



Mission

Our mission is to develop Sri Lanka's capital market by promoting a high level of ethics and standards of professional conduct among our members. We will strive to increase public understanding of the capital market, its risks and rewards as well as the role of the investment professional.

Contents

Notice of Meeting	4
Office Bearers 2005/2006	5
Board of Directors	5
Attendance of Meetings by committee members	6
Report of the President	6 - 8
Events organized by CFA Sri Lanka	9
Action Plan 2006	10 - 11
Auditors Report	12
Accounts 2005/2006	13 - 16
CFA Sri Lanka Membership and Candidate Data	17

Notice of Meeting

Notice is hereby given that the **4th Annual General Meeting** of the members of **CFA Sri Lanka** will be held on Thursday 31st August 2006 at 7.30pm at **Akasa Kade Club**, Ceylinco Seylan Towers , Level 11, 90, Galle Road, **Colombo 3** for the following purposes:

1. Confirmation of minutes of the 3rd Annual General Meeting
2. Receive and adopt the Annual Accounts for the year ended 31st March 2006 and the Auditors Report thereon.
3. Appointment of the Office Bearers for 2006/2007
4. Confirm the appointment of ex-officio directors as per Article 17 of the Articles of Association
5. Any other business

By order of the Board

Rachini Rajapaksa, CFA

Secretary

Colombo

10th August 2006.

Office Bearers 2005/2006

President	Ravi Abeysuriya, CFA
Vice-President	Ajantha Madurapperuma, CFA
Secretary	Rachini Rajapaksa, CFA
Treasurer	Dinesh Warusavitharana, CFA <i>(Upto 4th January 2006)</i> Buddhika Piyasena, CFA <i>(W.e.f 4th January 2006)</i>

Committee Chairs

Advocacy	G Ramanan, CFA
CFA Institute Liaison	Buddhika Piyasena, CFA
CFA Prep Courses	Malik Zahir, CFA
Continuing Education	Murtaza Jafferjee, CFA
Job Placement	Alastair Corera, CFA
Membership	Shibly Latiff, CFA
Program	Ajantha Madurapperuma, CFA
Public Awareness	Shalini Kurukulasuriya, CFA
Scholarship	Chanaka Wickremesuriya, CFA
Strategic Planning	Amal Sanderatne, CFA
Social Events	Sanjay Kulatunga, CFA
Technology	1. Elmo Anthony, CFA 2. Roshini Fernando, CFA

Board of Directors – Ex Officio

Ravi Abeysuriya, CFA	President
Ajantha Madurapperuma, CFA	Vice-President
Rachini Rajapaksa, CFA	Secretary
Dinesh Warusavitharana, CFA	Treasurer
Shibly Latiff, CFA	Membership Chair

Attendance of Meetings by Committee Members

Position	Name	3 rd AGM	Planning Session - 2006	Committee Meetings
President	Ravi Abeysuriya, CFA	1/1	1/1	7/9
Vice-President & Program Chair	Ajantha Madurapperuma, CFA	1/1	1/1	9/9
Secretary	Rachini Rajapaksa, CFA	1/1	1/1	7/9
Treasurer (Upto 4 th Jan 2006)	Dinesh Warusavitharana, CFA	1/1	n/a	1/3
CFA Institute Liaison and Treasurer (w.e.f 4 th Jan 2006)	Buddhika Piyasena, CFA	1/1	1/1	5/9
Advocacy	G Ramanan, CFA	1/1	1/1	7/9
CFA Prep Courses	Malik Zahir, CFA	1/1	0/1	0/9
Continuing Education	Murtaza Jafferjee, CFA	1/1	1/1	5/9
Job Placement	Alastair Corera, CFA	1/1	1/1	4/9
Membership	Shibly Latiff, CFA	1/1	0/1	4/9
Public Awareness	Shalini Kurukulasuriya, CFA	1/1	0/1	1/9
Scholarship	Chanaka Wickremesuriya, CFA	1/1	1/1	5/9
Strategic Planning	Amal Sanderatne, CFA	1/1	1/1	7/9
Social Events	Sanjay Kulatunga, CFA	1/1	1/1	0/9
Technology	1. Elmo Anthony, CFA	1/1	1/1	4/9
	2. Roshini Fernando, CFA	1/1	0/1	0/9

Report of the President

Dear Society Members,

On behalf of the Board, I am pleased to report that our Society enjoyed yet another successful year in FY2006. Currently, its membership base stands at 58 and could surpass the 75 mark, assuming 50% of the 41 candidates who sat for the CFA Level III examination in June 2006 are successful. The Society was able to sustain the momentum of increased candidate registrations, recording an 8% YoY growth in 2006. A total of 224 candidates registered for the three levels of the CFA examination in June 2006.

The Society's most important milestone in FY2006 was being recognized as the "Most Civic-Minded Society" of the CFA Institute in November 2005. CFA Sri Lanka has played a prominent role in the spheres of financial education, industry development and humanitarian aid. These contributions are highlighted in three major social projects which were carried out recently: the two-year comprehensive training program to hire and train fund managers for the Employees' Provident Fund, raising nearly Rs.1.5 million through a Tsunami Relief Project for building three houses at a cost of Rs.0.5 million each for Tsunami victims of the Kalutara District in partnership with Sarvodaya, and the development of a comprehensive investment policy statement for the National Savings Bank. I would like to thank all the members for their collective effort towards accomplishing these projects which have helped the Society secure such accolades.

In addition, the print advertisement congratulating new charterholders of CFA Sri Lanka, developed by Shalini Kurukulasuriya, CFA, was recognized as one of the public awareness best practices for promoting the local chapter whilst maintaining the brand elements of the CFA Institute. Furthermore, CFA exam-grader, CFA Sri Lanka society secretary, and lecturer, Rachini Rajapaksa, CFA, was featured in the "CFA Advantage" (newsletter on the CFA Program) in May 2005 under the title "Rachini Rajapaksa, CFA, has a Simple Approach to Success in the Investment Industry".

The society had 12 events during FY2006 as listed in "Events organized by CFA Sri Lanka" in page 9. Five of these, "Creating Shareholder Value from Risk Management", "The Top Ten Reasons Why Investors Hate Emerging Markets", "CFA Charter Award Ceremony and First CFA Oration", "Should You Rethink Your Equity Allocations?" and "The Miracle of China – Strategies and Lessons" were highly successful large public events that generated significant visibility for CFA Sri Lanka. Although we appear to be quite successful in organizing large public events, we failed to sufficiently plan bi-monthly continuing education and fellowship events. Such events help members to obtain the 20 hours of PD credit annually required by the CFA Institute under the Voluntary Professional Development Program. Only two continuing education events were held in FY 2006 compared to five last year. Although these types of events are aimed for the continuing education of members, significant interest was also generated among candidates.

Considerable work went into organizing a career fair in July 2006 to coincide with the visit of Dr. Jan Squires, CFA, Managing Director, CFA Institute Asia Pacific, to Sri Lanka by a committee comprising Ajantha (Chair), Ravi, Murtaza, Keren and Alistair. Unfortunately, the career fair had to be cancelled as Dr. Jan Squires was unable to visit Sri Lanka due to the prevailing situation in the country.

CFA Sri Lanka awarded 10 scholarships for the CFA Level I examination in June 2006. The committee, headed by Chanaka Wickremesuriya, CFA, awarded the scholarships to eligible candidates from the 30 applications received. The scholarship recipients were: C. Hendaheewa, K. Jayasundera, S. Liyanagamage, H. Sabry, W. Wijesingha, D. Kumaratunga, R. Premaratne, J. Vamadeva, S. Samaraweera, and C. Wijesinghe. Unfortunately, only nine sat the exam, of which two candidates, Asela Samaraweera and Dinesh Kumaratunga were successful. The valuable efforts extended by the scholarship committee, Chanaka (Chair), Murtaza and Alistair, on the selection of CFA scholarship recipients are much appreciated.

To strengthen our membership servicing, a committee headed by Chanaka Wickremesuriya, CFA, formulated a new policy on selection of society members for participating at CFA Institute events. The policy was formally adopted by the Board on 4 January 2006. Under this policy, selection would be carried out amongst members who have made significant contributions to Society activities by a selection committee comprising two Board members and two non-Board members. In the event of the selection committee requiring nominations, an e-mail would be sent to the membership of the upcoming events.

During FY2006, Ajantha Madurapperuma, CFA, and Naomal Goonewardene, CFA, represented CFA Sri Lanka at the 2005 Society Leaders Conference held in Washington, D.C., in September 2005. Rachini Rajapaksa, CFA, and Buddhika Piyasena, CFA, participated at the CFA Institute Regional Conference in Kuala Lumpur in February 2006 and Murtaza Jafferjee, CFA, participated in the Society Leader Meetings and the CFA Institute Annual Conference in Zurich, Switzerland, in May 2006. In the absence of any other members showing interest in participating in the Society Leader Meetings in Zurich, Ajantha Madurapperuma, CFA, also attended the Society Leader Meetings in Zurich.

Although avidly discussed, and the responsibility to implement a number of new initiatives undertaken by several committees at the Strategic Planning sessions at Blue Waters, Sri Lanka, very little or no headway was made on Policy Reforms & Advocacy and Serving the Candidates. Going forward, the Society should “walk the talk” to diligently implement the strategic plan. The Society should strive to be well represented and well recognized in the financial community by advocating policy reforms. In addition, CFA candidates could be better served if we, as a Society, are to facilitate an improvement of CFA pass rates in Sri Lanka. The CFA Level I pass rate in Sri Lanka for the June 2006 exam was only 25% compared to the 40% global pass rate achieved.

In the coming year, following the example of Pakistan, the Society hopes to hold an Annual Excellence Awards event in a number of categories including Best Research Report, Best Research Team, Best Investor Relations Company, Best Investment Banking Deal, and Best Financial Journalist. This is most likely to be combined with the Annual Charter Awards Ceremony. A team comprising Amal (Chair), Alastair, Rachini, Buddhika, Malinga, Indika and Ravi were appointed to oversee the event. Other initiatives include promoting the adoption of the CFA Curriculum in local universities. Towards this end, the Society donated a collection of CFA textbooks to Dr. Y.K. Weerakoon of the Department of Finance, University of Sri Jayawardenepura. A request was also received from the University of Colombo to help draft a curriculum for post-graduate students. Murtaza Jafferjee, CFA, has recommended Dr. Y. K. Weerakoon, Head of the Finance Department, Faculty of Management Studies and Commerce, University of Sri

Jayewardenepura, to adopt the CFA curriculum. Rachini Rajapaksa, CFA, has had discussions with Dr. Uditha Liyanage of the Post Graduate Institute of Management regarding the adoption of the CFA curriculum. We have written to Prof. Lalith Samarakoon and Dr. Y. K. Weerakoon at the University of Sri Jayewardenepura, and to Dr. P.M.C. Thilakarathne, Head, Department of Accountancy, Faculty of Commerce and Management Studies, University of Kelaniya, about the recently introduced University Partner Program of the CFA Institute. If a particular university chooses to adopt the CFA curriculum in a degree program, it will be imperative that our members volunteer time to conduct lectures to raise the level of teaching.

The Society's website www.cfasrilanka.org has been further enhanced with a wealth of information, including downloadable files for prospective CFA candidates and an archive of Sri Lanka seminars and proceedings. A current directory of society members with contact details has been included and those willing to mentor CFA candidates have been indicated.

The annual society membership fee was increased from USD 25 to 30. A gradual increase of the fees, coupled with increased membership, would facilitate the eventual establishment of a staffed office for CFA Sri Lanka.

I would like to take this opportunity to thank all my fellow Board Members and all the Committee Members for their invaluable contribution to the Society with particular thanks to Rachini Rajapaksa, CFA, for taking care of the secretarial duties and Buddhika Piyasena, CFA, and Dinesh Warusavitharana, CFA, for looking after the financial and statutory requirements. I would like also to thank G Ramanan, CFA, for facilitating CFA Sri Lanka monthly meetings held at HNB Securities Ltd.

Yours sincerely

Ravi Abey Suriya, CFA
President

Events organized by CFA Sri Lanka

FY 05/06

- 15 May 05: “CFA Sri Lanka Strategic Planning Session”, Blue Waters, Wadduwa, organized by Amal, Shibly and Ravi
- 08 Jun 05: “Keeping the Playing Field Level: Vital Role of Ethics in the Investment Industry” by Rahul Keshap (sponsored by HNB Securities Ltd). Committee headed by Alastair Corera
- 10 Jun 05: “Creating Shareholder Value from Risk Management” by David Belmont – 3.5 PD credits (sponsored by Selyan Bank). Committee – Ajantha (Chair), Rachini, Amal
- 15 Jun 05: “The Top Ten Reasons Why Investors Hate Emerging Markets” by Larry Spiedel – 1.5 PD credits (sponsored by Amba Research). Committee – Ravi (Chair), Malik, Chaminda and other Amba staff
- 17 Sep 05: “CFA Sri Lanka AGM”. Dinner hosted by Ravi Abeysuriya
- 06 Oct 05: “Donation of CFA Books” to the Department of Accounting, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, by Ravi Abeysuriya
- 13 Oct 05: “CFA Program Presentation” by Ravi Abeysuriya at Professional 05, Science Faculty, University of Colombo
- 02 Dec 05: “CFA Charter Award Ceremony and First CFA Oration by Dev Ranasinghe, CEO Bodyline” at Ceylon Continental Hotel. Organized by committee – Chanaka (Chair), Rachini, Sanjay, Alastair, Indika, Buddhika and Naomal. Nithya Partners sponsored the oration. It was unanimously agreed that the “Oration” would be an annual event at each Charter Award Ceremony.
- 25 Jan 06: “Ethical Standards – For Every Charter Holder and Candidate” by Naomal - 2 PD credits (sponsored by HNB Securities Ltd). Committee – Rachini (Chair), Naomal
- 02 Mar 06: “Should You Rethink Your Equity Allocations?”, sponsored by the Commercial Bank Capital Markets Division, was held at the JAIC Hilton Union Ballroom. Jehan Perera, JD, H. N. Thenuwara, PhD, and Channa Amaratunga, CFA, spoke on the peace process, economic outlook and equity strategy, respectively. There were approximately 170 participants. Committee – Alastair (Chair), Murtaza, Shibly, Rachini and Amal. 180 persons attended.
- 15 Mar 06: “CFA Program Global Review” by the CFA Institute Council of Examiners Mr. Peter Mackey, CFA, and Mr. Jim Jones, CFA, at the Colombo Hilton with a view to improving the quality and global relevance of the CFA exams in Sri Lanka. Rachini (Chair), Alistair, Elmo, Priyanka, Nalin and Chanakya participated. The evening get-together for the foreign delegates was organized by Chanaka at the Colombo Rowing Club.
- 31 Mar 06: “The Miracle of China – Strategies and Lessons” by Steve Xu, 2 PD credits. Committee – Ajantha (Chair), Murtaza Amal, Shibly and Shalini. A breakfast session and late morning session followed by lunch were held at the Cinnamon Grand, Oak room. There were over 330 participants for both events.

FY 06/07

- 04 May 06: “Getting Your Career in Finance Off to a Flying Start”. Presentation by Ravi Abeysuriya – Blossoming Futures event, organized by the Department of Finance, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura
- 11 Jun 06: “CFA Sri Lanka Strategic Planning Session 2006”, The Beach, Negombo, organized by Amal and Chanaka
- 09 Jun 06: “CFA Program Presentation” to the Department of Accounting, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, by Ravi Abeysuriya
- 25 Jul 06: “CFA Program Presentation” to the Faculty of Commerce and Management Studies of the University of Kelaniya, by Ravi Abeysuriya

Action Plan -2006

The broad areas in the action plan for 2006 were broken down into events/activities to be completed in periods spanning 3-4 months.		
<p>◆ Policy Reforms and Advocacy Primary focus – Promulgate for a better financial market through the expertise of the CFA’s and build long term brand awareness amongst the policy formulating circles</p>		
1. CFA Sri Lanka should nominate suitable charterholders as representatives in policy formulating committees. Each member should strive to pass on any information where CFA Sri Lanka involvement is lacking to Ramanan, so that together with the society help he could spearhead to obtain participation or observer status in the relevant committees/groups etc.		All/Ramanan
2. Provide CFA Sri Lanka input for the draft corporate governance initiative by the SEC by the committee comprising Alastair, Nirosh, Murtaza, Rachini, and Buddhika, headed by Chanaka.		Chanaka Alastair Nirosh Murtaza Rachini Buddhika
3. Begin a dialogue with the CSE on helping out in technical issues such as the composition of indices etc by a committee comprising Sheyantha and Chaminda, headed by Malinga.		Malinga Sheyantha Chaminda
4. Begin a dialogue with the SEC on other areas the society could add value		Ravi
5. Organize a seminar for the listed corporate, CSE and SEC on best practices in investor/shareholder relations by the committee comprising Malinga, Priyanka, Rachini, and Amal, headed by Murtaza.		Murtaza Malinga, Pri, Rachini, Amal
6. Hold a training session to educate the journalists		
7. Hold a Training Program on professional fund management to the private pension fund managers/administrators		Sheyantha Rachini
◆ Current Member Programs		
1. Activate the bi-monthly events by CFA members		Ajantha
2. Continue with the quarterly events as in the previous year		Sanjay Chanaka, Buddhika Rachini Alastair Indika
<ul style="list-style-type: none"> ◆ AGM ◆ 12th Charter Award Ceremony – Invite the American ambassador as the chief guest. Combine the Annual Oration by another speaker ◆ Annual Planning Session ◆ Get together hosted by a member 		
3. Webcast the presentation on Transparent, Translucent or Transient: Where has IFRS left us ? by David Tweedie with live Q&A, in collaboration with the ICASL. Amba Research can be a probable sponsor.		To be allocated
4. Large scale seminar on New Companies Act with Naomal’s input		Naomal, Ajantha
5. Seminar on Implications on Tax Laws on different industries		Sanjay
6. Invite “Marc Faber” under the speaker retainer program with probable sponsorships from CSE & SEC. CFA Sri Lanka should either obtain insurance cover or sponsorships in advance to ensure there is no loss to the society, in the event of a last minute security threat.		Ajantha and a team to be allocated

<p>7. Insert names and contact details of the current membership to distinguish between charterholders bound by code of ethics and non fee paying charterholders</p>	<p>Ravi, Elmo, Roshini</p>
<p>8. Similarly to Pakistan society, hold a competition for “Annual Excellence Awards” for different categories as in some of the examples given below:</p> <ul style="list-style-type: none"> ◆ Research report ◆ Research team ◆ Investor Relations ◆ Investment Banking Deal ◆ Financial Journalist 	<p>Amal Malinga Rachini Buddhika Ravi Alastair Indika</p>
<p>◆ Expanding the candidate base and serving the existing candidates</p>	
<p>1. Improve CFA Sri Lanka website with more material relevant to local candidates prior to the 1st deadline on 15th September 2006</p>	<p>Ravi, Elmo, Roshini</p>
<p>2. Assign responsibility to each member to convince 2 potential candidates to enroll for the forthcoming exam (2007) and mentor at least 1 of them to pass all three levels</p>	<p>All</p>
<p>3. Formulate an effective policy to tie down candidates to the organization who sponsor the CFA examination fees with a view to encourage more employees to sponsor candidates for CFA</p>	<p>Ravi</p>
<p>4. Organise career fairs/awareness campaigns prior to the 1st deadline for 2007</p> <ul style="list-style-type: none"> ◆ CIMA 	<p>Ravi, Ajantha Keren</p>
<p>5. Canvas/Arrange for student loans for CFA Exams with the following banks</p> <ul style="list-style-type: none"> ◆ HSBC – Ravi ◆ Seylan – Ajantha ◆ HNB – Ramanan <p>Keren to develop an appropriate common presentation for the canvassing</p>	<p>Ravi Ajantha Ramanan Keren</p>
<p>6. Since CFA Sri Lanka is not involved anymore with Mercury Institute to provide quality prep courses, conduct revision sessions for all levels.</p>	<p>Malinga Priyanka</p>
<p>7. CFA library to remain with Fitch Ratings in the next 6-9 months till CFA Sri Lanka sets up its own administrative office (probably at the premises of the Capital Markets Training Institute of the SEC).</p>	<p>Chanaka Murtaza</p>
<p>8. Check with PIM on the possibility of conducting a MBA in finance by adopting part of the CFA curriculum</p>	<p>Murtaza Rachini</p>
<p>◆ Publicity and Awareness</p>	
<p>Publish the series of advertisements with the faces of charterholders. The volunteers at present are Ravi, Ajantha, Ramanan and Saranga</p>	<p>Shalini Chaminda</p>



AUDITORS' REPORT TO THE MEMBERS OF CFA SRI LANKA

We have examined the balance sheet of CFA Sri Lanka as at 31st March 2006 and the Income and Expenditure Account for the year then ended.

In our opinion, so far as appears from our examination proper books of account have been maintained by the Society and to the best of our information and according to explanations given to us the balance sheet and the income and expenditure account which are in agreement therewith give a true and fair view of the state of affairs of the Society as at 31st March 2006 and of its income over expenditure for the year then ended.

SJMS ASSOCIATES
Chartered Accountants
Colombo

21st July 2006

CFA SRI LANKA
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH 2006

	Note	2005/2006 Rs.	2004/2005 Rs.
INCOME			
Library Membership Fees		43,900.00	49,100
CFA Institute Contribution		1,710,554.89	714,571
Sponsorships		1,249,124.00	90,000
Training Fee from EPF		0.00	75,000
Interest Income on Treasury Bills/ Repo		108,306.27	38,555
Tsunami Donations		842,664.75	0
		3,954,549.91	967,227
EXPENDITURE			
Taxes		13,539.51	0
Tsunami Donations Paid		878,857.00	0
Advertising and Promotion		1,036,446.87	494,063
CFA Awards Ceremony		201,333.00	171,733
Courier Charges - CFA Scholarship		325.54	4,320
Entertainment		13,219.05	740
Professional Fees		28,190.00	40,648
Auditors' Remuneration		11,385.00	10,350
Seminar and Professional Development		1,037,990.90	0
Printing, Stationery and Courier Charges		29,740.00	18,205
Duty on Library Books		-	2,585
Web Site Expenses		6,000.00	22,400
Bank Charges		5,825.95	2,056
		3,262,852.82	767,101
Excess of Income over Expenditure for the year		691,697.09	200,126
Excess of Income over Expenditure brought forward		604,827.39	404,701
Excess of Income over Expenditure carried forward		1,296,524.48	604,827

CFA SRI LANKA
BALANCE SHEET AS AT 31ST MARCH 2006

	Note	31.03.2006 Rs.	31.03.2005 Rs.
CURRENT ASSETS			
Investments in Treasury Bills		895,681.80	650,749.15
WHT Recoverable		10,830.63	3,855.51
Interest Receivable on Treasury Bills		833.38	7,799.08
Cash at Bank		525,563.67	67,773.65
Total Assets		1,432,909.48	730,177.39
SURPLUS FUND			
Brought Forward		604,827.09	404,701.41
Excess of Income over Expenses for the year		691,697.09	200,125.98
		1,296,524.18	604,827.39
CURRENT LIABILITIES			
Refundable Deposit on CFA Books		25,000.00	25,000.00
Refundable Deposit on CFA Scholarships		100,000.00	90,000.00
Auditors' Remuneration		11,385.00	10,350.00
		136,385.00	125,350.00
Total Funds and Liabilities		1,432,909.18	730,177.39

The Board of Directors is responsible for the preparation and presentation of these financial statements.
Signed for and on behalf of the Board.

President

Date : 21st July 2006

Treasurer

Date : 21st July 2006

**CFA SRI LANKA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2006**

1. CORPORATE INFORMATION

1.1 DOMICILE AND LEGAL FORM

CFA Sri Lanka is a Company limited by guarantee incorporated in Sri Lanka. The registered office of the Society and the principal place of business is situated at Level 15 - 04, East Tower, World Trade Centre, Echelon Square, Colombo 01.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATION

The principal activity of the Society is to advance the profession of Financial Analysts, improve the professional skills of such Financial Analysts, promote and conduct research on financial analysis and to provide training programmes and conduct examinations on financial analysis.

2. ACCOUNTING POLICIES

2.1 GENERAL

The financial statements of CFA Sri Lanka are prepared in conformity with generally accepted accounting principles on a historical cost basis. The accounting principles are applied consistently and revenue and cost are accrued in the financial statements of the period to which they relate.

Previous year's figures and phrases are rearranged wherever necessary to conform to the current year's presentation.

2.2 FOREIGN EXCHANGE TRANSACTIONS

All foreign currency transactions are converted to Sri Lankan Rupees at the rate of exchange prevailing at the date of transactions.

2.3 EVENTS AFTER THE BALANCE SHEET DATE

All material events occurring after the balance sheet date are considered and where necessary adjustments are made in the financial statements.

2.4 ASSETS AND BASES OF THEIR VALUATION

2.4.1 INVESTMENTS

Treasury Bills/ Repos acquired and held for yield are reflected at cost.

2.5 LIABILITIES

All known liabilities as at the balance sheet date are included in the financial statements and adequate provision is made for liabilities which are known to exist but the amount of which cannot be determined accurately.

2.6 TAXATION

CFA Sri Lanka is treated as a charitable institute under Section 8 (d) of the Inland Revenue Act No. 38 of 2000. The income over expenditure arising from the business activities is exempt from Income Tax.

Other income such as interest is liable for income tax at the rate of 10%.

2.7 CAPITAL COMMITMENTS AND CONTINGENCIES

All material capital commitments and contingencies are considered and necessary adjustments are made in the financial statements.

2.8 INCOME STATEMENT

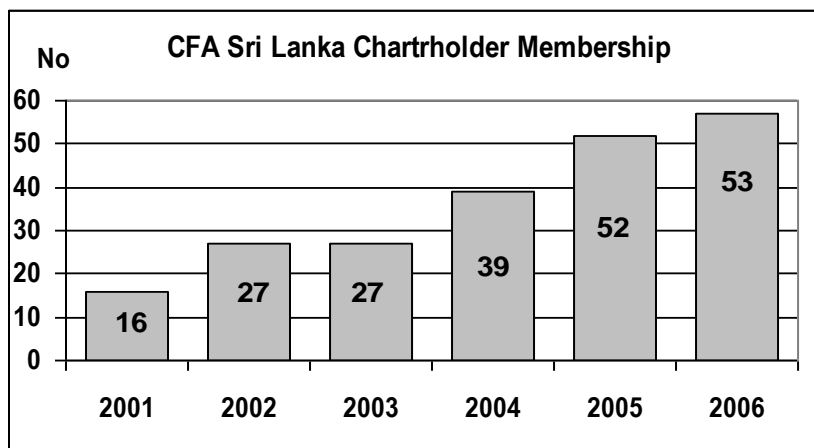
2.8.1 Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the income can be reliably measured.

Income is recognised on cash basis. However treasury bill interest income is recognised on accrual basis.

2.8.2 EXPENDITURE RECOGNITION

(a) The surplus earned by the Society as shown in the income and expenditure statements is after providing for all known liabilities.

CFA Sri Lanka Membership and Candidate Data



Total Registered: 58

Gender	Count	% of Total	Charter Information	Count	% of Total
Male:	49	84	Charter:	53	91
Female:	9	16	No Charter:	5	9

Enrolled by Level	Count	% of Total	Types of CFA Members	Count	% of Total
Level 1:	0	0	Regular:	57	98
Level 2:	0	0	Affiliate:	1	2
Level 3:	3	5	Regular Retired:	0	0

Age Distribution	Count	% of Total	Geographic Area	Count	% of Total
<21:	0	0	USA	1	2%
21-31:	20	34	UK	3	5%
32-42:	32	55	Canada	2	3%
43-53:	5	9	Australia	2	3%
54-64:	0	0	India	11	19%
>64:	0	0	Sri Lanka	37	64%
			Singapore	1	2%
No age data:	1	2	Thailand	1	2%

Total: 58 100% Total: 58 100%

Sri Lanka Exam Center Candidate Data											
Exam Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
# Registered	84	74	84	84	81	98	130	132	160	208	224
Level I Pass Rate	40%	52%	35%	49%	50%	46%	25%	28%	33%	34%	25%
Level II Pass Rate	48%	47%	53%	53%	65%	23%	23%	52%	24%	66%	Outstanding
Level III Pass Rate	40%	62%	33%	41%	46%	50%	33%	58%	33%	44%	Outstanding

