the year's activities.

OUR AIM

The aim of the Chartered Accountants Annual Report Awards Competition is to encourage excellence in the presentation of information in the Annual Reports.

This prestigious award recognizes the best Annual Report of the year, selected from the winning reports in the Business Award Categories.

In today's global economy, transparency, social accountability and good governance of an organization, play a vital role. The Chartered Accountants Annual Report Awards Competition encourages an organizations in meeting these global expectations.

OBJECTIVES OF THE AWARDS

The objectives are to promote:

Better communication to stakeholders, particularly through the publication by organization of informative Annual Reports.

Effective communication of financial and non financial information.

Compliance with legislative requirements and generally accepted accounting practices.

AWARDS OVERVIEW

There are twenty two special categories: a winner and runner-up for each category is selected. The Awards are open to every organization that produces an Annual Report, with entrants ranging from multinational companies to small community groups.

Judges take into account the size, complexity and sophistication of each entrant as well as the resources it has available.

Annual Reports are evaluated against established criteria. These do not include the actual financial position or actual financial or non-financial performance of an organization.

The winners are judged and selected on their ability to communicate clearly the objectives, highlights, performance, management and personnel to the intended audience.

All competitors go through an initial selection process by a panel of judges. Those who are shortlisted are then subject to a more intensive technical review.

The final winner, 1st runner-up and 2nd runner-up, will be judged as the Overall Winners of the Competition. They will be selected purely on Merit, irrespective of their business sector.



Paying Tribute to Excellence in Annual Reporting

The Annual Report Awards 2010

GENERAL EXPECTATIONS OF AN ANNUAL REPORT

An Annual Report should provide adequate information for readers to understand the organizations, yet be easy to read. It should include:

A description of what the organisation does.

A comprehensive review of the operations of the organisation.

A clear explanation of how well the organisation is performing and why.

Discussion and analysis of the major factors influencing the performance of the organisation during the period under review.

Discussion of the organisation's immediate outlook.

Financial information in accordance with Generally Accepted Accounting Practices (this covers compliance with applicable statutory requirements, financial reporting standards and other authoritative support appropriate to that organisation, eg: regulations of the Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, Central Bank, etc.).

Statistical and other data in respect of significant items from the statement of financial performance and statement of financial position.

Information on ownership and governance practices.

Timeliness in publishing the Financial Statement and holding of the Annual General Meeting.

Unqualified Audit Opinion.

The technical data should enable any reader to make informed decisions. Adequate information should be given to enable an analyst to determine, for example, whether asset values have been inflated by high valuations, or whether an apparently higher profit was the result of tax minimization rather than operating results.

The overall test applied by the Award Judges: "What can reasonably be expected from the Annual Report of an organization that would enable the reader/stakeholder to make informed decisions about the organization?"



Message from the Chairman, Annual Report Awards Committee 2010



The Institute of Chartered Accountants of Sri Lanka is the pioneer in developing the concept of recognising transparency in financial reporting, by introducing the Chartered Accountants' Annual Report Awards Competition since 1964.

This competition magnifies clarity in reporting and also enhances reporting standards in line with best global practices. More awards have been introduced to the competition over the years, such as Corporate Governance Disclosure Award, Social Responsibility Reporting Award and Management Commentary Award. The competition has also been spread out to more business segments which now include small scale business entities such as NGOs, Clubs, Associations and BOI Companies.

These segments have been introduced with the intention of encouraging smaller entities to comply with global best practices of Annual Reporting. The ICASL aspires to upgrade the competition every year by regularly revising the marking schemes to be on par with the developments in the global business sector. As the sole authority in publicizing Accounting Standards, the ICASL considers it their responsibility to ensure that companies in Sri Lanka adhere to such standards and thereby assist in stabilizing the economy of the country.

I wish to extend to you a cordial invitation to be a part of this prestigious competition.

Lasantha Wickremasinghe
Chairman
Chartered Accountants
Annual Report Awards Committee



Message from the Governor, Central Bank of Sri Lanka

An Annual Report is an organization's single most important instrument of financial disclosure. While the numbers on the report indicate the financial results of an organization, it must also be noted that there would be many stories behind these numbers as well. A good Annual Report highlights these background stories effectively so that it creates an understanding among its readers about the organization, its values, its achievements as well as its contribution to society.

Organizations that adopt sound financial reporting practices, adhere to corporate governance codes and abide by industry norms. They also contribute positively to the stability of the financial system. In that context, the Institute's efforts to establish a standard of excellence in Annual Reporting is praiseworthy.



Ajith Nivard Cabraal
Governor
Central Bank of Sri Lanka



We are, The Institute of Chartered Accountants of Sri Lanka

The Institute of Chartered Accountants of Sri Lanka (ICASL) is the premier national professional accounting body of Sri Lanka, established by Act of Parliament No. 23 of 1959.

The Institute is a Member of the International Federation of Accountants (IFAC) and the Confederation of Asian & Pacific Accountants (CAPA). It is also a Founder Member of the South Asian Federation of Accountants (SAFA) which is an Apex Body of the South Asian Association of Regional Co-operation (SAARC).

ICASL is the sole Accounting and Auditing Standards setting authority in Sri Lanka and the application of such standards are mandatory for the Specified Business Enterprises (SBE) in the schedule of the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

Educational and Examination Activities

The Institute designs and develops its educational programme to be on par with globally recognized professional accountancy programmes. It is particularly benchmarked and developed with the assistance of the Institute of Chartered Accountants of England and Wales.

Our examinations are structured and developed to assess the knowledge and the experience of candidates.

Training Activities

Training is a compulsory prerequisite for all students, who complete the examinations conducted by the Institute and pass out as Chartered Accountants. CPA Australia has recognized our training to be in line with their mentoring requirements. The facilitating and the monitoring of student training activities are carried out by our Training Division.

Computer Laboratory Facilities

A state-of-the-art Computer Laboratory facility provides hands-on experience in IT to all students. Training is provided from Microsoft Office Packages, Specialised Accounting Packages to introduction of ERP Systems. This is considered a key to success in today's business environment.

Continuous Professional Development (CPD)

Keeping abreast with the latest developments in the profession and enhancing business skills is the key to success for all professionals. The CPD Unit assists our members in this sphere.

Technical Activities

ICASL is privileged to develop Sri Lanka Accounting and Auditing Standards for the nation. The Technical & Research Unit of the Institute assists in this activity and facilitates members to keep abreast with the latest global developments that impact the profession.

Business Communication English Programmes

The modern Multimedia English Language Center (MELC) caters to the Final Level students in conducting Business Communication English Programmes, so as to enhance their language competence and communication skills while making them ready to meet with their future career needs successfully.



Awarding Excellence In.....

The Best Annual Report Award

Benchmark your Annual Report against the best of your industry and with the best practices in reporting as recommended by ICASL. The Annual Report which is able to cater to a wide range of stakeholders in society will be selected through a stringent review process.

The Corporate Governance Disclosure Award

Good Corporate Governance is essential to effective operation of a free market, which enables wealth creation, freedom from poverty (Financial Reporting Council of the UK).

Corporate Governance is the key to successful business operations. Thus, we promote Good Corporate Governance Disclosures in Annual Reports.

The Corporate Social Responsibility Reporting Award

All good corporate citizens encourage and develop the environment and society they operate in, as it is now considered the prime responsibility of a good corporate citizen. Thus economic viability, environmental responsibility and the social accountability (triple bottom line) are considered the most essential pre-requisites for today's business world.

The Management Commentary Award

In today's business the transparency of management is considered critical in making informed decisions about the company, by its stakeholders. As such, this award is introduced to encourage the transparency of the company's management.

The SAFA BPA Award

Winners of each segment are eligible to participate in the SAFA Best Presented Annual Report Awards Competition.

Companies wishing to compete for any of the above Awards could get themselves registered by submitting application forms appearing in pages 22 to 25 of this booklet.



BASIC REPORTING REQUIREMENTS

Annual Reports should aim to communicate the following elements of corporate activities in a clear and concise manner.

Reporting Business Performances should go beyond financial numbers, into compliance with Accounting Standards, Legal Requirements, Governance, Corporate Social Responsibility, Timelines, Clarity and Consistency.

However, please note that the following list provides direction only and it is not an exhaustive list of disclosures.

Mandatory Disclosures

Director's Report

Financial Statements – Disclosures

Disclosures required by all entities in all situations

- General Disclosures
- Accounting Policies
 - General Disclosures
 - Specific Policies
- Changes in Accounting Policies
 - Income Statement (and related notes)
 - General Disclosures
 - Individual Items
 - Taxation
- Balance Sheet (and related notes)
 - General Disclosures
 - Property, Plant and Equipment
 - Goodwill
 - Other Intangible Assets
 - Impairment Assets
 - Subsidiaries
 - Associates
 - Joint Ventures
 - Investments
 - Inventories
 - Trade and Other Receivables
 - Taxation
 - Trade and Other Payables
 - Provisions
 - Employee Benefits
 - Lease Liabilities
 - Interest – Bearing Borrowings
 - Government Grants
 - Minority Interest
- Cash Flow Statement
- Business Combinations and Disposals
 - General Disclosures
 - Acquisitions
 - Disposals
- Segment Reporting
 - General Disclosures
 - Primary Reporting Format
 - Secondary Segment Information
 - Other Disclosures
- Other Notes to the Financial Statements
 - Related Party Transactions
 - Equity Compensation Benefits
 - Commitments
 - Contingencies
 - Events after the Balance Sheet date
- Additional Disclosures required by listed Companies
 - Earnings per Share
 - Quarterly Financial Statements
- Disclosures required by all Entities but only in certain situations
 - Construction Contracts
 - Accounting by a Lessor
 - Discontinuing Operations
 - Going Concern
 - Departure from SLASs
 - Reporting period/change of year end
 - Consolidated Financial Statements not presented
 - Income Statement
 - Other Balance Sheet Disclosures



BASIC REPORTING REQUIREMENTS Contd.....

Some of the other salient areas that are expected in an Annual Report are:

■ **Business Performance**

- o Financial and Non-financial Strategy and Targets
- o Segmental Operating Performances
- o Main Risks and Uncertainties Affecting the Business
- o Capital and Revenue Investments aimed at enhancing future results

■ **Graphical/Pictorial Presentation of Financial and Other information and Ratios**

■ **Financial Position**

Long Term capital structure, dependency on debt and equity finance Liquidity positions and treasury Management policies including credit interest and exchange risks.

■ **Corporate Citizenship – Corporate Governance Disclosures / Corporate Social Responsibility Reporting**

The commitment of companies to ethical standards when governing the business activities i.e. corporate governance measures including internal controls adopted to protect the stakeholders interest.

Policies and practices codified and adopted by the company with respect to Human Resource Development and Management.

Company policies and practices adopted when discharging the social and environmental responsibility.



WINNERS OF THE YEAR
OVERALL EXCELLENCE IN ANNUAL
FINANCIAL
REPORTING
2009



WINNER OF THE YEAR OVERALL EXCELLENCE IN ANNUAL FINANCIAL REPORTING 2009

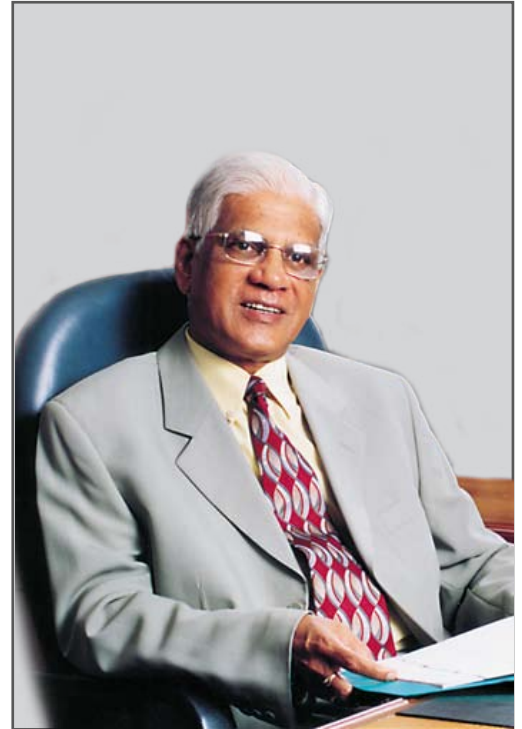
Message from the Chairman, Hatton National Bank PLC

We consider the Annual Report we publish every year as our business card for existing and potential investors, and our face to all stakeholders. This annual publication is the most important vehicle available to us for corporate communication.

Over the years, we have watched with great interest the gradual evolution of this competition in terms of standards to be observed and the profound changes that have taken place in the corporate sector and reported annually. These changes have certainly had a positive effect on the performance and reporting systems of all companies.

Given the competitiveness that now prevails throughout the entities and the changing skills that are needed to ensure that we stand out in this tough and unforgiving corporate environment, the selection of our report as the Best in the overall competition is a tremendous encouragement to our Board, Management, Staff and in particular to the numerous cross functional committees who worked tirelessly on this exercise for several months. It's a true reflection of the efficiency and commitment of the HNB Team.

I congratulate the Institute and it's competent team for their on going efforts in stimulating all listed companies to strive hard with transparency for continuous improvement and achieving excellence in financial reporting.



Chairman
Hatton National Bank PLC
Rienze T. Wijetilleke



LIST OF WINNERS OVERALL EXCELLENCE IN ANNUAL FINANCIAL REPORTING 2009

Gold



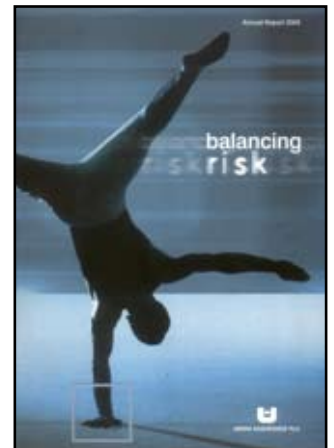
HATTON NATIONAL BANK PLC

Silver



HAYLEYS PLC

Bronze



UNION ASSURANCE PLC



WINNERS OF THE YEAR
CORPORATE GOVERNANCE
DISCLOSURE
AND
MANAGEMENT COMMENTARY
2009



WINNER OF THE YEAR CORPORATE GOVERNANCE DISCLOSURE AWARD AND MANAGEMENT COMMENTARY AWARD 2009

Message from the Chairman, Union Assurance PLC

Union Assurance was delighted to be selected the Winner. Management Commentary and Corporate Governance Disclosure, at the ICASL Annual Report Awards Competition in 2009.

As a leading player in the Insurance Industry, and given the very nature of insurance, our Company places great emphasis on creating trust and confidence in the minds our customers and other stakeholders. The ICASL Award for Management Commentary and Corporate Governance Disclosure was a testimony to our efforts in such respect.

We wish the Institute continuing success with their Annual Report Awards Competition in 2010.



Chairman
Union Assurance PLC
Ajit Gunewardene



LIST OF WINNERS

CORPORATE GOVERNANCE DISCLOSURE & MANAGEMENT COMMENTARY AWARDS 2009

CORPORATE GOVERNANCE DISCLOSURE AWARDS

Gold



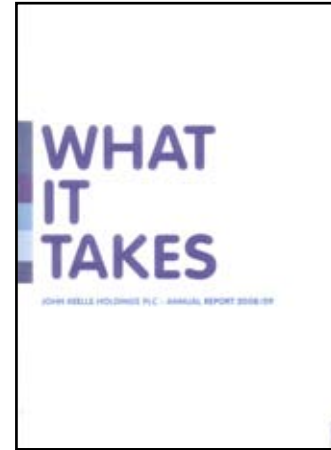
UNION ASSURANCE PLC

Silver



COMMERCIAL BANK OF CEYLON PLC

Bronze



JOHN KEELLS HOLDINGS PLC



HNB ASSURANCE PLC



DIESEL & MOTOR ENGINEERING PLC

MANAGEMENT COMMENTARY AWARDS

Gold



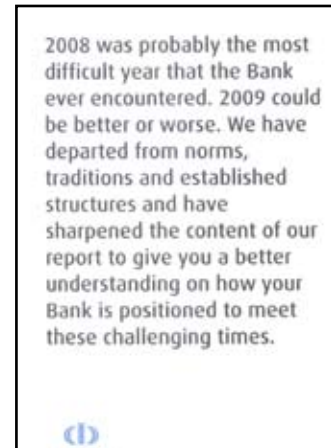
UNION ASSURANCE PLC

Silver



HATTON NATIONAL BANK PLC

Bronze



COMMERCIAL BANK OF CEYLON PLC



WINNERS OF THE YEAR
CORPORATE SOCIAL
RESPONSIBILITY REPORTING
2009



WINNER OF THE YEAR CORPORATE SOCIAL RESPONSIBILITY REPORTING 2009

Message from the Group Finance Director, John Keells Holdings PLC

“John Keells Holdings PLC was extremely pleased to have been selected as the Winner, Corporate Social Responsibility, at the Institute of Chartered Accountants of Sri Lanka Annual Report Awards Competition in 2009.

Our Company subscribes to a stakeholder model of governance and ICASL’s recognition of our efforts in Corporate Social Responsibility means a lot to us in this context.

We wish the ICASL all success with the Annual Report Awards Competition in 2010.”



Group Finance Director
John Keells Holdings PLC
Ronnie Peiris



LIST OF WINNERS CORPORATE SOCIAL RESPONSIBILITY REPORTING AWARDS 2009

Gold



JOHN KEELLS HOLDINGS PLC

Silver



UNION ASSURANCE PLC

Bronze



HAYLEYS PLC

APPLICATIONS

AWARDS FOR EXCELLENCE IN ANNUAL FINANCIAL REPORTING - YEAR 2010

AWARDS FOR CORPORATE GOVERNANCE DISCLOSURE – YEAR 2010

AWARDS FOR CORPORATE SOCIAL RESPONSIBILITY REPORTING - YEAR 2010

AWARDS FOR MANAGEMENT COMMENTARY - YEAR 2010

ENTRY FEES FOR EXCELLENCE IN ANNUAL FINANCIAL REPORTING – YEAR 2010



AWARDS FOR EXCELLENCE IN ANNUAL FINANCIAL REPORTING – YEAR 2010

(For financial statements for the year ended 31st December 2009 / 31st March 2010)

Name of the Organisation

.....

Address

.....

Tel.....

Fax.....

Email.....

Date of Incorporation.....

Finance Manager / Financial Controller / Chief Financial Officer etc

.....

Tel.....

Fax.....

Email.....

Contact person.....

Tel.....

Fax.....

Email.....

Principal Activities:

.....

Date of submitting Financial Statements to the Auditor General – If Applicable Only (a certified photocopy of AG's letter of acceptance of financial statements should be attached.)

REGISTRATION FEE (see Page 26). Remittance to be sent together with the Application Form. Cheques to be drawn in favour of "The Institute of Chartered Accountants of Sri Lanka"

Signature:.....

Name.....

Date:

Designation.....

Please forward 25 copies of Annual Reports & Audited Financial Statements for the year ended 31st December 2009 / 31st March 2010 at least by 30th August 2010. Please include 25 copies of the Quarterly Financial Statement if applicable.



AWARDS FOR CORPORATE GOVERNANCE DISCLOSURE – YEAR 2010

Name of the Organisation

.....

Address

.....

Tel.....

Fax.....

Email.....

Name of Chairman

.....

Name of Managing Director / CEO

.....

Name of CFO

.....

Principal Activities

.....

Contact person

.....

Tel.....

Fax.....

Email.....

No. of Directors

Executive Directors:

Non Executive Directors:.....

Whether Chairman is a Non Executive Director

Yes No

Registration fee Rs. 25,000/= . Remittance to be sent together with the Application Form. Cheques to be drawn in favour of “The Institute of Chartered Accountants of Sri Lanka.”

.....
Name & Designation

.....
Signature



AWARDS FOR CORPORATE SOCIAL RESPONSIBILITY REPORTING – YEAR 2010

Name of the Organisation

.....

Address

.....

Tel.....

Fax.....

Email.....

Name of Chairman

.....

Name of Managing Director / CEO

.....

Name of CFO

.....

Principal Activities

.....

Contact person

.....

Tel.....

Fax.....

Email.....

Registration fee Rs. 25,000/=. Remittance to be sent together with the Application Form. Cheques to be drawn in favour of “The Institute of Chartered Accountants of Sri Lanka.”

.....
Name & Designation

.....
Signature



AWARDS FOR MANAGEMENT COMMENTARY – YEAR 2010

Name of the Organisation

.....

Address

.....

Tel.....

Fax.....

Email.....

Name of Chairman

.....

Name of Managing Director / CEO

.....

Name of CFO

.....

Principal Activities

.....

Contact person

.....

Tel.....

Fax.....

Email.....

Registration fee Rs. 15,000/= . Remittance to be sent together with the Application Form. Cheques to be drawn in favour of “The Institute of Chartered Accountants of Sri Lanka.”

.....
Name & Designation

.....
Signature



ENTRY FEES FOR EXCELLENCE IN ANNUAL FINANCIAL REPORTING – YEAR 2010

Remittance to be sent together with the Application Form for the following amounts;

INDICATE THE MOST SUITABLE CATEGORY APPLICABLE TO YOU, BY MARKING () IN THE APPROPRIATE CAGE

Banking Institutions	60,000.00 ()
Diversified Holdings (Groups above 5 Subsidiaries)	60,000.00 ()
Diversified Holdings (Groups upto 5 Subsidiaries)	60,000.00 ()
Finance Companies	60,000.00 ()
Financial Institutions	60,000.00 ()
Food & Beverages Companies	50,000.00 ()
Healthcare Institutions	50,000.00 ()
Hotel Companies	50,000.00 ()
Insurance Companies	60,000.00 ()
Land & property Companies	50,000.00 ()
Leasing Companies	60,000.00 ()
Manufacturing Companies	60,000.00 ()
Motor Companies	50,000.00 ()
Not-for-Profit Organisations (NPO) including Non-Governmental Organisations (NGO)	50,000.00 ()
Plantation Companies	50,000.00 ()
Service Organisations	50,000.00 ()
State Corporations & Statutory Boards	50,000.00 ()
Telecommunication Companies	60,000.00 ()
Trading Companies	50,000.00 ()
Unit Trusts	50,000.00 ()
BOI Companies	50,000.00 ()
Clubs & Associations	50,000.00 ()

Note: The Institute reserves the right to re-categorise any application, if necessary.

Date:

Signature:

.....
Name of Company

.....
Name & Designation of Signatory

- Notes:
1. Applications are now open.
 2. Please forward 25 copies of Annual Reports and Audited Financial Statements for the year ended 31st December 2009 / 31st March 2010 at least by 30th August 2010.
 3. 25 copies of the Quarterly Financial Statement are also required where applicable.
 4. Financial Statements in electronic format will be accepted, if relevant.
 5. The judges' decision will be final.



The Institute of
Chartered Accountants
of Sri Lanka

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