



# QUINTESSENCE OF EMINENCE



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## THE MOST OUTSTANDING ANNUAL REPORTS STRIVE FOR EXCELLENCE

Sri Lanka embarked on its journey towards greater financial reporting through its convergence with the International Financial Reporting Standards. Today, our country can boast of producing precise annual reports in line with the highest global standards and guidelines reflecting utmost prestige.

In a continuing endeavour to encourage and recognise excellence in annual reporting, the Institute of Chartered Accountants of Sri Lanka presents the 53<sup>rd</sup> Annual Report Awards Competition. A search for the most cohesive, clear and customised annual reports that best reflect an entity's operations, while going above and beyond the statutory boundaries of reporting. A platform that celebrates the quintessence of eminence in financial reporting.

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## THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) is the national professional accounting body and the sole authority in promulgating accounting and auditing standards in Sri Lanka. Presently, the Institute has over 4,700 members and a student base of 44,000. Since its inception, CA Sri Lanka has earned itself a strong regional presence and is a member of the International Federation of Accountants (IFAC), a member of The Confederation of Asian and Pacific Accountants (CAPA) and a founding member of the South Asian Federation of Accountants (SAFA). Established under Parliament Act No. 23 of 1959, the Institute has contributed immensely towards bringing the country's financial position to a firm footing, by adopting accounting and auditing standards in line with international standards and by following best practices in accounting. As the national body of accountants, the Institute has fulfilled its responsibilities towards the country and the profession in an exemplary manner.

## MESSAGE FROM THE PRESIDENT OF CA SRI LANKA

***Lasantha Wickremasinghe***  
President  
CA Sri Lanka



**53**<sup>RD</sup>  
ANNUAL REPORT  
AWARDS 2017

Over the years, and in our capacity as the national body of accountants, the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) has complemented our country's progressive journey, by taking the lead in helping Sri Lanka stake claim to a world class accounting framework, while also implementing measures to strengthen our financial landscape.

As we progress towards enhanced economic development; transparency, accountability and good governance will continue to play an important role, if we as a nation are to remain as a country with a world class set up. Therefore, the Annual Report Awards which takes pride as one of the most celebrated corporate level competitions for over 50 years, has no doubt set an exceptional benchmark among both large and small organisations, in helping them enhance their responsibility, transparency and accountability, and thereby complement the country's forward journey.

Every year, the Annual Report Awards breaks new ground, from a consistently increasing number of entries to introducing new award categories, the competition has evolved in keeping with new changes and trends both locally and globally.

In 2016, we saw the highest number of entries, which was encouraging because it meant more and more organizations understood the importance of transparency, accountability and good governance. This year too, like in the past years, we have upgraded and revised the marking scheme.

From small time non-profit organisations to large scale conglomerates, all have an important role to play in Sri Lanka's future. As much as a corporate contributes towards the growth of a country, it should also ensure that it promotes vital components such as transparency and accountability along with good governance within the organisation, which will ultimately reflect on our country. Therefore, I encourage organizations to take advantage of this highly respected competition, which will help enhance their standing and respect in the corporate world.

I wish the participants of the 53<sup>rd</sup> Annual Report Awards competition the very best!



MESSAGE FROM  
THE CHAIRMAN  
OF THE ANNUAL  
REPORT AWARDS  
COMMITTEE  
2017

**Sanjaya Bandara**  
Chairman  
Annual Report Awards  
Committee 2017

The Annual Report Awards competition in its 53<sup>rd</sup> year will revolve around the theme “Quintessence of Eminence” which signifies the recognition of annual reports which carries core elements of transparency, good governance, and social responsibility while going beyond the statutory boundaries of reporting.

A good annual report, no doubt entails a great deal of clarity in the presentation of financial and non-financial information that promotes transparency, accountability and good governance. Therefore, we extend an invitation to the corporates in Sri Lanka to join hands at the 53<sup>rd</sup> Annual Report Awards competition and demonstrate their continuing commitment towards best practices in annual corporate reporting.

Maintaining the highest standard of reporting is a challenge in the context of globalization and the resulting dynamism in changes to best practices in financial reporting. However, a very competent resource pool within the accounting fraternity in our corporates has taken up this challenge to continuously improve the annual reports produced in Sri Lanka.

I take this opportunity to reiterate the fact that we do our evaluations based on the disclosures made in the annual reports. Some of these information are accompanied with an independent assurance report and some of the information does not carry such independent assurance. We trust that the accuracy of information disclosed in the annual reports have been maintained to its highest level.

We continue to update the checklists to keep pace with the changes to the accounting standards and other relevant pronouncements. Further, we have taken note of the emphasis placed on the disclosure of related party transactions by the regulatory agencies.

I would like to invite you once again to take part in this year’s competition which will undoubtedly bring renewed reputation to your corporates.



## MESSAGE FROM THE STRATEGIC PARTNER

**Ray Abeywardena**  
Chairman  
Colombo Stock Exchange

The Colombo Stock Exchange (CSE) is pleased to be the strategic partner for the fourth consecutive year in support of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) Annual Report Awards.

The transparent and timely disclosure of information to stakeholders is fundamental to the operation of any stock market and is central to investment decisions made by investors.

From the perspective of the CSE, encouraging quality reporting among our listed entities is imperative in our effort to provide investors with the information they require to make sound investment decisions.

Through our strategic partnership with CA Sri Lanka, we would like to extend our effort to encourage organisations to move beyond mere statutory disclosures, where the presentation of financial and business information is complemented with reporting on sustainability, corporate governance, corporate social responsibility and integrated reporting. This therefore will enable investors and shareholders to better understand the company's strategies, future prospects, risks and the environmental impact.

We are pleased to learn of the steady growth in participants for this initiative over the years, which indicates a growing interest among corporates to achieve and maintain the highest standards of reporting. We look forward to a successful competition this year as well.



## MESSAGE FROM THE CEO OF CA SRI LANKA

**Aruna Alwis**  
Chief Executive Officer  
CA Sri Lanka

In today's challenging and complex environment transparency, accountability and good governance are vital elements for the long-term sustainability of any organization. The Annual Report Awards Competition organized by CA Sri Lanka has consistently encouraged organisations to meet these important requirements over the past five decades.

An essential ingredient of good corporate reporting is accurate, timely and comprehensive corporate disclosure. This not only helps cultivate the confidence of shareholders and investors of a company, but also contributes to the building up of the company's public image and reputation, which ultimately reflects on our national economy.

To be relevant, we need to keep up with the constant changes thrown at us, and as a leading professional organisation working tirelessly to uplift the professional standards in the country, CA Sri Lanka has always been in the forefront in helping to enhance the standing of Sri Lanka's vibrant corporates.

Since its launch in 1964, the Annual Reports Awards competition has been a pioneer in helping organisations boost its transparency and accountability elements in financial reporting. As a professional body not many could boast of an achievement for well over 50 years, but CA Sri Lanka takes pride in being just one of a handful of such organisations, which has driven a distinctive event of such importance for 53 years.

The Annual Report Awards competition is undoubtedly a benchmark event in Sri Lanka's corporate calendar, and taking the current context into consideration, a most warranted competition, as it strongly advocates transparency, accountability and good governance among Sri Lanka's diversified business sector.

I encourage organisations, both big and small to take part in the 53rd Annual Report Awards, which will show their commitment towards enhancing their organisation's transparency and accountability.



## OBJECTIVES OF THE AWARDS

- To encourage effective communication to stakeholders through publication of informative annual reports
- To promote effective presentation of financial and non-financial information
- To comply with legislative requirements and Sri Lanka Accounting Standards

## OUR AIM

The Annual Report Awards aim is to reward excellence in annual reporting.

An annual report is a key instrument that discloses an organisation's financial and non-financial performance.

The purpose of a good annual report is not only to indicate the financial results of an organisation, but also to justify the figures included in it to create a clear understanding amongst its readers about the organisation and its values, achievements and contribution to society etc. With increasing emphasis being placed on transparency in operations, good governance, sustainability and social responsibility, an annual report is expected to go beyond providing statutory disclosures and present a holistic view of an organisation's performance.

The Annual Report Awards competition encourages organisations to meet these global expectations.



## AN OVERVIEW OF AWARDS 2017


The competition welcomes any organisation that produces an Annual Report, from multinational companies to small community groups and small-scale establishments. The awards are presented under 25 categories where the Winner, 1<sup>st</sup> and 2<sup>nd</sup> Runners-up are selected under each category.

The annual reports are evaluated against established criteria which do not include the actual financial position or the actual financial/non-financial performance of an organisation. The winners are selected based on their ability to effectively communicate organisational objectives, performance, personnel and management to an intended audience. In addition to the creativity and clarity of presentation, any additional information relevant to such as the scale of operation, complexity and sophistication of operation will be considered in the judging process.

Judging is carried out at three rounds. Following the initial selection process which is conducted by a technical marking panel that consists of over 150 Chartered Accountants, the shortlisted annual reports are subject to an intense technical review by a panel of industry experts. At the final stage of judging, the shortlisted annual reports are reviewed by the final panel of judges. The overall winners are selected purely on merit, irrespective of the industry sector.

Entries for Corporate Governance, Management Commentary, Integrated Reporting and Corporate Social Responsibility awards are evaluated under a separate marking scheme by a panel of subject experts.

The judges essentially evaluate the extent to which readers/stakeholders can make informed decisions about the organisation based on the annual report.



## GENERAL EXPECTATIONS OF AN ANNUAL REPORT

An annual report is a comprehensive report on a company's activities throughout the preceding year. Annual reports are expected to provide information about the company's activities and financial performance to its stakeholders. The information provided in an annual report are of use to stakeholders to understand the company's financial position and future direction.

## AN ANNUAL REPORT SHOULD INCLUDE

- A description of what the organisation does and a comprehensive review of its operations
- A clear explanation of how well the organisation has performed during the year under review
- A discussion and analysis of the major factors influencing organisational performance
- Discussion of the organisation's current position
- Financial information in accordance with Generally Accepted Accounting Practices (this covers compliance with applicable statutory requirements, financial reporting standards and other regulatory requirements applicable to the organisation e.g. regulations of the Colombo Stock Exchange, Securities and Exchange Commission of Sri Lanka, Central Bank of Sri Lanka, etc.)
- Statistical and other significant items in the statement of financial performance and the statement of financial position
- Information on ownership and governance practices
- Timelines in publishing the financial statements and holding of the Annual General Meeting
- Unqualified audit opinion



## THE AWARDS

The Annual Report Awards recognize excellence in annual reporting under various aspects. Awards are presented under various categories enabling organisations to benchmark their annual reports against others.

### Sector Winners

The competition has identified 25 industry sectors. Annual reports are first evaluated by a technical marking panel, based on set criteria. The shortlisted annual reports are then subject to a review by a panel of industry specialists and a final panel of judges.

### Overall Winners

The overall winners are selected based on the aggregate marks earned during the sector-wise marking. They will be selected purely on merit, irrespective of their business sector.

### The Corporate Governance Disclosure Award and The Corporate Social Responsibility Reporting Award

Corporate Governance and Corporate Social Responsibility are two aspects that reflect the sense of accountability and responsibility an organisation demonstrates towards its stakeholders and environment. They are also vital ingredients that provide the basis for effective operation of a free market economy and enable wealth creation and freedom from poverty.

Good corporate citizens are responsible for encouraging and developing the environment and society they operate. The Corporate Governance Disclosure award and the Corporate Social Responsibility Reporting award will recognize organisations who have successfully disclosed their Corporate Governance and Corporate Social Responsibility initiatives.

A winner and two runners-up will be selected under each category.

## Integrated Reporting Award

With the aim of promoting a more cohesive and efficient approach to corporate reporting, thereby improving the quality of information available to providers of financial capital we have introduced an Award for Excellence in Integrated Reporting. An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment lead to the creation of value over the short, medium and long-term.

CA Sri Lanka, in its capacity as one of the foremost professional organisations which have consistently provided leadership and insight to the corporate world, has introduced this award category, recognizing the trends in corporate reporting and to support companies which have already fully embraced integrated reporting. Three awards are presented (winner and two runners up) under this category and two winners will be awarded for Best Disclosure on Capital Management and Best Disclosure on Business Model.

## The Management Commentary Award

In the present business context, transparency of management is considered to be critical in making informed decisions. As such, this award aims to encourage effective presentation of information relating to transparency of management. Three awards are presented (a winner and two runners-up) under this category.

*Companies wishing to compete for the Best Annual Report Award have the option of applying for the Corporate Governance Disclosure Award, Corporate Social Responsibility Reporting Award and Management Commentary Award.*

## Certificate of Compliance

An annual report is expected to meet certain statutory requirements. Entrants who comply with these relevant statutory requirements are also recognized at the competition, where certificates of compliance will be presented to all entrants who have fulfilled the applicable compliance criteria.

*Winners of each of the above segments are eligible to participate in the SAFA Best Presented Annual Report Awards which provides the opportunity for Sri Lankan corporates to benchmark themselves with their counterparts in the SAARC region.*



## LOOKING BACK 2016

JOHN KEELLS HOLDINGS PLC  
Overall Excellence in Annual Financial Reporting Award 2016  
'Cyril Gardiner Memorial Trophy'  
Management Commentary Award 2016

We are proud of, yet humbled by, the recognition given by the Institute of Chartered Accountants of Sri Lanka to John Keells Holdings PLC in selecting its 2016 Annual Report, as the overall winner in "Excellence in Financial Reporting". We are particularly delighted that our "Management Commentary Award" was also accorded an overall excellence recognition. We will continue to report our Operations, and our financial position, to our investors, and other stakeholders, in an accurate, timely, transparent and value adding manner.

Susantha Chaminda Ratnayake  
Chairman  
John Keells Holdings PLC

A portrait of Ranjith Pandithage, Chairman/Managing Director of Diesel & Motor Engineering PLC, is shown in a teal-tinted, diamond-shaped frame on the left side of the page. The background of the page features a geometric pattern of overlapping teal and purple diamonds.

## LOOKING BACK 2016

DIESEL & MOTOR ENGINEERING PLC  
Integrated Reporting Award 2016  
Best Disclosure on Business Model Award 2016

We have now tread the Integrated Reporting journey for seven years and it is with great pride that I reflect on our efforts in having set the benchmark for Integrated Reporting in Sri Lanka all the way through this journey.

Our strong belief is that integrated reporting will allow our stakeholders to capture our enterprise value creation in a holistic manner, without being limited only to monetised value creation and sustainability. Winning the Integrated Reporting award for the last four consecutive years has made us believe that we are on the right track.

I take this opportunity to acknowledge the continuous encouragement given by CA Sri Lanka to the corporate community by recognizing their effort in Integrated Reporting at the Annual Reports Award Ceremony. The catalyst's role played by the Annual Report Awards in promoting the adoption of global reporting standards is well-appreciated.

**Ranjith Pandithage**  
Chairman/Managing Director  
Diesel & Motor Engineering PLC



## LOOKING BACK 2016

### HAYLEYS PLC Corporate Social Responsibility Reporting Award 2016

We are honoured to have been awarded 'Gold' for our Corporate Social Responsibility Report 2016. As the nation's most diversified conglomerate, we believe that it is our privilege and duty to positively impact the hundreds and thousands of lives within the communities we serve. We also believe that sustainability should remain at the heart of everything we do. 2016 saw a more complex and long-term focus in championing sustainable businesses within the entire Group.

I extend my appreciation to CA Sri Lanka for driving excellence and conscientiousness in reporting within the multifaceted areas of an Annual Report. This no doubt promotes heightened standards and transparency, benefitting our nation as a whole.

**Mohan Pandithage**  
Chairman & Chief Executive  
Hayleys PLC

## LOOKING BACK 2016

### PEOPLE'S LEASING & FINANCE PLC Corporate Governance Disclosure Award 2016

For People's Leasing & Finance PLC, the essence of corporate governance lies in promoting and maintaining responsibility, accountability, transparency and impartiality at all levels of the organisation, for we believe that these principles enable us to function with integrity, creating enduring value for all our stakeholders.

We are indeed proud and privileged to have been recognised for our commitment to good corporate governance with the Gold Award for the Best Corporate Governance Disclosures at the CA Sri Lanka Annual Report Awards in 2016.

We sincerely appreciate the efforts of CA Sri Lanka in inculcating a good governance culture amongst the corporates of Sri Lanka.

**Hemasiri Fernando**  
Chairman  
People's Leasing & Finance PLC

## WINNERS - THE ANNUAL REPORT AWARDS 2016

Overall Excellence–Annual  
Financial Reporting Award

53<sup>RD</sup> ANNUAL REPORT  
AWARDS 2017



**GOLD**

'Cyril Gardiner Memorial Trophy'  
John Keells Holdings PLC



**SILVER**

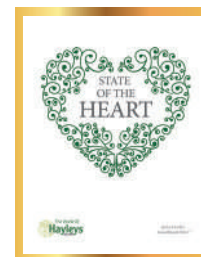
Diesel & Motor  
Engineering PLC



**BRONZE**

Commercial Bank  
of Ceylon PLC

WINNERS - THE ANNUAL  
REPORT AWARDS 2016  
Corporate Social Responsibility  
Reporting Award



**GOLD**  
Hayleys PLC



**SILVER**  
Commercial Bank  
of Ceylon PLC

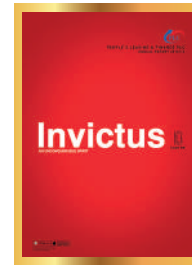


**BRONZE**  
LB Finance PLC

## WINNERS - THE ANNUAL REPORT AWARDS 2016

Corporate Governance  
Disclosure Award

53<sup>RD</sup> ANNUAL REPORT  
AWARDS 2017



**GOLD**

Peoples's Leasing  
& Finance PLC



**SILVER**

Commercial Bank  
of Ceylon PLC



**BRONZE**

Sampath Bank PLC

## WINNERS-THE ANNUAL REPORT AWARDS 2016

Management Commentary  
Award

53<sup>RD</sup> ANNUAL REPORT  
AWARDS 2017



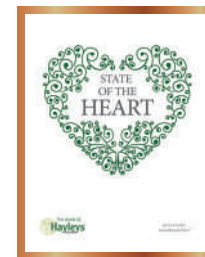
**GOLD**

John Keells Holdings PLC



**SILVER**

Diesel & Motor  
Engineering PLC



**BRONZE**

Hayleys PLC

WINNERS - THE ANNUAL  
REPORT AWARDS 2016  
Integrated Reporting Award

53<sup>RD</sup> ANNUAL REPORT  
AWARDS 2017



**GOLD**  
Diesel & Motor  
Engineering PLC



**SILVER**  
John Keells Holdings PLC



**BRONZE**  
Commercial Bank  
of Ceylon PLC

## WINNERS - THE ANNUAL REPORT AWARDS 2016

Integrated Reporting:  
Best Disclosure  
on Business Model

53<sup>RD</sup> ANNUAL REPORT  
AWARDS 2017



**GOLD**

Diesel & Motor  
Engineering PLC



**SILVER**

Sampath Bank PLC



**BRONZE**

John Keells Holdings PLC

## WINNERS - THE ANNUAL REPORT AWARDS 2016

Integrated Reporting:  
Best Disclosure  
on Capital Management

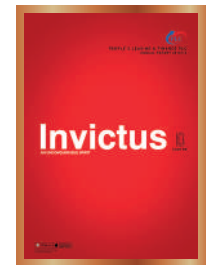
53<sup>RD</sup> ANNUAL REPORT  
AWARDS 2017



**GOLD**  
LB Finance PLC



**SILVER**  
Commercial Bank  
of Ceylon PLC



**BRONZE**  
Peoples's Leasing  
& Finance PLC

A GLIMPSE OF  
THE ANNUAL REPORT  
AWARDS 2016

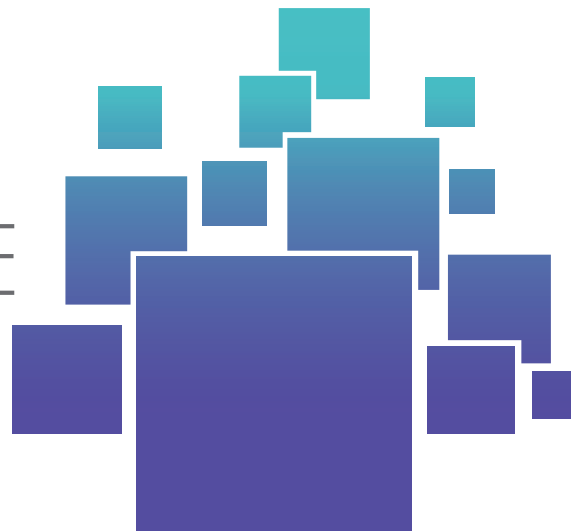


A GLIMPSE OF  
THE ANNUAL REPORT  
AWARDS 2016





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