

PRESIDENT'S MESSAGE

Financial statements are prepared to summarize all business activities by an enterprise during an accounting period in monetary terms and report financial outcomes in terms of performance, status of assets, liabilities and flow of cash. These business activities vary from one enterprise to other on one hand and size and volume of business on the other hand. To compare the financial statements of various reporting enterprises poses some difficulties because of the divergence in the methods and principles adopted by these enterprises in preparing their financial statements. In order to make these methods and principles uniform, comparable, transparent, establish accountability and bring true and fair view of Financial Statement - Accounting Standards are evolved.

Responding to the challenges for some time now, the International Accounting Standards Board (IASB), the global standard-setter, has taken several initiatives. As one, the IASB has effected improvements to International Accounting Standards with the objective of facilitating effective and high quality financial reporting in the global capital market.

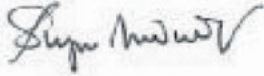
With the enactment of the Sri Lanka Accounting and Auditing Standards Act in August 1995, the task of setting Sri Lanka Accounting Standards was vested in the Institute of Chartered Accountants of Sri Lanka. The Act provides for setting up of a Statutory Accounting Standards Committee, with half of its members representing the accounting profession and the other half representing different user groups of these standards. This provides ownership of the standards for all user groups and not just the accounting profession.

As required by the Sri Lanka Accounting and Auditing Standards Act, No. 15 of 1995, the Statutory Accounting Standards Committee completed the due review process of the Accounting Standards / Financial Reporting Standards, which were under the IASB Improvements Project. The committee revised the corresponding Sri Lanka Accounting Standards / adopted the International Financial Reporting Standards and recommended for adoption by the council of the institute. Accordingly, the council has adopted these standards as Sri Lanka Accounting Standards (SLFRSs).

This bound volume of Sri Lanka Accounting Standards incorporates all revised and new Accounting Standards / Financial Reporting Standards that have been adopted as per the 2009 edition of the International Financial Reporting Standards bound volume.

I am certain this publication would be of immense use to preparers of financial statements and other users of accounting standards.

Finally I wish to express my sincere appreciation and acknowledge the valuable contribution made by the chairman and members of the Statutory Accounting Standards Committee, in the formulation of the accounting standards and publishing the 2011 edition of the Sri Lanka Accounting Standards Bound Volume. I also take this opportunity to thank all technical and administrative staff at the technical division for producing this publication expeditiously.



Sujeewa Mudalige
President

The Institute of Chartered Accountants of Sri Lanka
19 November 2010