



Sri Lanka Logistics and Freight Forwarders Association (SLFFA)

ANNUAL *Report* 2022/23



Contents

2	Vision, Mission & Strategic Goals
3	Introduction to the Report
4	Chairman's Message
6	Vice Chairman's Message
7	Secretary's Report
10	SLFFA Secretariat
12	Board of Directors
14	Sub-Committee Reports
14	Air Freight and Air Cargo Village
16	Ocean Freight, Port, Customs and BOI
18	SLFFA Training and AITT
20	New Membership Promotion and Evaluation
21	Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)
23	Publicity, Social Affairs, Website, CSR & Digital Media
25	Embracing Corporate Social Responsibility
26	Other Key Events
31	Global Logistics Report
33	SLFFA Cargo Services Limited
35	Member Directory
42	Independent Auditor's Report
44	Statement of Comprehensive Income
45	Statement of Financial Position
46	Statement of Changes in Fund
47	Statement of Cash Flows
48	Notes to the Financial Statements



Sri Lanka Logistics and Freight Forwarders Association (SLFFA)

ANNUAL *Report* 2022/23

Vision, Mission & Strategic Goals

Vision

To be the leading force in the advancement of Freight and Logistic Services in Sri Lanka.

Mission

To promote professionalism and excellence and strengthen the freight forwarding and logistics Industry, SLFFA to serve and lead its diverse membership through advocacy, innovation, and information sharing.

Strategic Goals

Economic Vitality: Expand the industry such that members can strengthen the economy and the business Communities they serve.

Advocacy: Influence and educate decision makers of government and other organisations to assist and shape policies that are favourable for the industry.

Image: Improve the overall image and perception about the industry.

People and Organisations: Build capacity through training and development to create more effective organisations in the industry.

Association Development: Strengthen SLFFA such that members are served better.

Introduction to the Report

Celebrating 42 years of excellence, the Sri Lanka Logistics & Freight Forwarders Association (SLFFA) continues to be the apex representative and voice for the local industry. The past year has not been easy, with significant local, as well as global challenges impacting the industry to varying degrees. Nevertheless, the determination and resilience of our members, backed by our support, have resulted in continuous adaptation and innovation to tackle these obstacles. As to what the next year holds, only time will tell. However, the SLFFA will certainly continue to forge forward as the guiding light and clarion call for an extremely vital industry that supports nearly every other industry and sector.



www.slffa.com



Chairman's Message



Mr. Dinesh Sri Chandrasekera
Chairman, SLFFA

“ SLFFA will continue to actively forge ahead with our plans of uplifting the country as a whole. Logistics is the backbone of the country, as nearly every aspect of our lives directly or indirectly relies on the field.”

The period under review of 2022-2023 has been a thoughtful one for the logistics and freight forwarding industry in Sri Lanka, as well as the world. Shifting our viewpoint to a global perspective, the world is still reeling in the aftermath of the Covid-19 pandemic's economic effects. Furthermore, the global freight market is expected to contract by 3.7% by the end of the year, due to economic recession effects. This results in our industry facing competition directly from carriers and large multinational players, placing noticeable pressure on financials.

However, as you are all aware, Sri Lanka itself faces a unique set of additional challenges, on top of the global difficulties. I need not elaborate much on the economic crisis of the not-too-distant past, as it is indelibly etched in the memories of each and every one of us. Therefore, our industry faces a two-punch impact, so to speak. It is amazing that we have been able to achieve what we had, and yet there is also a sense of missed possibilities.

A positive factor to note is that Sri Lanka has ascended 19 positions in terms of World Logistics Performance, from 92nd position 2018, to 73rd position for 2023. This is indeed promising and deserves applause. However, that applause should be somewhat tempered, as I am confident that our true capability is so much more. As a country of skilled industry professionals, blessed with plenty of natural resources and possessing valuable strategic advantages, Sri Lanka could have ascended at least 35 places, had we faced the appropriate support from the authorities. We see authorities enacting rapid changes to regulations, only to backtrack very quickly. These actions create mistrust among stakeholders,

and negatively impact the country's policies. Consistent and sustainable changes are a must, with consultation from industry representatives, such as the SLFFA.

Regardless, the SLFFA will continue to actively forge ahead with our plans of uplifting the country as a whole. Logistics is the backbone of the country, as nearly every aspect of our lives directly or indirectly relies on the field. The SLFFA bears the yeoman responsibility to lobby and spearhead upliftment for all industry players. The trust of industry players in the SLFFA is reflected by the growth in membership from 150 to 165 during the 2022-2023 period under review.

Some notable achievements of the SLFFA during the 2022-2023 period include the introduction of the Debtor Data Base (DDB) which you can read about in the Legal Sub-Committee Report. The DDB will enable highlighting of doubtful debtors/wilful offenders, ensuring that industry players can share information on same, and reduce losses due to bad debts. The Legal Sub-Committee is also engaged in updating the SLFFA's Articles of Association, as well as revamping our Standard Trading Conditions.

Meanwhile, the training arm of SLFFA, AITT (Academy of International Trade & Transport) has embarked on a significant upgrade, at considerable cost, to upgrade Dangerous Goods Training to CBTA (Competency-Based Training & Assessment) level. As an academy at the forefront of training and knowledge development for industry professionals and fresh entrants, AITT actively upgrades and enhances its offerings to maintain parity with the latest global industry trends.

The SLFFA recognizes the negative impact of implementing CASS on industry players in Sri Lanka and has taken action against the CASS implementation by filing a writ against the monetary board of the Central Bank of Sri Lanka (CBSL). The writ seeks to disallow IATA to operate the CASS system in Sri Lanka, and permit IATA to deal in foreign currency in the country.

Social events are a large part of the SLFFA's fellowship, and they are intrinsically connected to the SLFFA's active CSR activities. For the period under review, the SLFFA conducted two large-scale events, namely the SLFFA Members Night, and the SLFFA Dinner Dance. Part proceeds from these events will be handed over to the Lady Ridgeway Hospital, which has been a long-standing beneficiary of the SLFFA. It is envisioned that approximately Rs. 2 million will be donated as a result of the proceeds from these events.

Finally, I would like to extend my sincere appreciation to the SLFFA's membership for appointing me as Chairman for the past two years and extending their trust and support to the committee. Without your support, the SLFFA would not have achieved what we have done so during the period, amidst the adverse conditions that I have described herein. I wish the incoming committee all the very best in their endeavours. Under their stewardship, I am confident that the SLFFA will continue the stellar work it has carried out since inception, working closely and tirelessly with all stakeholders towards addressing challenges, as well as changing landscapes faced by the industry.

Vice Chairman's Message



Mr. Channa Gunawardena
Vice Chairman, SLFFA

The global impact caused by the Covid-19 pandemic, sadly, cannot be cast away in the matter of one, two or even five years. The challenges faced by logisticians across the globe continue to be prevalent across varying degrees. The Supply Chain Crisis faced towards the latter stages of the pandemic, and continuing into the 2022-2023 period is largely due to three major factors. These are congestion at major Western ports, haulage problems at destination ports, and labour shortages within ports, as well as warehouses.

While the world has been grappling with these issues, Sri Lanka has faced an additional setback in the form of the economic crisis of 2022. The country is not entirely free from related issues and recovery remains a slow, and at times, uncertain process. Hence, our own logistics industry faces even more significant challenges. As one of the critical functions of nearly every single activity in the country, failure is simply not possible. The logistics industry is required to forge forward, no matter how great the challenges. That is why I must pay homage to the undying spirit of Sri Lankan logisticians who have managed to pull the industry through the worst of times, which included shortages of fuel and critical supplies, and even scattered civil unrest due to protests.

Sri Lanka's currency crisis, coupled with the global factors have led to skyrocketing freight rates, throttling the revenue and profits of industry players to an unprecedented degree. Factors such as high inflation, high energy costs and excess inventory at consumer warehouses have in turn caused a significant lack of demand in the sector. Lower demand leads to forced drops in prices, lower margins, and minimal, if any, profitability.

However, Sri Lankan logisticians are a resilient group and they have not been idle. Spearheaded by many forward-thinking individuals, and with the support of SLFFA, the industry is undergoing significant improvements in efficiency, lowering of operational costs, adoption of lean practices, and relevant automation. However, such internal steps

within the industry are not enough to achieve peak efficiency and optimal operation costs alone. They must be supported by broader initiatives from the State.

For example, the Customs Ordinance is vastly outdated. A new act has been proposed, and once it is in place, trade facilitation will be in line with World Trade Organisation Trade Facilitation Agreement commitments. This will immensely help reduction of transaction costs and result in higher efficiency.

Furthermore, fully automating Customs processes and creating a paperless environment will bring significant improvements in productivity, as well as sustainability. The requirement to submit commercial documents multiple times to various portals, for example, can be eradicated by enacting the National Single Window and Air Port and Port Community systems.

In a broader scope of things, Sri Lanka enjoys a distinctive and unique position that places it in a prime spot to become a regional logistics and transportation hub. However, we need world-class facilities to assure this transformation. Infrastructure upgrades and the abolishing of protectionist tariff structures are two out of many ways that I can cite. Another way is to upgrade facilities at key airports such as Colombo and Mattala to enhance cargo handling capabilities. These activities will ensure that local companies are not solely dependent on Sri Lanka-centric business for survival, but can actively tap the region, helping the country earn much-needed foreign exchange.

In conclusion, we are at a critical juncture where the double whammy of global conditions as well as the country's economic crisis create a stage at which we must enact significant change to ensure our survival. That is where SLFFA will always ensure that the industry receives the required resources and support. As a professional, ethical body of qualified and experienced logisticians, SLFFA is well-poised to lead the country's logistics industry into the new era ahead.

Secretary's Report



Mr. Rohan Induruwa
Secretary General, SLFFA

ACTIVITIES OF THE ASSOCIATION

The Association, whilst stepping in to the 42nd year of service to the industry, continued to maintain active dialogue with its members and with all other stakeholders associated with the industry, as well as Government and statutory bodies, particularly in relation to maintaining professionalism and efficiency in the freight forwarding industry as a whole.

In addition to its ongoing projects and activities, the Executive Committee focused more on sustaining the Association's position in matters concerning Ocean Freight, Customs, Air Freight & Air Cargo Village (ACV), Port operations including tariff, Delivery Order charges, and conducted regular discussions with officials of the Ministry of Finance, Ministry of Ports, Shipping & Aviation, Sri Lanka Ports Authority (SLPA), Sri Lanka Customs (SLC), Airport & Aviation Services (SL) Ltd (AASL), Srilankan Airlines/ Cargo, Civil Aviation Authority of Sri Lanka (CAASL), Sri Lanka Export Development Board (SLEDB), the Directorate of Merchant Shipping (DMS) of the Ministry of Ports, Shipping & Aviation.

In addition, The Executive Committee engaged in discussions with The Ceylon Chamber of Commerce, Sri Lanka Shippers Council (SLSC) and Ceylon Association of Shipping Agents (CASA), Joint Apparel Association Forum, etc. Strengthening the self-regulatory regime introduced by the Association, regular training programs were conducted for the benefit and betterment of the members.

The SLFFA Office Bearers, Advisory Council, Committee members and the Secretariat had an eventful year and judiciously carried out duties amid the challenges of the social unrest in the country

and other macro economic variables. SLFFA was called upon by Government authorities and trade bodies on numerous occasions to represent its members in numerous discussions/seminars and was also included in advisory roles on matters of national importance. A summary of these representative roles played are given herein.

The Office Bearers were also involved in several meetings held by HE The President, Hon. Ranil Wickramasinghe and the Opposition Leader, Hon. Sajith Premadasa to provide inputs regarding the issues/concerns of the logistics industry. Several Meetings were also held with the Minister of Ports, Shipping & Aviation Hon. Nimal Siripala De Silva with regard to the serious concerns of the implementation of the Cargo Account Settlement System (CASS), inspite of the ongoing crisis situation in the country.

The activities of the Association were handled by the following sub-committees:

- Airfreight and Air Cargo Village
- Ocean Freight, Port, Customs and BOI
- Publicity, Social Affairs, Website and CSR Projects
- SLFFA Training and AITT
- Digitization, Research & Development (R&D)/Statistics
- Finance
- Legal & Insurance Assistance
- FIATA, FAPAA and SLFFA Cargo Services Promotional Activities
- New Membership Promotion/Evaluation and Membership Grievances

Secretary's Report

Membership Meetings and Executive Committee Meetings

As at the end of the period under review, SLFFA membership reached 160 members. The Executive Committee met on 10 occasions during the period under review to conduct its business. SLFFA also conducted 2 General Membership Meeting during the same period.

OTHER INDUSTRY RELATED MATTERS

The SLFFA Office Bearers, Committee members and the Secretariat were actively involved in the following key industry issues, in addition to the other issues highlighted by the respective Sub-committees;

Cargo Account Settlement System (CASS)

SLFFA has strongly voiced its objection and proceeded to file a writ application in the Court of Appeal against the International Air Transport Association (IATA), Central Bank of Sri Lanka and the Monetary Board, for attempting to introduce the Cargo Account Settlement System (CASS) in Sri Lanka, thereby threatening the smooth operation with the exporters for their air cargo shipments. The Court Case is ongoing.

SLFFA has voiced its displeasure to the unilateral change in the payment cycle as it would severely and adversely affect the business of our exporters and freight forwarders, who would in turn, be pressurized for lesser credit periods in line with the settlement cycle. Thus, SLFFA has voiced its total objection to implement CASS, whilst there is also no value addition to the industry by introducing CASS, especially at a time that the current economic crisis is seriously affecting the entire country.

Cargo Community System for Air / Ocean Cargo

SLFFA proposed to introduce a Cargo Community System, in order to make the Air/Ocean cargo industry more efficient, cost effective and to facilitate ease of doing business for the import/export trade in the country. SLFFA emphasized on the requirement to implement a system in line with international practices at several forums held with the Hon. Minister of Ports, Shipping and Aviation, Chairman of Airport and Aviation Services (AASL), Chairman of Sri Lanka Ports Authority (SLPA), Chairman of Sri Lanka Export Development Board (SLEDB) and many other

industry stakeholders. SLFFA also submitted a proposal for a Cargo Community System to the Ministry of Ports, Shipping and Aviation, which was jointly compiled by its commercial arm SLFFA Cargo Services Ltd and its partner Cargo Community Systems based in Singapore.

Airlines Demanding Freight Payments to be made in USD

With the economic crisis prevailing in the country, all Airlines including the National carrier decided to invoice freight charges in USD. This created a major issue for most of the forwarders due to insufficient reserves of USD within companies. The SLFFA Air Freight subcommittee had several meetings and discussions in this regard, with the main operators to Colombo, to revert back to charging in LKR. However, there was no positive response from airlines, who continue to issue invoices in USD.

Reviewing Draft Policy on Transport

SLFFA was invited to attend discussions with other industry stakeholders organized by the Ministry of Transport and Highways, on reviewing the current National Transport Policy of Sri Lanka. SLFFA represented several consultative workshops under the Chairmanship of Hon. Minister of Transport, Highways and Mass Media along with the Hon. State Minister of Transport. SLFFA representatives provided inputs relating to the importance and enhancement of the infrastructure development requirements of the logistics sector.

Parliamentary Committee For Ways and Means

SLFFA was represented at the Parliamentary Committee for "Ways and Means" chaired by the Hon. Patali Champika Ranawaka. The Committee's primary responsibility was to examine and offer recommendations on various matters concerning International Trade, Import and Export Industries, and Customs administration. This includes matters related to Tariffs, Customs Laws, Policies, and Guidelines that apply to Imports and Exports in Sri Lanka. During the meeting, representatives from SLFFA represented the interests and concerns of the freight forwarding industry. The involvement of SLFFA in this Committee reflects the industry's active participation and engagement in shaping policies and regulations concerning International Trade and Customs operations.

The Launch of Key Trade Facilitation Initiatives In Sri Lanka

SLFFA was represented at the "Launch of Key Trade Facilitation Initiatives in Sri Lanka" event which was organized by the Presidential Secretariat. The Chief Guest at the event was His Excellency Ranil Wickremasinghe, the President of the Democratic Socialist Republic of Sri Lanka. The event aimed to introduce and promote significant trade facilitation initiatives in Sri Lanka, with a focus on enhancing and streamlining trade-related processes. As a representative of the freight forwarding industry, SLFFA participated in the event to support and contribute to the country's efforts in promoting efficient trade practices and logistics operations.

Social Security Contribution Levy (SSCL)

SLFFA had several discussions with the Governor of the Central Bank of Sri Lanka and officials of the Ministry of Finance on the impact of SSCL on the Freight Forwarding Community. The outcome of these discussions by SLFFA, was that Freight Forwarders were exempted in so far as, such services were in respect of the exporter of any item from Sri Lanka.

Policy Committee On Formulation of Logistics Development Plan Including The Shipping Industry

The Ministry of Ports, Shipping and Aviation, on the instructions issued by HE the President of Sri Lanka, have appointed a Policy Committee consisting of related Trade Associations including SLFFA, for formulation of the Logistics Development Program aiming at the development of logistics including the shipping industry, with the objective of promoting Sri Lanka as a shipping hub in the region. A Concept Paper has been issued by the Ministry for guidance of the Committee and currently it is ongoing. SLFFA will continue to play an active role in this important subject of transforming the country to become a Logistics Hub in the region.

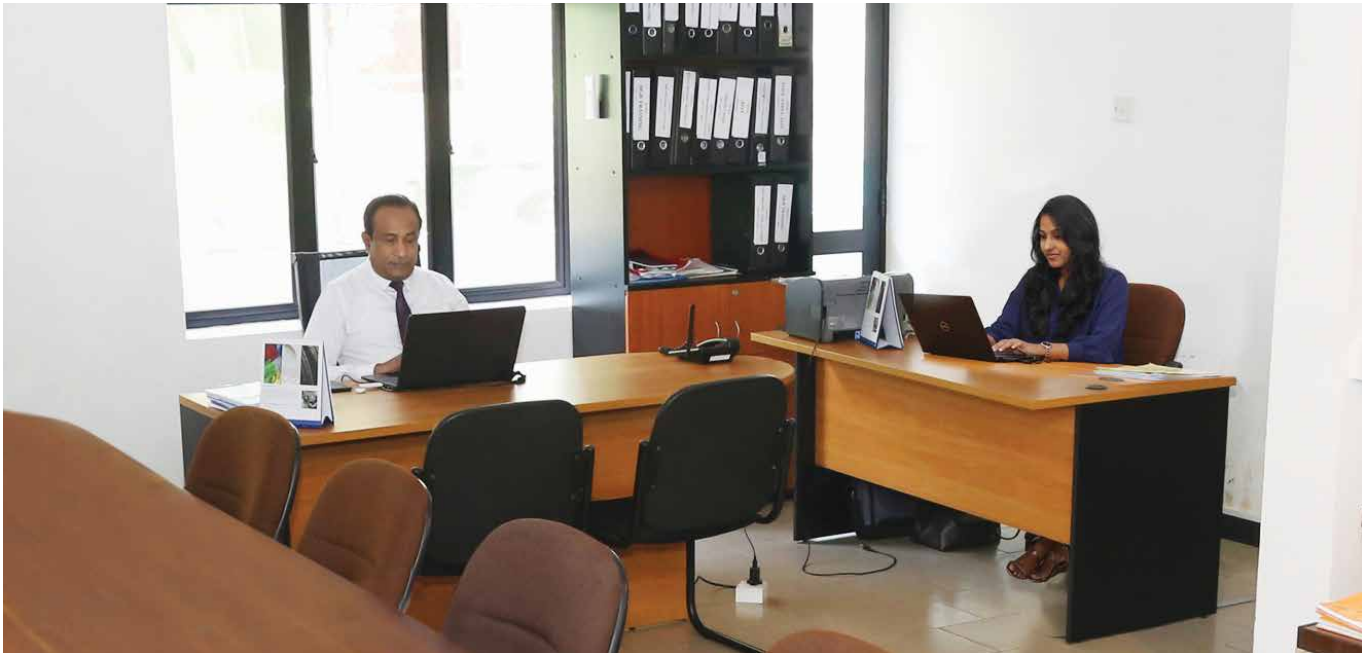
SLFFA Secretariat



Mr. Rohan Induruwa
Secretary General, SLFFA



Ms. Dishni Perera
Manager, SLFFA



SLFFA Secretariat plays an important role in organising and managing all administrative work pertaining to the logistics and freight forwarding industry on behalf of the SLFFA members. The team at SLFFA gets involved in identifying training needs, attending to regulatory requirements and representing the membership interests. SLFFA operates from Torrington Avenue in Colombo 07; a convenient location for all members to visit as and when required.

Leadership



Board of Directors



Left to Right
Seated
Mr. Niral Kadawatharatchie, Mr. Tony De Livera, Mr. Dushmantha Karannagoda, Mr. Roshan Silva, Mr. Channa Gunawardena

Standing
Mr. Navin Perera, Mr. Suminda Hettiarachchi, Ms. Diruni Chanmugam, Mr. Sujan Malawana, Mr. Priyan Seilman

Left to Right
Seated
Mr. Dinesh Sri Chandrasekara, Mr. Andre Fernando, Mr. Jagath Pathirane, Ms. Tania Pollonnowitta Wettamuny, Mr. Mohan S Mohanadas

Standing
Mr. Nishan Jayawardena, Mr. Shavindra Dias, Mr. M F Ibrahim, Mr. Kolitha Wickramasinghe, Ms. Suharshini Welegama

Sub-Committee Reports

Air Freight and Air Cargo Village



**Mr. Priyan
Seilman**
Chairman



**Mr. Sujan
Malawana**
Dep. Chairman



**Mr. Priyantha
Punchihewa**
Member



**Mr. Nishantha
Perera**
Member



**Mr. Gehan
Seilman**
Member



**Mr. Chandana
Jeerasinghe**
Member



**Mr. Aqthab
Arifeen**
Member



**Mr. Gazzali
Arifeen**
Member



**Mr. Gayan
Maheepala**
Member

AIR FREIGHT & AIR CARGO VILLAGE (ACV)

In light of the significant reduction in air cargo volumes originating from Sri Lanka, the Air Freight & Air Cargo Village (ACV) sub-committee has been proactively addressing the evolving landscape. While the challenges faced by the membership have been relatively subdued, there are key points that the sub-committee has been diligently engaged in resolving.

One persistent issue has been the unfortunate instances of pilferage affecting exported goods, attributed to certain staff members. To tackle this concern, the sub-committee has been working closely with the respective companies' management to bring attention to these cases. Additionally, a concerted effort has been made to underscore the gravity of the situation, prompting the engaged private security company to enhance its vigilance and prevent such occurrences.

The ACV has taken an active role in participating in numerous meetings centered around the Air-Cargo Community System. These discussions are of paramount significance as they have been elevated to Ministerial-level deliberations. Recognizing the importance of this matter, it has been advised that a meticulous

tender process should be undertaken to identify a service provider capable of implementing this system with precision and efficiency.

CURRENT EXPANSION PROGRAM AT BIA

In contrast to the challenges encountered in the preceding year, the current landscape has witnessed a notable reduction in service-related issues. This accomplishment can be attributed to the steadfast dedication of the sub-committee, which has maintained ongoing dialogue with Airport and Aviation Services (Sri Lanka) Limited (AASL). This collaborative approach has ensured that any potential impediments faced by members are promptly addressed and resolved.

MITIGATING DELAYS IN SLFFA CARGO SERVICES

The sub-committee has played a pivotal role in facilitating a series of meetings between the SriLankan Airlines cargo team and SLFFA to deliberate on the issues surrounding delays in the handover of import shipments from SriLankan Airlines to SLFFA Cargo services. Through these engagements, key factors contributing to these delays were analyzed. A mutual understanding was reached between both parties, emphasizing the importance of documenting such issues for comprehensive review. This



collaborative approach aims to identify effective solutions that will preempt the recurrence of these delays in the future.

ENHANCING TRANSPARENCY IN CURRENCY CONVERSION RATES BY SRI LANKAN AIRLINES

Another noteworthy concern brought to the forefront is the irregularity in the declaration of currency conversion rates by SriLankan Airlines. This inconsistency has occasionally disrupted routine operations and resulted in challenges for members. To address this, the sub-committee has engaged in constructive discussions with the SriLankan Airlines cargo team. A consensus has been reached to streamline the implementation process by issuing notices every Friday and commencing implementation on Saturdays. This procedural refinement aims to provide the members with a more predictable and consistent framework for managing currency conversion rates.

IMPLEMENTATION OF CASS

Efforts to implement the Cargo Account Settlement System (CASS) in Sri Lanka have involved strategic discussions across Government and Ministerial levels. Despite opposition from the SLFFA, a pivotal decision emerged – pursuing legal action as it is the only viable option to handling the matter at hand. SLFFA's leadership, led by its Chairman and office bearers, have taken the lead in appointing legal experts to address this challenge. This legal recourse reflects their commitment to overcoming obstacles and advancing efficient cargo settlement, underscoring SLFFA's dedication to the industry's growth.

Sub-Committee Reports

Ocean Freight, Port, Customs and BOI



Mr. Nishan Jayawardena
Chairman



Mr. Kolitha Wickramasinghe
Dep. Chairman



Mr. M F Ibrahim
Member



Mr. Mangaleswaran Ratnajothy
Member



Mr. Navin Perera
Member



Mr. M H M Farzan
Member



Mr. Roshan Paul
Member



Mr. Anuradha Sooriyarachchi
Member



Mr. Minhaj Mahamood
Member



Mr. Lasantha Rodrigo
Member



Mr. Lakshitha Suriyarachchi
Member



Mr. Mohan Meehitiya
Member



Mr. Anik Kirtisignhe
Member

During the period of 2022-2023, SLFFA representatives from the Ocean Freight sub-committee met or discussed with several officials of Government Departments such as the Sri Lanka Customs Department (SLCD), Sri Lanka Ports Authority (SLPA), Director General Merchant Shipping (DGMS), etc., to discuss, contribute, participate at forums in relation to industry related initiatives. This article contains a synopsis of the activities conducted during the aforementioned period.

SRI LANKA CUSTOMS (SLC)

Joint meetings and discussions with various other stakeholders of the industry were held in a bid to exert pressure on these parties, with a view to finding solutions faster. The penalties on manifest amendments have been at the mitigated amounts, after many years of negotiation. We have had no concerns reported since.

An issue that was discussed over the years were the manifest amendment tariff (penalties) published by the SLC. SLFFA has been lobbying for mitigation of the penalty amounts citing high penalties for minor amendments. After much persuasion, SL Customs agreed to meet

halfway and intimated that the penalties will now range from LKR 5,000/- up to LKR 50,000/- which is close to 50% mitigation from the tariff.

The manifest reporting tiers for inbound cargo has been another longstanding concern. The present practice does not seem to give all players a fair time frame to lodge details for manifesting. The implementation of the DGMT (Digitizing Global Maritime Trade) project AKA the ASYWORLD will circumvent this issue when implemented. The procurement process to align the hardware is taking place as this article is published and the estimated date for implementation is envisaged to be the end of December 2023. This platform will primarily facilitate the Pre-Arrival (PAP) and Pre-Departure (PDP) processing.

SRI LANKA PORTS AUTHORITY (SLPA)

Members of SLFFA met the Chairman, Managing Director, and Chief Manager of the SLPA. Some discussion points were the importance of transforming Sri Lanka into a regional Logistics Hub in line with the Maritime Hub, Developing the Air-Sea Transshipment operations (Hub status), Concerns regarding Direct Billing facility for NVO/NVOCC operators that will ease doing business, Office space required by Customs officer on duty at Pettah warehouse, Private sector collaboration with SLPA to relook at the proposed joint venture in and off Port, the keenness of SLFFA Cargo Services Ltd the commercial arm of SLFFA to engage in such projects etc., The SLPA officials informed SLFFA that Elevated highway will facilitate connectivity of BIA with the Colombo Port, MRIA & HIPG by end 2023. It was disclosed that rail transportation of cargo will be operational by the end of 2023 as well.

The Ministry of Ports & Shipping called for a meeting on the Appointment of a MC to study and report goods Detained by Sri Lanka Customs. It is reported that two members of SLFFA have issues, whilst the majority don't. Some salient concerns raised at the discussion were, delays in the sale of goods by SLPA, delays in the release process by SLC, legal implications resulting in delays, due to importers taking legal action, inability of SLC officers to expedite the 60-day cut-off in sorting issues and releasing the empty units to MLO's and NVO's, goods detained unreasonably by SLC, the mafia in which goods are abandoned by design and later bought through the auction, ghost importer list that reappears in which such goods to be destroyed to prevent recurrence and unlawful methods of importation, investigate removing the issuance of temporary TIN certifications to prevent such fraudulent activity, the possibility of reducing the detained days for food (as they may perish sooner) and such food not claimed, may be distributed to the poor if deemed necessary.

The PCS (Port Community System), which is a neutral and open electronic platform enabling intelligent and secure exchange of information between public and private stakeholders to improve the competitive position of the sea and airports communities is at its final stages. At the outset this platform optimizes, manages, and automates port and logistics processes through a single submission of data connecting transport and logistics chains. The penultimate workshop was held in August 2023, organized by KPMG together with the Port of Rotterdam. This project that is funded by the ADB is a crucial step port digitalization that engages many stakeholders including Forwarders, Agents, Terminals, Depots, Customs, Port Authorities, Importers, Exporters, Road Haulers, etc.

The DGMT and the PCS projects will assist in the qualification of the Country's approach toward the NSW (National Single Window) status and will further improve the LPI. The Ocean sub-committee is delighted to have contributed to these workshops continually.

DIRECTOR GENERAL OF MERCHANT SHIPPING (DGMS)

The new shipping regulations in Sri Lanka, which were published in the Gazette Extraordinary on May 31, 2023, have several important changes. The latest Gazette Extraordinary No. 2321/62 of March 2nd, 2023, effectively rescinded the previous Gazettes; the GE No.2302/24 of 20th October 2022 on the fixed charges for the D/O and Cost Recovery Fee (Destuffing) and the GE No.2041/10 of 17th October 2017 on Zero Freight and the All-inclusive Freight and the GE No.1842/16 of 27th December 2013 on accepting D/O Fee Charges etc., It is therefore construed that there exists no regulation in relation to the levies of the Delivery Order Fees and other related charges and that market forces will prevail.

One of the most significant changes is that Licensed Service Providers (LSPs) can no longer charge "zero freight" on containerized cargo. This means that all charges related to the carriage of goods from the origin to destination must be included in the all-inclusive freight specified in the bill of lading. Another important change is that LSPs can now charge a delivery order fee from importers in Sri Lanka. However, this fee must be paid in Sri Lankan rupees and must be informed to the Director-General of Merchant Shipping. The new regulations also give the Director-General the power to approve or reject proposed increases in delivery order fees. The Director-General will also be able to propose an alternative increase if they deem it reasonable. The new regulations are designed to make the shipping industry in Sri Lanka more transparent and competitive. They will also help to ensure that importers and exporters are not overcharged for their shipping costs.

Sub-Committee Reports

SLFFA Training and AITT

AITT Board



**Ms. Tania
Polonnowita
Wettimuny**



**Mr. Dinesh Sri
Chandrasekera**



**Mr. Channa
Gunawardena**



**Mr. Andre
Fernando**



**Mr. Diren
Hallock**



**Mr. Niral
Kadawatharatchie**



**Mr. Kingsley
Abeywickrama**

Sub-committee



Mr. Navin Perera
Chairman



**Mr. Suminda
Hettiarachchi**
Dep. Chairman



**Mr. Anuradha
Sooriyaarachchi**
Member



**Mr. Thushan
Jayaratne**
Member



**Mr. Chandana
Perera**
Member



**Mr. Sudheera
Ekanayake**
Member



**Ms. T P
Tudugala**
Member



**Mr. Manjula
Marasinghe**
Member

CAPACITY BUILDING

SLFFA has been focusing on extending its support to build successors to the industry. Hence, we have been steadily strengthening our Training Arm (AITT) with the ambition of supporting Sri Lanka's aspirations of becoming a regional logistics hub.

THE ACADEMY OF INTERNATIONAL TRADE AND TRANSPORT

The Academy of International Trade and Transport (AITT) is the training arm of the Sri Lanka Logistics & Freight Forwarders Association (SLFFA). AITT is endorsed by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), the International Federation of Freight Forwarders Associations (FIATA), and is an Accredited Training School (ATS) of the International Air Transport Association (IATA). Furthermore, AITT is also a training institute approved by the Directorate of Merchant Shipping - Ministry of Ports & Aviation.

AITT conducts 3 training courses, namely,

I. The Foundation Course in Multi-Modal Transport and Logistics, targeted at school leavers and anyone who is keen to embark on a career within the logistics industry.

II. The Certificate Course in Freight Forwarding and Multi-Modal Transport is targeted for those who wish to bolster and update their knowledge of the industry. It is a requirement by the Director General of Merchant Shipping (DGMS) for companies to count a minimum of two staff members qualified in this DGMS-approved course.

III. The FIATA Diploma in Freight Forwarding and Logistics, an international qualification for those who wish to pursue higher studies in the Freight Forward industry, a certification that is recognized internationally.

AITT continuously embarks on upgrading and enhancement activities. One example of this is the shift towards conducting training sessions online, which has been successful to date. We have successfully conducted the assessments and lectures whilst being able to engage with our students on live Zoom sessions and assignments. This effort has also allowed students from overseas to join training sessions. Students now enjoy greater flexibility as they can log in and follow their lectures from a convenient location, rather than miss physical classes due to other commitments. The lecture recordings along with the lecture material are shared where the students can access the material at a further date for enhanced clarity and learning.

AITT conducted exams for two batches of the Foundation course, two batches of the Certificate course and seven modules of the FIATA course using Moodle, making the total number of exams conducted via this globally recognized online platform eleven.

AITT conducted an award ceremony for the last batch of students along with the inaugural Logistics Awards conducted at the Shangri-La Hotel in Colombo. Highlights of the ceremony include:

- 33 Foundation-level students
- 66 Certificate-level students
- 18 FIATA International Diploma students
- Medals were awarded to the batch top students for Foundation and Certificate-level course batches.

We must mention our gratitude to our Course Director, team, expert lecturer panel and all those involved for their commitment towards ensuring continuous and high-quality education from AITT. Thanks to their efforts, AITT continues to attract the best from the industry, including experts with current knowledge and real-time business experience to share their learning and experience with our students.

PROGRESS OVER THE CURRENT YEAR

2023 saw in excess of 100 students attending online courses across all three levels with keen interest and admirable dedication. We are envisioning conducting an awards ceremony for them by the end of the year.

Furthermore, we plan to expand our online presence by facilitating industry panel discussions and virtual seminars, granting a voice for stakeholders to express their ideas and opinions, while fostering a knowledge-sharing atmosphere.

IATA DGR INITIAL AND RECURRENT COURSES

A new DGR instructor was introduced to the panel and has thus far carried out five training sessions during the period of 2022/2023

- 3 recurrent trainings – 36 students
- 2 initial training – 53 students

A total of 89 students took part in these courses to upgrade their knowledge of handling DG. Furthermore, AITT is established as an IATA-Accredited Training School (ATS) on Competency-Based Training & Assessment (CBTA), with effect from 1st April 2023.

Sub-Committee Reports

New Membership Promotion and Evaluation



**Ms. Diruni
Chanmugam**
Chairperson



**Mr. Kolitha
Wickramasinghe**
Dep. Chairman



**Mr. Shavindra
Dias**
Member



**Mr. Denver De
Livera**
Member

SLFFA, being the premier Association representing the Logistics and Freight Forwarding industry in Sri Lanka with a mission to promote professionalism and excellence in the trade, has over the years attracted a strong membership of leading Freight Forwarding companies in the country.

Today SLFFA represents a total membership of 165 reputed Freight Forwarding companies and stays anchored in its unwavering mission to support and sustain the Freight Forwarding sector through active industry participation and collaboration to cultivate mutually beneficial partnerships with all industry stakeholders.

The steady growth in membership numbers over the years is a testament to our commitment in empowering our members as well as the recognition that SLFFA has gained among industry stakeholders. During the year under review, SLFFA membership grew significantly; 23 new members have joined the association as of March 2023. Despite the challenging times faced by all industry stakeholders, the growth in membership numbers is a positive sign.

SLFFA, as a leading industry association stands committed to its valued membership, constantly reviewing and exploring forward looking initiatives to help companies implement improvements to emerge stronger amidst these turbulent times.

Partnership with SLFFA Affiliate Members, namely Joint Apparel Association Forum Sri Lanka (JAAFSL) and Association of Clearing and Forwarding Agents (ACFA) continues with all other Trade Associations for the mutual benefit of all to resolve issues and concerns in the industry & statutory bodies.

Sub-Committee Reports

Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)



**Ms. Suharshani
Welegama**
Chairperson



**Mr. Andre
Fernando**
Dep. Chairman



**Mr. Nilantha
Kanakaratne**
Member



**Mr. Buddhika
Mathew**
Member



**Ms. Nimalie
Kariyawasam**
Member



**Mr. Neel
Abeyratne**
Member



**Mrs. Praveeni
Jayasekara**
Member

Introduction

This report documents and describes the scope of work that was entrusted to the Legal & Insurance Assistance (Freight Forwarders' Liability Insurance) sub-committee, and status of each task with accomplishments are stated carried out during the period of 2022-2023. The content presented in the report is expected to justify the interest taken by the sub-committee comprising of its members in assisting SLFFA membership in the related areas.

LEGAL REVIEW

SLFFA-AOA (Articles of Association)

Based on the requirement of revamping the current AOA (Articles of Association) of SLFFA, the project was handed over to eminent lawyers D. L. & F. De Saram. It was predominantly aimed at identifying essential and required amendments to be done that were assessed and proposed by the legal sub-committee, with the concurrence of Executive Committee members which were subsequently communicated to the external legal team to be incorporated to the new AOA and the by-laws.

Based on the drafts shared of the AOA & By-Laws by the external legal team, amendments have been further proposed by Executive Committee members which have been factored into the final preparation of the content and structure thereof in formalizing

and finalizing both AOA and By-Laws prior to the SLFFA AGM in September 2023.

DDB (Debtor Data Base)

The revamping initiative taken up by the current sub-committee during the period of 2022-2023 assessed the practical difficulties and shortcomings that were encountered in maintaining a list of debtors under the method that existed prior to 2020, which was involved a cumbersome process in submitting information to a centralized database which hindered active participation of members to a greater level.

It was then the Executive Committee decided to replace this with a system to provide a simple list of only 'Reported Debtors' which was planned to be maintained centrally and accessible to all SLFFA members.

Sub-Committee Reports

Legal & Insurance Assistance (Freight Forwarders' Liability Insurance)

The DDB was finally launched on 16th March 2023, after completing a detailed study and steps were taken to support the revamping initiative taken during the 2022-2023 period, by following set milestones.

- A fresh legal opinion was obtained following after few preliminary discussions with by and between the sub-committee members, and thereafter between SLFFA office bearers, and Dr. Niranjana Abeyrathne and his legal team (Attorney At Law, Solicitor-Commercial & Maritime Law chambers), an industry expert. This was done with the aim of finding a framework and reporting mechanism of debtors to other SLFFA members, and the framework process in creating a system of recording/verifying/reporting bad debtors with appropriate T&C was commenced by November 2021.
- Initial guidelines for the framework on the debtor system of SLFFA was shared by the external legal team with the sub-committee by January 2022.
- Sharing of comprehensive legal opinion in covering all areas and in mitigating the risks of SLFFA and its membership with the Executive Committee by August 2022.
- Sharing of a legal summary with the Executive Committee in making final decision for Re-launching the DDB by 8th July 2022.
- Re-looking and revamping the existing web application in concurrence with the legal opinion sorted by SLFFA between September & November 2022.
- Carrying out a pilot project in testing the reporting mechanism with test data with Executive Committee member companies by 11th February 2023
- The second pilot project was conducted by opening out trials to a broader selection of members by 22nd February 2023.
- A circular was sent out announcing the re-launch date to membership on 2nd March 2023.
- A Circular to create total awareness about the governing rules and regulations on technical front (system login) was sent out on 13th March 2023.
- The re-launch of the DDB took place on 16th March 2023.
- Presently, 95 out of 165 member companies have registered with the DDB, and approximately 25 members have commenced monthly reporting since launch.

The establishing and launching such a system, where every member of SLFFA is able to disclose the identities of its bad debtors (referred to as reported debtors), allows SLFFA to place such identities on a database. This database can be checked by all SLFFA members prior to commencing business with any entity,

thus facilitating better ease of doing business when dealing with new customers.

More importantly, considering the legal risks and liabilities that have challenged all industries during the recent economic downturn of the country, enabling and availing such a system for members to access is considered pertinent in further mitigating and avoiding related risks and liabilities.

The current DDB created has a system of recording, verifying, reporting 'Reported Debtors', governed by appropriate terms and conditions to the SLFFA membership and giving notice of the risks associated with publication to the members.

SLFFA - Standard trading conditions. (STC)

The project of reviewing and amending the SLFFA Standard Trading Conditions has been entrusted to Dr. Niranjana Abeyrathne and his legal team (Attorney At Law, Solicitor-Commercial & Maritime Law chambers), and the project is expected to be completed prior to the SLFFA AGM in September 2023.

LIABILITY INSURANCE REVIEW

The legal sub-committee, with the consent of Executive Committee members will obtain fresh quotations and proposals for the period of 2023/2024 with the view of securing better benefits for the membership. The three companies from which insurance proposals were obtained during 2022/2023 were from Fairfirst, HNB Assurance and People's Insurance.

The sub-committee, on the direction of SLFFA will be negotiating mutually beneficial terms with either of the insurance partners teaming up with SLFFA, based on the number of member companies that will opt to obtain Freight Forwarders Liability insurance covers during 2023/2024. It is expected that this initiative will generate substantial revenue for the association.

The sub-committee will engage in sharing membership details with all three insurance companies to promote their offers and enabling the members to partner with the best option based on their requirements in securing the desired benefits.

In the perspective of creating awareness among SLFFA membership, an effective initiation will be conducted by SLFFA to organize information sessions for existing insurance partners and existing partner Allianz Insurance in introducing and educating members regarding the benefits of the proposed policies.

Sub-Committee Reports

Publicity, Social Affairs, Website, CSR & Digital Media



**Mr. Shavindra
Dias**
Chairman



**Mr. Sujana
Malawana**
Dep. Chairman



**Mr. Thushana
Jayaratne**
Member



**Ms. Nuwanthi
Upeksha**
Member



**Ms. Aindreenie
Ranmuthugala**
Member



**Mr. Jonathan
Suppiah**
Member



**Mr. Isuru
Adikari**
Member

'MAKING THE IMPOSSIBLE, POSSIBLE'

In the hushed corridors of potential, where ideas ignite and dreams take root, the Publicity sub-committee of the Sri Lanka Logistics and Freight Forwarders Association (SLFFA) embarked on a remarkable voyage—one marked by boldness, determination, and the unwavering belief that the extraordinary can be achieved. Under the bright banner of 'Making the Impossible, Possible,' our sub-committee forged ahead, transforming mere concepts into vibrant realities that resonated across the industry.

Guided by the luminaries of SLFFA—the Chairman, the Committee, and the Advisory Board, and supported by the lifeblood of our association – the SLFFA Members, with sleeves rolled up and spirits ablaze, we harnessed our creativity, energy, and passion to illuminate the path towards greatness.

The Publicity sub-committee report is a testament to our collective ability to make the impossible, undeniably possible.

41ST ANNUAL GENERAL MEETING

The 41st AGM was held in person on the 23rd of September 2022, following the 1st ever Virtual AGM held in 2021, given that the conditions of the country and the financial crises prevented a physical event being held. The AGM, which was held at the Shangri-La Colombo with an attendance of 425, marked the

successful completion of yet another significant year for SLFFA and instilled excitement and commitment for the year ahead.

SLFFA ANNUAL MEMBERS NIGHT: CELEBRATING RESILIENCE AND UNITY

Date: 20th December 2022

Venue: Shangri-La Hotel, Colombo

Participation: 921

In a dazzling display of camaraderie and triumph over adversity, the Sri Lanka Logistics and Freight Forwarders Association (SLFFA) unveiled its much-anticipated Annual Members Night on the 20th of December 2022 at the prestigious Shangri-La Hotel in Colombo. After a hiatus enforced by the country's battle against the formidable COVID-19 pandemic, the event shone brightly as a symbol of rekindled spirits and renewed hope. A testament to the strength of the industry, the night radiated with enthusiasm, excitement, and an unmistakable sense of unity.

The anticipation leading up to the event was palpable, and as the doors of the Shangri-La Hotel swung open, the atmosphere was electric. Members, eager to reconnect and engage, streamed into the venue, their eyes alight with joy and their spirits ablaze with excitement. Conversations filled the air, punctuated by laughter and warm embraces. It was evident that the SLFFA Annual

Sub-Committee Reports

Publicity, Social Affairs, Website, CSR & Digital Media

Members Night was not just an occasion—it was a reunion, a celebration, and a platform for industry professionals to rejuvenate their connections.

THE HEARTBEAT OF SRI LANKAN LOGISTICS

Against the backdrop of elegant décor and exquisite ambience, the event offered a vivid showcase of the pulsating heart of the Logistics and Freight Forwarding industry in Sri Lanka. The night was a veritable tapestry of success stories, innovation, and collaboration, skillfully woven together by the dedicated efforts of SLFFA.

UNPRECEDENTED DEMAND, UNSURPASSED SPIRIT

The buzz surrounding the event was nothing short of exceptional. The demand for tickets exceeded the venue's capacity, a clear reflection of the pent-up desire among members to gather, network, and celebrate their shared achievements. The SLFFA Annual Members Night did more than merely satisfy this demand; it exceeded expectations, leaving attendees inspired and motivated by the collective spirit of the industry. This overwhelming response underscored the eagerness to reunite, collaborate, and contribute to the continued growth of the logistics and freight forwarding sector.

SLFFA DINNER DANCE

Date: 21st July 2023

Venue: Shangri-La Hotel, Colombo

Participation: 656

Amidst an aura of anticipation and grandeur, the Sri Lanka Logistics and Freight Forwarders Association (SLFFA) played host to the resplendent 'Movers & Shakers' Dinner Dance on the 21st of July 2023. With a vibrant theme embracing both our professional prowess as 'movers' of cargo and our captivating grace as 'shakers' on the dance floor, this event wasn't just a celebration; it was a symphony of elegance and rhythm, meticulously orchestrated by SLFFA.

THE EPITOME OF ELEGANCE: SLFFA'S PINNACLE EVENT

Within the tapestry of SLFFA's annual calendar, the 'Movers & Shakers' Dinner Dance emerged as the jewel in the crown—a prestigious event that members eagerly awaited, for its blend of glamour and finesse. As the heart of the logistics and freight forwarding industry, this evening embodied our unity, camaraderie, and the celebration of collective achievements. From the elegant decor that adorned the venue to the meticulously planned program, every detail radiated an air of sophistication, showcasing the very best of what the SLFFA represents.

A STELLAR TRIUMPH: FROM TICKETS TO SPOTLIGHT

Tickets for this coveted event were devoured by eager participants within a matter of days, a testament to the magnetic allure of the theme and the anticipation that enveloped it. This insatiable demand underlined the event's significance, a rallying point for the industry's crème de la crème. The resounding success of the event was further underscored by the outpouring of sponsorship interests and partnership requests that graced the organizing committee—a true indication of the event's prestige and standing.

RHYTHMIC RHAPSODY: TWO BANDS, ONE UNFORGETTABLE NIGHT

The 'Movers & Shakers' Dinner Dance morphed into an auditory and visual masterpiece, featuring not just one, but two mesmerizing live bands. The dance floor became a canvas of joyous expression, capturing the unity and shared purpose that define the SLFFA. The event stretched into the early hours of the morning, culminating in a delightful twist—an authentic Sri Lankan breakfast that brought a satisfying close to this symphony of revelry.

The 'Movers & Shakers' Dinner Dance of 2023 transcended the realms of a mere event; it became an unforgettable experience etched in the annals of the Sri Lanka Logistics and Freight Forwarders Association. It was a celebration of our industry's dynamism, a testament to our unity as 'movers' and 'shakers,' and an eloquent portrayal of the SLFFA's spirit.

Embracing Corporate Social Responsibility

At the heart of every great endeavor lies a commitment to make a difference. As the Sri Lanka Logistics and Freight Forwarders Association (SLFFA), we recognize the boundless significance of Corporate Social Responsibility—a cornerstone of our mission to shape a better world. Amidst the ebb and flow of our professional pursuits, we steadfastly uphold our responsibility to nurture hope and create positive change in our society.

Guided by this ethos, our commitment to the development of the Lady Ridgeway Children's Hospital remains steadfast with strong. This noble cause resonates deeply within our collective spirit, embodying our dedication to healing and progress.

With this principle in mind, we've laid out a roadmap of projects for the upcoming year that seek to empower, uplift, and spread rays of hope.



Proposed outlook

Other Key Events

Annual General Meeting 2021-22



Competency Based Training Assessment (CBTA) Accreditation by IATA



Dangerous Goods Regulation Courses

Refresher Course



Initial Course



SLFFA General Membership Meeting

Publicity, Social Affairs, CSR and Digital Initiatives
UPDATE ON NATIONAL LOGISTICS AWARDS

- This grand event was held on 23rd March 2022 at Shangri-La Hotel Colombo with the patronage of Prime Minister Hon. Mahinda Rajapakse
- Close to 600 participants covering government authorities, exporters, importers, trade associations and our own logistics family were participated
- Awards categorized under 06 sections were given away after very lengthy evaluation process
- The Panel of Judges together with Scientific Committee independently conducted the evaluations and selected the winner of each category
- This recorded the highest net income for a single event SLFFA has carried away as of date
- In the future this will be carried out as a Bi-Annual event which will be carried out on National

AIR FREIGHT SUB-COMMITTEE UPDATE

AIRPORT & AVIATION & ACV MATTERS

- Proposal initiated by AASL for Air-Cargo Community system through KALE Logistics India.
- Meetings conducted with UL, SLFFA Air Committee. No decision or further updates from AASL on this.
- UL to acquire and convert the current ACV T-1 vehicle parking area for storage of import cargo. Conducted several meetings with UL & AASL.
- Option given for alternate location for vehicle parking for ACV users. No further progress on this point with UL or AASL.
- Conducted an online awareness program with AASL to ensure that all members are updated on the current Airport expansion and explore the possible challenges we may face in coming months.
- A request been made to AASL to hold the proposed increase for ACV rental.

Re: SLFFA: Reimbursement of Security charges for ACV Guard Room: April 2021 - March 2022

Terry Disanayake <terry.d@slffaservice.lk>
To: <info@slffaservice.lk>

You replied to this message on 8/18/2022 10:00 AM.
If there are problems with this message in displayed, click here to view it in a web browser.

Dear Sirs,

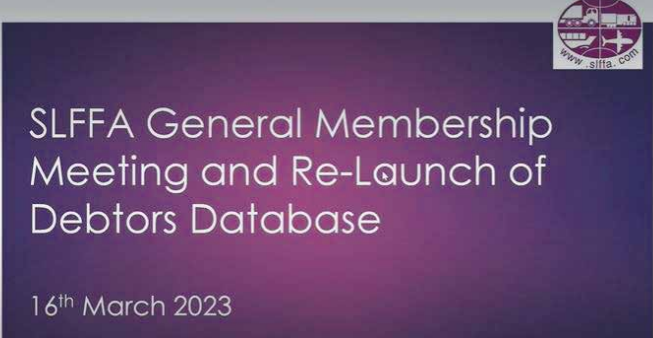
Re:

ATTN: OFFICE	ATTN: OFFICE	ATTN: OFFICE
ATTN: OFFICE	ATTN: OFFICE	ATTN: OFFICE
ATTN: OFFICE	ATTN: OFFICE	ATTN: OFFICE
ATTN: OFFICE	ATTN: OFFICE	ATTN: OFFICE

Thank you & Best regards,
Terry Disanayake


Address: 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

General Membership meeting and Relaunch of the Debtors Data Base



SLFFA General Membership Meeting and Re-Launch of Debtors Database

16th March 2023




General Membership Meeting

RE-LAUNCH of SLFFA-Debtor Database


-16th March 2023-

LEGAL & INSURANCE ASSISTANCE
(FREIGHT FORWARDERS' LIABILITY INSURANCE)



How SLFFA Database programmed to work

- It is a web-based Database, that is free and accessible to all SLFFA Members who sign up to use it.
- Reported Debtors**- A SLFFA Member who signs up to use the Database uploads information on every one of its customers who has invoices which are unpaid as per the respective company policy on debtors ("Reported Debtors"). Other SLFFA Members can look up the Database before doing business with a prospective customer and avoid doing business with any Reported Debtor.
- DDB is A Tool** - The success of the Database and its value to members can be used as a tool in avoiding doing business with Reported Debtors requires the database to be first populated by details of Reported Debtors.
- Legal Coverage**-the information on the Database will be limited to customers who are companies, as opposed to individuals.
- How DDB is designed**-The Database, has been carefully thought through by the Legal sub Committee and designed based on industry specific legal advice. Unlike its forerunners, it is simple, user-friendly and most of all, doesn't require a SLFFA Member to disclose anything more than the unpaid debts of Reported Debtors.
- Anonymity**- The only details of the Reported Debtor that you need to upload are the Reported Debtor's company registration number, TIN No of the said company and the debt owed to by the Reported Debtor to you(SLFFA member). The name of the Reported Debtor is not disclosed.



AIR FREIGHT SUB-COMMITTEE UPDATE

Srilankan Airline Matters

- Discussion with Srilankan Airlines, along with SLFFA Cargo Services Ltd to improve the process of the handover of import cargo from the Srilankan Airlines warehouse to SLFFA Cargo Services Ltd warehouse.
- Discussion with Srilankan Airlines with regard to the recent increase on the delay handover charges. The meeting has been scheduled during week 12.

Payment settlements in USD to Airlines

- In the process of requests being made to all Airlines to revert to charging freight charges in LKR

Meeting with SLPA Chairman



Meeting With DGMS



Members Night



SLFFA Dance 2023



Global Logistics Report

The global logistics market attained a value of USD 9.96 trillion in 2022, driven by the increased popularity of online shopping, the rapid growth of the e-commerce industry aided by the increased adoption of automated material handling equipment, and growing demand for green logistics solutions. The industry is expected to witness further growth in the forecast period of 2023-2028, growing at a CAGR of 6.3%, and is projected to reach USD 14.37 trillion by 2028.

Rarely has the importance of maritime logistics for trade and development been more evident than during 2021. Historically high and volatile freight rates, congestion, closed ports, and new demands for shipping following COVID-19 and the war in Ukraine have all had measurable impacts on people's lives. With ships carrying over 80% of global trade volumes, higher shipping costs and lower maritime connectivity lead to higher inflation, shortages of food, and interruptions of supply chains – all of which are among the features of the current global crisis.

Since ships deliver over 80% of world trade, disruptions in ports and on shipping lanes mean food, energy, medicine and other essential items don't reach those in need. Businesses are left without supplies. Hence, prices for producers and consumers soar. Although the occurrence of delays has declined and dry cargo rates are coming down, maritime transport – and thus world trade – remains vulnerable. The industry must engage in prudent investment at this point of time, to bolster its resilience to future crises and climate change.

Ports, shipping companies and transport operators need to expand capacity, renew and expand fleets and equipment, ensure adequate and skilled labour, improve connectivity and performance, reduce emissions and safeguard competition to ensure maritime transport can weather the next storm. A surge in consumer spending – especially for goods ordered online – combined supply chain disruptions and logistics constraints pushed container freight rates to five times their pre-pandemic levels in 2021. The surge in container shipping costs, which peaked in early 2022, sharply increased consumer prices for many goods. Although freight and charter rates have fallen since mid-2022, they are still above pre-COVID-19 levels. Rates remain high for oil and natural gas tanker cargo due to the ongoing energy crisis. In an increasingly unpredictable operating environment, future shipping costs will likely be higher and more volatile than in the past.

The war in Ukraine has disrupted major shipping routes and supply chains. It has also triggered record prices that could push tens of millions of people across the world into hunger and poverty this year, as has been stated by the UN Global Crisis Response Group. Maritime transport has a key role to play in cushioning the blow. Prices need to come down to affordable levels, especially for developing countries, and for the world to have enough fertilizer to grow food and feed itself. Under the leadership of UN Secretary General Antonio Guterres, the United Nations has sought to address these two pressing concerns through the parallel implementation of two initiatives: the Black Sea Grain Initiative, through which over ten million metric tons of grain have been shipped from Ukrainian ports, and the Memorandum of Understanding on Promoting the unimpeded exports of Russian Food and Fertilizers to the World Markets. Alongside Turkey, a key player in this effort, we signed the two agreements in Istanbul on July the 22nd in year 2022.

As the ongoing supply chain crisis is easing, with decreasing freight rates and improving port performance, we must not lose sight of the actions needed to prepare for long-term development of the sector. We need a transparent multilateral framework for the decarbonization of maritime transport, to reduce uncertainty for policy makers and industry alike. Confronted with uncertainty, ship owners have delayed some new-build orders, and the average age of the world container ship fleet has increased from 10.3 to 13.7 years.

Over the years, mergers and acquisitions have consolidated and transformed the container shipping sector, which carries most consumer goods. Carriers have also pursued vertical integration by investing in terminal operations and other logistics services. Over the last 25 years, the top 20 carriers have almost doubled their market share from 48% to 91%. The four largest carriers now control more than half of the global container shipping capacity. Consequently, the number of companies that provide services to importers and exporters have fallen in 110 countries, notably in small island developing states, where at times a duopoly of just two carriers dropped to a monopoly of one. Integration has given carriers and their alliances stronger negotiating and bargaining positions vis-à-vis port authorities, as they now have two seats at the table – as both tenants of terminals and providers of shipping services. Consolidation in the shipping market reduces competition and constrains supply. It can lead to market power abuse, higher shipping costs for businesses and thus higher prices for consumers.

Global Logistics Report

The world's largest investment banks expect global economic growth to slow further in 2023 following a year roiled by Russia's invasion of Ukraine and soaring inflation. The slowdown is expected to impact shipping, which transports more than 80% of global trade, although tanker freight rates could stay high.

GLOBAL AIRFREIGHT MARKET UPDATE

According to the International Air Transport Association (IATA), air cargo demand slowed further in December 2022. Industry-wide air cargo demand, measured by cargo tonne-kilometres (CTKs), remained broadly unchanged at 20.6 billion in December. This represents a 15.3% decline compared to the same month in 2021 and is also 7.4% lower than the corresponding pre-pandemic level (Chart 1). Seasonally adjusted (SA) air cargo demand also declined in December. Industry-wide SA CTKs contracted by 15.6% compared with December 2021, following the decline of 13.8% YoY in November.

Although this is 8.0% lower than the same period in 2021, it still tracks close to the 2019 pre-pandemic level with a 1.6% contraction YTD. The weaker air cargo demand is a result of multiple headwinds. Inflation remains high, curtailing the spending capacity of households. The ongoing war in Ukraine disrupts trade flows, and the unusual strength of the US dollar makes commodities traded in US dollars more expensive in local currency terms.

GLOBAL OCEAN FREIGHT MARKET UPDATE

Ocean freight demand on most trade lanes is generally flat. To compensate on the supply side, steamship lines continue to void sailings to balance supply. They are also slow steaming on the backhaul legs of major East-West services. This allows them to allocate more vessel/capacity per service and save on bunker costs.

While congestion is mostly gone, the need for some flexibility remains as blank sailings and service adjustments continue to impact lead times. As congestion eases globally, ocean carrier schedule reliability improved to 62.6% in March 2023. It is interesting that carrier schedule reliability on the U.S.-Asia trade lane is far below the average, at only 42.4% to/from U.S. West Coast (USWC) ports and 44.6% to/from U.S. East Coast (USEC) ports in March.

The Panama Canal is imposing lower draft restrictions due to drought conditions/falling water levels at nearby lakes that form part of the waterway. The restrictions went into effect at the end of April. This means container ships seeking to cross the canal connecting the Atlantic and Pacific Oceans must reduce their payloads. Conversely, this will have the impact of tightening vessel space as carriers will have to load less cargo on these routes.

Relative stability may or may not return soon. Hence, the logistics sector must invest at this point in time with a view towards controlling the factors it can, according to the report's authors, who add that logistics must be permanently about embedding "resilience and agility" into its capabilities before shifting its focus back to cost minimization and efficiency.

Technology, especially in parcel tracking and automation, is as always, a huge expenditure for shippers seeking visibility and efficiencies in their freight but shippers should be ready to make a deepening commitment to multi-shoring, or what the report calls "friend-shoring," which may require greater long-range planning as companies coordinate a more complex array of transit modes and facilities. To get back in sync and return to a more balanced long-term growth trajectory, logisticians need to invest in the ideas and capabilities that will make the industry more resilient, come what may. Still, shippers should get used to higher rates.

SLFFA Cargo Services Limited



As SLFFA Cargo Services Ltd(SLFFACSL) stepped into its 29th year of operations at BIA with pride, our performance this year has seen a considerable dip due to various factors which have been explained in this report. The decrease in volumes and turnover the year under review have been due to the current bleak economic conditions facing the nation.

During the period under review, a substantial part of cargo handled once again has been general cargo followed by fabrics and accessories for the garment industry. Our feedback from customers is that SLFFACSL provides an efficient and fast service. Towards this goal, SLFFACSL has revised the tariff for the benefit of our customers, to compete effectively with Srilankan Cargo.

The total turnover of the Company had decreased marginally from Rs.324.11 M in the previous year to Rs.323.30 M this year. Despite the decreased turnover, the Company Increased the Gross Profit marginally. There has been a substantial drop in Net Profit this year, owing to the reduced cargo volumes and to the increased rent/electricity charges levied by Airport and Aviation Services Limited (AASL). However, the Company was able to minimize the losses with a determined effort by all staff coupled with a cost cutting drive. Despite these drawbacks, the Gross Profit of the

Company has increased by 12% from Rs.164.82 M in the previous year to Rs.184.79 M this year.

The Administration and Establishment costs have increased substantially to Rs.132.10 M this year representing 28%, due to the considerable increase in salaries/allowances paid to all staff, to help them cushion the drastic increase in COL. The wages paid to staff below Executive level have increased by 14% and this year, it represents 22%, whilst the salaries of Executive level and above have increased by 6% this year and represents 8%. The Rent expenses have increased by 23% this year representing 27%, owing to the lifting of the special concessions granted by AASL during the height of the social/economic unrest that prevailed in the country.

The Company has succeeded in maintaining the maximum efficiency levels inspite of lean management measures undertaken. The staff turnaround for the year has substantially decreased to 13%, compared with 33% in the previous year. The turnaround was particularly from out-sourced staff with Cargo Assistants and Loader categories. The main factor for the high staff turnover this year has been the difficulties in coping with the instability in the country and related issues in reporting to work at the Airport. We

SLFFA Cargo Services Limited

have continued to adopt measures to improve HR practices with regular on-the-job training and staff promotions based on merit, loyalty and efficiency.

The induction of new staff with no experience is being managed with continuous in-house training of the staff in basic cargo handling skills to ensure the compliance with the SLFFACSL Operations Manual. The training sessions conducted in fire-fighting skills and first-aid were provided by AASL. Participation in other training courses and the annual year-end staff get-together was cancelled due to the prevailing unstable economic conditions.

Efforts are continuing to work with the Customs to enable e-Manifesting facilities to be made available and to automate clearance of cargo from Terminal 2 itself. The Customs efforts to automate manifest submission for import air cargo have been delayed due to internal issues.

Satisfactory progress has been made in its partnership with CCN Singapore with regard to offering Cargo Community Systems (CCS) services to the air cargo community in Sri Lanka. Currently, this industry initiative has progressed well, with over 40 leading Freight Forwarders, 12 leading Airlines and 5 GSAs successfully executing E-AWBs via CCNhub. We would like to see a determined effort by all stakeholders of the industry to move towards automation in a paper-less environment, whilst CCN is the only service provider currently in the market, offering its reliable and value added services through SLFFACSL in Sri Lanka.

The Board of Directors continue to engage with the authorities concerned for handling of import group age consolidated sea cargo including transshipment as well as multi-country consolidation cargo within and outside the Port. Towards this end, the Board of

Directors are working on plans to operate a fully-fledged Cargo Handling Terminal (CHT). This facility is expected to enhance the throughput of inbound and outbound logistics of ocean cargo in Sri Lanka. While accruing many benefits to the importers and exporters in the country, it is expected to enhance significantly, the international competitiveness of local exports and enhance our country's position as a regional distribution and logistics hub.

Despite all these developments the quality of services provided to inbound de- consolidators in respect of LCL/FCL groupage and MCC/transshipment services continued to be a huge challenge. Further the cost impact on de-consolidators appear to have increased with cost the recovery mechanism being strongly resisted by the trade. Consequently the need for SLFFACSL to commence the off-Port project referred to above has been heightened. The Board of Directors of SLFFACSL are mindful of this and are doing everything possible to positively respond to this important industry need.

SLFFACSL is closely monitoring the moves to privatise Srilankan Airlines and its impact on the Aircargo industry particularly in relation to the monopoly position of the ground handling services hitherto enjoyed by them. The reality is that SLFFACSL is defacto, an important business partner of Srilankan Airlines and consequently, any changes to the ownership/management of Srilankan Airlines would need to be reviewed from this perspective, holding out both the potential opportunities /threats, which will need to be well managed.

Going forward, SLFFACSL will need the continued support on the part of shareholders, who own the Company to transfer all their consolidated cargo to SLFFACSL, and look forward to increased patronage from other members of SLFFA.

Member Directory

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
1	20 Cube Logistics (Pvt) Ltd	4A Ohlums Place, Colombo 08	5303030
2	Abanchy Ceylon (Pvt) Ltd	51/A Dharmapala Mawatha, Colombo 03	112307007
3	Abans Logistics (Pvt) Ltd	115/9A Cotta Road , Rajagiriya	115775905/ 4963818
4	ABC Freight Services (Pvt) Ltd	"ABC Court", No. 117, Hunupitiya Lake Road, Colombo 02	112078757
5	ACE Cargo (Pvt) Ltd	315, Vauxhall Street, Colombo 02	2446692, 2308005
6	ACE Distriparks (Pvt) Ltd	775/5, Negombo Road, Mabole, Wattala	2944500
7	Advantis Freight (Pvt) Ltd	"Thurburn Wing" 400 Deans Road, Colombo 10	2167777 / 2167705
8	Agacia Ceylon (Pvt) Ltd	No. 478, Kandy Road, Kelaniya	112915990
9	Air Marine Logistics (Pvt) Ltd	No. 171 - 1/3, Kynsey Road, Colombo 08	4655000
10	Airsea Worldwide (Pvt) Ltd	No. 171 - 1/5, Kynsey Road, Colombo 08	11 2682193
11	Aitken Spence Cargo (Pvt) Ltd	315 Vauxhall Street, Colombo 02	11-2308330
12	Aitken Spence Shipping Ltd	2nd Floor Aitken Spence Tower II, 315 Vauxhall Street Colombo	2308100 ext. 3730 2308135(D)
13	APL Logistics Lanka Freight Forwarding (Pvt) Ltd	#8, 3/3, York Arcade Bldg, Leyden Bastian Road, Colombo 1	2031500
14	APS Logistics International (Pvt) Ltd	77 Park Street, Colombo 02	112128400
15	Aramex Freight Corporation Lanka (Pvt.) Ltd	745/50 & 745/50 1/1, Dr. Danister De Silva Mawatha Colombo 09	4728100
16	ASB Freight (Pvt) Ltd	255/2 Kirula Road, colombo 5	5111806
17	Asia Pacific Logistics International (Pvt) Ltd	No 157, 3/2, (3rd Floor), Dharmapala Mawatha, Colombo 7	4722250 –9
18	ASL Logistics (Pvt) Ltd	45, Ground Floor, Lukmanjee Square, Grandpass road, Colombo 14	
19	Benchmark Logistics International (Pvt) Ltd	No. 35, Temple Road, Colombo 10	0112681011-16
20	BISELKO International (Pvt) Ltd	151, 2nd Floor, Galle Road, Colombo 03	112303423
21	Bollore Logistics Lanka (Pvt) Ltd	Level 3, Setmil Maritime Centre, No. 256, Srimath Ramanathan Mw, Colombo 15	4705900
22	Bridges Worldwide (Pvt) Ltd	66, Vivekananda Hills, Colombo 13	117761700
23	C F Global Lanka (Pvt) Ltd	10, 1st Floor, Prince Alfred Towers, Alfred House Gardens, Colombo 03	0112553771-2
24	C.H. Robinson Worldwide Freight Lanka (Pvt) Ltd	347/1 3rd Floor, Dr. Colvin R De Silva Mawatha, Colombo 02	
25	Cargo Boat Co. Ltd	64A Vivekananda Hill, Colombo 13	2422241 / 5554600
26	Cargo Worldwide Lanka (Pvt) Ltd	5, Alwis Place, Colombo 03	
27	Cargomate (Pvt) Ltd	No. 116/3, Havelock Road,Colombo 05.	112555654
28	Cargoplan International (Pvt) Ltd	Access Tower, Level 6, 278 Union Place, Colombo 02.	2305476 / 2304720
29	Cargoserv Shipping Ltd	No 1, Alfred House Avenue, Colombo 3	011-4522000 / 011-4511012
30	CEF Logistics (Pvt) Ltd	No. 62/11, E D Dabare Mawatha, Colombo 05	112055002
31	Ceva Logistics Lanka (Pvt) Ltd	DHL Logistics Park, 81/3, Negombo Road, Peliyagoda	112167800

Member Directory

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
32	CL Synergy Ltd	No. 30, 6th Floor, R. A. De Mel Mawatha, Colombo 3	5300250
33	Clarion Logistics (Pvt) Ltd	No. 88, Level 3, Justice Akbar Mawatha, Colombo 02	5877050
34	Clarion Shipping (Pvt) Ltd	East Wing, Ground Floor,No. 400, Deans Road, Colombo 10.	112462903
35	Colombo Logistics World (Pvt) Limited	63/1 Ward Place Colombo 07	777760722
36	Crown City Developers (Pvt) Ltd	115/9A Cotta Road , Rajagiriya	
37	CWF Logistics (Pvt) Ltd	No 161 A, Dharmapala Mw, Colombo 7	112680697
38	CWT Globelink Colombo (Pte.) Ltd	2nd Floor, Forbes & Walker Building, 46/38, Nawam Mawatha, Colombo 02	4723588
39	D. B. S. Logistics Limited	Level 2, Prince Alfred Tower, No. 10 Alfred House Gardens, Colombo 03	7557000
40	Dart Global Logistics (Pvt) Ltd	260, Sri Ramanathan Mawatha, Colombo 15	4609600 4609660
41	Dellogistics (Pvt) Ltd	30/44 Logdon Place, Colombo 7	5850716
42	Dellogistics International (Pvt) Ltd	No. 68 Davidson Road, Colombo 4	2685364
43	DelShipping and Logistics (Pvt) Ltd	101, Vinayalankara Mawatha, Colombo 1	117729570
44	DHL Global Forwarding Lanka (Pvt) Ltd	DHL Logistics Park, 81/3, Negombo Road, Peliyagoda	7321321 ext.1255
45	Dinlanka Logistics (Pvt) Ltd	No. 320/7 - 1/2 Galle Road, Kollupitiya, Colombo 03	2370909
46	DP Logistics (Pvt) Ltd	941, Pannipitiya Road, Pelawatta	114723946
47	DRH Logistics Lanka (Pvt) Ltd	No. 7, Galle Face Terrace, Colombo 03	5371000
48	DSV Pership (Pvt) Ltd	Rainbow Business Centre, Level 3, 135, Bauddhaloka Mawatha, Colombo 4	2597973-7
49	DWW Logistics Lanka (Pvt) Ltd	45, Ground Floor, Lukmanjee Square, Grandpass road, Colombo 14	112327188
50	Eagle Logistics Colombo (Pvt) Ltd	281/1 – 1, R.A. De Mel Mawatha, Colombo 03.	5422000
51	Emerald Shipping Line Co. (Pvt) Ltd	259, Biyagama Road, Peliyagoda	112011337
52	EMG Logistics (Pvt) Ltd	417, Kandy road, Peliyagoda	
53	Envio Global Logistics (Pvt) Ltd	1st Floor, Parkland 1, No 33, Park Street, Colombo 02.	112394445
54	Euro Asia Freight (Pvt) Ltd	51/2, Ananda Coomaraswamy Mawatha, Colombo 7	2574622
55	Eurotrans Express (Pvt.) Ltd	5/1 A Araliya Garden Nawala, Rajagiriya	5512577
56	ExpeLogix (Pvt) Ltd	04th Floor, "Sayuru Sevana", 46/12 Nawam Mawatha, Colombo 2	7400500
57	Expolanka Freight (Pvt) Ltd	No. 10, Mile Post Avenue, Colombo 03.	4791000
58	Famous Pacific Shipping Lanka	07, Cambrige Terrace, Colombo 07	2663700-9 2689515 (D)
59	Fast Transit Logistics (Pvt) Ltd	153, Dharmapala Mawatha, Col-7	2381231-5, 2381230
60	Fits Express (Pvt) Ltd	No. 85 B, Dharmapala Mawatha, Colombo 07	114414000
61	Foreway Logistics (Pvt) Ltd	No. 19A, Unity Place, Colombo 03	5219156-7
62	Fortiz Logistics International (Pvt) Ltd	36, Sir Razik Fareed Mawatha, Colombo 01	112327188
63	Forwardair (Pvt.) Ltd	67/1, Hudson Road, Colombo 3	2426655 / 4766455
64	Freight Line International (Pvt) Ltd	No. 465/3 K Cyril C Perera Mawatha, Colombo 13	4621400
65	Freight Links International (Pvt) Ltd	Level 7, Access Towers, 278 Union Place, Colombo 2	2302402 / 2302401

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
66	Freight Masters International (Pvt) Ltd	21, Palm Grove, Colombo 03.	2370856 / 7395200
67	Freight Systems Lanka (Pvt) Ltd	2nd Floor, 525 Union Place, Colombo 02.	2692290-3
68	Freightplan (Pvt.) Ltd	07, Cambrige Terrace, Colombo 07	2689515 (D)
69	Frontier Freight Lanka (Pvt) Ltd	No. 152/2, Mabima Road, Heyantuduwa, Sapugaskanda	05230462 / 2337357
70	Future Logistics Lanka (Pvt) Ltd	32, Joseph Lane,Colombo 04.	112587668
71	GAC Logistics Limited	No. 284, Vauxhall Street, Col- 02	4797900
72	Globactive Logistics (Pvt) Ltd	57/01, K B Christy Perera Mawatha, Colombo 13	4848141
73	Global Freight Management (Pvt) Ltd	N.D.H. Abdul Caffoor Bldg, No. 40 Church Street, Colombo 01	2434500
74	Great Eastern Logistics (Pvt) Ltd	349 2/1 Cotta Road, Rajagiriya	112877395
75	GTG Global Logistics (Pvt) Ltd	70-1/12, Lucky Plaza, St.Anthony's Mawatha, Colombo 3	112 372 554
76	Harrisons Shipping (Pvt) Ltd	330 T. B. Jayah Mawatha, Col- 10	2687656
77	Hellmann Worldwide Logistics (Pvt) Ltd	50/25 A, Sir James Peiris Mawatha, Colombo 02	2316700-30 2303388(D)
78	Horizon Freight Concept (Pvt) Ltd	No. 10/1, Ruhunukala Mawatha, Colombo 08	0117696020/25
79	HTL Logistics (Pvt) Ltd	4th Floor, 302, Galle Road, Colombo 04	2546941, 5831313
80	Hub Lanka (Pvt) Ltd	No. 419, 3/1, Galle Road, Colombo 03	112372323
81	Inter Air & Sea Logistics (Pvt) Ltd	5th floor, No. 77 Park Street, Colombo 02	
82	Interfresh Logistics (Pvt) Ltd	Level 7, Access Towers, 278 Union Place, Colombo 2	4381828
83	Interglobe Freight Solutions (Pvt) Ltd	281 1/1 1st floor, R A De Mel Mawatha, Colombo 03	
84	JCILO Logistics (Pvt) Ltd	No. 658/78, Level 1, Mahawila Gardens, Dr. Danister De Silva Mawatha, Colombo 9	011-3100200
85	JST Maritime (Pvt) Ltd	353 A 4/4, R A De Mel Mawatha, Colombo 03	0112372568/70
86	Kerry Logistics Lanka (Pvt) Ltd	5th Floor No. 77, Park Street, Colombo 02	773136428
87	Kingslog Supply Solutions (Pvt) Ltd	No. 248 Thimbirigasyaya Road, Colombo 5	4063307/7
88	Kintetsu World Express Lanka (Pvt) Ltd	28/1 Bullers Lane, Colombo 7	4714797/98
89	Kuehne and Nagel (Pvt) Ltd	Rotunda Towers, 1st Floor, 109, Galle Road, Colombo 3	5400600
90	Laksiri International Freight Forwarders (Pvt) Ltd	31, St. Anthony's Mawatha, Colombo 03	2574180 / 4722800
91	Lanka Shipping & Logistics (Pvt) Ltd	No. 99, St. Micheal's Road, Colombo 03	4681700 / 4681907 (Dir)
92	Lovikta Logistics (Pvt) Ltd	No. 18 Boyde Place, Colombo 03	5 219 156
93	M Line International (Pvt) Ltd	46/6, Level 6, Valiant Towers, Nawam Mawatha, Colombo 02	112300620
94	M&M Logistics (Pvt) Ltd	No. 19, De Vos Avenue, Colombo 04	
95	M&M Miltitzer & Muench (Pvt) Ltd	No. 3, 1/1, Buchanan Street, Colombo 04	0112580971-3
96	MAC G F Lanka (Pvt) Ltd	4th Floor, Access Tower, 278, Union Place, Colombo 02	2309151 Dir 2309150
97	MAC Supply Chain Solutions (Pvt.) Ltd	"The Waver Tree" 141/9 Vauxhall Street, Colombo 02	2309200
98	Mack International Freight (Pvt) Ltd	11, York Street, Colombo 01	7671671
99	Maersk Lanka (Pvt) Ltd	Level 16, "Parkland", 33 Park Street, Colombo 2	4794800 / 114794834/ 720109420 Dir.
100	Marine Transport Services (Pvt) Ltd	156, Walukarama Road, Colombo 03	5221221

Member Directory

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
101	McCallum Cargo (Pvt) Ltd	100/9 3rd Floor, Independence Avenue, Colombo 7	5561000
102	MCS Logistics International (Pvt) Ltd	No. 07, Hunupitiya Cross Road, Colombo 02.	4721062-6
103	Mega Trend Lanka (Pvt) Ltd	73/1, Ward Place, Colombo 07	2687868
104	Mercantile Freight Services (Pvt) Ltd	27 Palm Grove, Colombo 03	2575727, 2575703-4
105	Metro International Asia (Pte) Ltd	105, Level 3, Hunupitiya Lake Road, Colombo 02	4360203-7
106	MIT Cargo (Pvt) Ltd	400, Deans Road, Colombo 10	2167200, 2167204
107	MOL Logistics Lanka (Pvt) Ltd	No. 123, Bauddhaloka Mawatha, Colombo 04	
108	Mountain Hawk (Pvt) Ltd	235/12, Avissawella Road, Orugodawatte, Wellampitiya	4522267(D) 4522222(G)
109	MSA Shipping (Pvt) Ltd	121/1, Stace Road, Colombo 14	2385289
110	Network Cargo Services Ceylon (Pvt) Ltd	52 3/1, Galle Road, Colombo 03	2348248
111	NorthPort Logistics (Pvt) Ltd	148, Fife Road, Colombo 05	
112	Ocean 7 Logistics (Pvt) Ltd	26B, 1st Floor, Alwis Place, Colombo 03	777228121
113	Ocean HD, Through Transport (Pvt) Ltd	69, Level 8, West Wing (Ceylinco House), Janadhipathi Mawatha, Colombo 01	2333800
114	On Time Worldwide Logistics (Pvt) Ltd	740,3rd Floor, Cotta Road, Rajagiriya	5231337
115	Orient Global Logistics (Pvt) Ltd	NO. 258/3, Deans Road, Colombo -10	0114380395/6 0112488300
116	Peri Logistics (Pvt) Ltd	No. 10, Mile Post Avenue, Colombo 03.	112574213
117	Pership Synergy (Pvt) Ltd	Pership House (ONE), No. 72 C, Bauddhaloka Mawatha, Colombo 04.	2590734
118	Power Freight (Pvt) Ltd	No. 444, Seeduwa Village, Colombo Road, Seeduwa	11 434 5527/8
119	Premium Trading & Logistics (Pvt) Ltd	Level 3, Resolute, 471, Cotta Road, Rajagiriya	112303366
120	Prestige International Logistics (Pvt) Ltd	NO 83,George R De Silv Mawatha, Colombo 13	11 2470099
121	R.P.C. Logistics Ltd	310, High Level Road, Nawinna, Maharagam.	4310500
122	Rays International Shipping (Pvt) Ltd	32, Station Road, Colombo 06	
123	Rubteco International (Pvt) Ltd	98, 3rd Floor, Havelock Road Colombo 05	
124	Salota International (Pvt) Ltd	98, 3rd Floor, Havelock Road Colombo 05	5300250
125	Scan Global Logistics Colombo (Pvt) Ltd	111/15, Level 4, Hunupitiya Lake Road, Colombo 02	115145000
126	Scanwell Logistics Colombo (Pvt) Ltd	67/1, Hudson Road, Colombo 03.	2426600
127	Sea Shipping Colombo (Pvt) Ltd	No. 633 1/2, Sirimavo Bandaranaike Mawatha, Colombo 14	0115736016/4978916-7
128	Sea Trade Services (Pvt) Ltd	46/7, ‘Valiant Towers’, Level 1, Nawam Mawatha, Colombo 02	4724516
129	Seacare forwarders (Pvt) Ltd	No. 545 B – 2/2 (2nd Floor) Sri Sangaraja Mawatha, Colombo 10	4723448
130	Sealink Shipping (Pvt) Ltd	No. 88, Level 1, 1/11 Justice Akbar Mawatha, Colombo 02	2300884 4932803
131	Setmil Logistics (Pvt) Ltd	1st Floor, Setmil Maritime Centre, 256, Srimath Ramanathan Mawatha, Colombo 15	112485300

SLFFA MEMBER COMPANY		ADDRESS	TELEPHONE
132	Setmil-United Cargo (Pvt) Ltd	2nd Floor, Setmil Maritime Centre, 256, Srimath Ramanathan Mawatha, Colombo 15	2485401
133	Shermans Logistics (Pvt) Ltd	No. 60/7 Horton Place, Colombo 7	5348200-3
134	Shiftco Shipping & Logistics Lanka (Pvt) Ltd	39 2/2 Galle Face Terrace, Colombo 03	112330678
135	Shipco Transport Lanka (Pvt) Ltd		
136	Spedicon Logistics (Pvt) Ltd	61/1/1 Balapokuna Road, Kirulapona, Colombo 06	
137	Speedmark Consolidation Service (Pvt) Ltd	49, Ward Place, Colombo 07.	2686354 2682749(D)
138	Speedmark Transportation Lanka (Pvt) Ltd	49, Ward Place, Colombo 07.	2686354 4760600
139	Sphere International Freight (Pvt) Ltd	4th Floor, 88-4/1, Justice Akbar Mawatha, Colombo 2	7644100-1
140	T L World (Pvt) Ltd	Level 12, No. 736, Orion Towers, Dr. Danister de Silva Mawatha, Colombo 9	2055591-3
141	TDL Logistics (Pvt) Ltd	No. 04, Adam’s Avenue, Colombo 04	2576837
142	Toll Global Forwarding Lanka (Private) Limited	2nd Floor, No. 46/38 Forbes & Walker Bldg, Nawam Mw, Col-2	4723939
143	Trans Orbit Global Logistics (Pvt) Ltd	280A Sri Dhamma Mawatha, Colombo 10	115384448
144	Transcargo (Pvt) Ltd	"ABC Court", No. 117, Hunupitiya Lake Road, Colombo 02	2438951-5
145	Transco Cargo (Pvt) Ltd	2nd floor, No 162, Nawala Road, Nawala.	112887808
146	Transwing Logistics (Pvt) Ltd	46/7, Level 4, Valiant Towers, Nawam Mawatha, Colombo 02	
147	Tranzgate Express (Pvt) Ltd	545-B-2/1, Sri Sangaraja Mawatha, Colombo 10	0114741501/2
148	Trico Customs Brokers (Pvt) Ltd	No. 50, K. Cyril C. Perera Mawatha, Colombo 13	2345580/1
149	UCL Logistics (Pvt) Ltd	No 295, Level 2, George R De Silva Mawatha, Colombo 13.	4791000 ext 430 / 0114337777
150	Universal Freighters International (Pvt) Ltd	63/2, Dharmapala Mawatha, Colombo 07	2436378-9 2392681
151	Universal Freighters International (Pvt) Ltd	2nd Floor of East Wing, No. 347, R A De Mel Mawatha, Colombo 3	713052432
152	US Shipping & Cargo Services (Pvt) Ltd	No. 148, Mahawatta Road, Colombo 14	4740202
153	VVK Maritime Agencies (Pvt) Ltd	579, Bulugaha Junction, Kandy Road, Kelaniya.	0711700030 Anton Emmanuel
154	Wescon Lanka (Pvt) Ltd	Office No 4/2, “Majestic City, No. 10, Bambalapitiya Station Road, Colombo 04	0112589551/2
155	Wigynsa Global (Pvt) Ltd	No 01, Daisy Villa Avenue Bambalapitiya	5745512
156	Wings Logistics (Pvt) Ltd	No 4, Adam’s Avenue, Colombo 04	2576837
157	World Express (CMB) Ltd	2nd Floor, World Express Bldg, 80 Muhandiram Road, Colombo 03	2342807/2439316/2342807
158	World Gate Freighters (Pvt) Ltd	Dias Building, 52 1/1 Galle Road, Colombo 03	777681232
159	Worldlink Shipping Colombo (Pvt) Ltd	515/10, T. B. Jayah Mawatha, Colombo 10	011-2682233/37
160	Yusen Logistics & Kusuhara Lanka (Pvt) Ltd	West Wing, Ground Fl, 400 Deans Road, Colombo 10	4732900 4732901

Financial Reports



Financial Content

- 42 Independent Auditor's Report
- 44 Statement of Comprehensive Income
- 45 Statement of Financial Position
- 46 Statement of Changes in Fund
- 47 Statement of Cash Flows
- 48 Notes to the Financial Statements

Independent Auditor's Report



Tel : +94-11-2421878-79-70
+94-11-2387002-03
Fax : +94-11-2336064
E-mail : bdopartners@bdo.lk
Website : www.bdo.lk

Chartered Accountants
"Charter House"
65/2, Sir Chittampalam A Gardiner Mawatha
Colombo 02
Sri Lanka

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SRI LANKA LOGISTICS AND FREIGHT FORWARDERS ASSOCIATION

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Sri Lanka Logistics and Freight Forwarders Association (the Association), which comprise the statement of financial position as at 31st March 2023, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 48 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31st March 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard 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 Association in accordance with the ethical requirements of the Code of Ethics issued by CA Sri Lanka (Code of Ethics) that are relevant to our audit of the financial statements, 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 MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is 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.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
As required by Section 163 (2) of the Companies Act No. 07 of 2007, 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 Association.

BDO Partners

CHARTERED ACCOUNTANTS
Colombo 02
04th September 2023
SR/dm

Statement of Comprehensive Income

FOR THE YEAR ENDED 31ST MARCH 2023	Note	2022/2023 Rs.	2021/2022 Rs.
Operating income	3	11,925,962	5,448,705
Operating expenses	4	(1,590,497)	(1,518,618)
Net surplus from operating activities		10,335,465	3,930,087
Other operating income	5	5,263,338	1,572,246
Other operating expenses	6	(504,578)	(395,374)
Administration and other expenses	7	(12,874,894)	(5,018,308)
Finance income	8	5,154,806	1,636,456
		(8,224,666)	(3,777,226)
Net surplus before taxation		7,374,137	1,725,107
Income tax expense	9	(2,084,994)	(381,559)
Surplus for the year		5,289,143	1,343,548
Other comprehensive income		-	-
Total comprehensive income net of tax		5,289,143	1,343,548

Figures in brackets indicate deductions.
The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

Colombo
04th September 2023

Statement of Financial Position

As at 31st March 2023	Note	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
ASSETS			
Non-current assets			
Property, plant and equipment	10	-	-
Total non-current assets		-	-
Current assets			
Other receivables	11	13,506,592	10,098,893
Financial assets at amortized cost	12	34,689,344	32,092,076
Income tax recoverable	13	(866,273)	132,161
Cash and cash equivalents	14	6,836,068	12,255,524
Total current assets		54,165,731	54,578,654
Total assets		54,165,731	54,578,654
FUND AND LIABILITIES			
Fund			
Accumulated fund		47,544,071	42,254,928
		47,544,071	42,254,928
Non-current liabilities		-	-
Current liabilities			
Other payables	15	6,621,660	11,819,353
Bank overdraft		-	504,373
Total current liabilities		6,621,660	12,323,726
Total funds and liabilities		54,165,731	54,578,654

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

These financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

The Committee is responsible for the preparation and presentation of these financial statements.

Approved and signed for and on behalf of the Committee.



Mr. Dinesh Sri Chandrasekara
Hon. Chairman

Colombo
04th September 2023
SR/dm



Mr. Andre Fernando
Hon. Treasurer

Statement of Changes in Fund

For the year ended 31st March 2023	Accumulated fund Rs.	Total Rs.
Balance as at 01st April 2021	40,911,380	40,911,380
Surplus for the year	1,343,548	1,343,548
Balance as at 31st March 2022	42,254,928	42,254,928
Surplus for the year	5,289,143	5,289,143
Balance as at 31st March 2023	47,544,071	47,544,071

Figures in brackets indicate deductions.

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

Colombo
04th September 2023

Statement of Cash Flows

For the year ended 31st March	2022/2023 Rs.	2021/2022 Rs.
Cash flows from operating activities		
Net surplus before taxation	7,374,137	1,725,107
Adjustments for:		
Depreciation for the year	-	515
Gain on disposal of asset	(9,000)	(5,000)
Interest income	(5,154,806)	(1,636,456)
Provision for doubtful debts	1,378,513	-
Operating surplus/(deficit) before working capital changes	3,588,844	84,166
Working capital changes		
(Increase) in other receivables	(4,786,212)	(3,243,394)
Increase in other payables	(5,197,693)	7,331,084
Net change in working capital	(9,983,905)	4,087,690
Cash generated from operations	(6,395,061)	4,171,856
Tax paid	(1,086,560)	(29,000)
Net cash from operating activities	(7,481,621)	4,142,856
Cash flows from investing activities		
Net investments in fixed deposits	(2,597,268)	(1,059,287)
Sales proceeds from disposal on property, plant and equipment	9,000	5,000
Interest received	5,154,806	1,636,456
Net cash from investing activities	2,566,538	582,169
Net decrease in cash and cash equivalents	(4,915,083)	4,725,025
Cash and cash equivalents at the beginning of the year	Note A 11,751,151	7,026,126
Cash and cash equivalents at the end of the year	Note B 6,836,068	11,751,151
At the beginning of the year		Note A
Cash at bank	11,731,151	7,016,126
Cash in hand	20,000	10,000
	11,751,151	7,026,126
At the end of the year		Note B
Cash at bank	6,816,068	11,731,151
Cash in hand	20,000	20,000
	6,836,068	11,751,151

Figures in brackets indicate deductions.

The accounting policies and notes on pages 48 to 54 form an integral part of these financial statements.

Colombo
04th September 2023

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 Domicile and legal form

The Association has been incorporated under the Companies Act No. 07 of 2007 of Sri Lanka as a company limited by guarantee and it is domiciled in Sri Lanka.

The registered office of the Association is located at No. 37 D, Torrington Avenue, Colombo 07, Sri Lanka.

1.2 General

These financial statements have been prepared on a going concern basis except for certain activities that will conclude on the realization of their relevant activities in accordance with the relevant terms of reference.

All values presented in the financial statements are in Sri Lankan rupees (Rs.) and have been rounded-up to the nearest rupee.

1.3 Principal activities and nature of operations

The principal activities of the Association during the year were to promote, protect and develop the business of freight forwarding and to act as an arbitrator and negotiating body for its members.

1.4 Date of authorization for issue

The financial statements for the year ended 31st March 2023 were authorized for issue by the Committee on 04th September 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General accounting policies

2.1.1 Basis of preparation

These financial statements have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka.

2.1.2 Statement of compliance

The statement of financial position and the statement of comprehensive income, statement of changes in funds and statement of cash flows together with the significant accounting policies and notes (“financial statements”) as at 31st March 2023 and for the year then ended comply with the Sri Lanka Accounting Standard for small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered accountants of Sri Lanka.

2.1.3 Going concern

The management has made an assessment of the Association and its ability to continue as a going concern and they do not intend either to liquidate or to cease its operating activities.

2.1.4 Changes in accounting policies

The accounting policies adopted are the same as those of the previous financial year unless otherwise stated.

2.1.5 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

2.1.6 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent assets and liabilities as at the end of the reporting period.

2.2 Assets and bases of their valuation

2.2.1 Property, plant and equipment

a) Cost

Property, plant and equipment are recorded at cost less accumulated depreciation and less any impairment in value.

b) Depreciation

Provision for depreciation is calculated by using a straight line basis on the cost of all property, plant and equipment, in order to write off such amounts over the estimated useful life of such assets.

The economic useful life is as follows:

Office Equipment 4 years

Depreciation of an asset begins when it is available for use.

The asset’s residual value, useful life and method of depreciation are reviewed and adjusted if appropriate at the end of each financial year.

c) Restoration costs

Expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance is recognized as an expense when incurred.

d) Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount.

2.2.2 Financial instruments

2.2.2.1 Financial assets

Other receivables, investments in fixed deposits and cash and cash equivalents

These financial assets are recognized initially at the transaction price. Subsequently, they are measured at amortized cost less provision for impairment. Other receivables do not bear interest. Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognized in the statement of comprehensive income.

Other short-term assets

Other short-term assets comprise advances. They are recognized initially at transaction price. Subsequently, they are measured at cost less provision for impairment.

2.2.2.2 Financial liabilities

The Association’s financial liabilities include other payables. Financial liabilities are recognized initially at transaction price. After initial recognition they are measured at amortized cost. Other payables are on normal credit terms and do not bear interest.

2.2.2.3 Derecognition

Financial assets are derecognized only when,

- a) the contractual rights to the cash flows from the financial assets expire or are settled, or
- b) all of the risks and rewards of ownership are transferred to another party substantially.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.2.2.4 Cash and 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 are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and cash at banks net of outstanding bank overdrafts.

The statement of cash flows is reported based on the ‘indirect’ method.

2.3 Liabilities and provisions

2.3.1 Liabilities

Liabilities stated under current liabilities in the statement of financial position are those expected to fall due within one year from the end of the reporting period.

2.3.2 Provisions

Provisions are recognized when the Association has a present obligation (legal and constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.3.2.1 Current taxation

Income tax

Income tax assets or liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The provision for income tax is computed in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and amendments thereto.

2.4 Statement of comprehensive income

2.4.1 Revenue recognition

a) Entrance Fees and Subscriptions

Subscriptions and Entrance Fees from members are recognized as revenue, when no significant uncertainty as to their collectability exists.

b) Interest income

Interest income is recognized as the interest accrued on a time basis unless collectability is in doubt.

c) Other income

Other income is recognized on an accrual basis.

2.4.2 Expenditure recognition

- a) Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the activities has been charged to the statement of comprehensive income in arriving at the surplus for the year.

- b) For the purpose of presenting the statement of comprehensive income, the management is of the opinion that the ‘function of expenses’ method presents fairly the elements of the Association’s performance and hence this presentation method is adopted.

2.5 Events after the reporting period

All material events occurring after the end of the reporting period have been considered and where necessary, adjustments or disclosures have been made in the respective notes to the financial statements.

2.6 Contingencies and unrecognized contractual commitments

Contingencies are possible assets or obligations that arise from past events and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Association’s control.

Notes to the Financial Statements

	Notes	2022/2023 Rs.	2021/2022 Rs.
3. OPERATING INCOME			
Membership subscriptions		2,740,000	2,558,000
New membership fees		1,875,000	1,285,000
Deficit / Surplus from DGR course	3.1	(13,564)	24,961
Surplus from AITT course	3.2	1,041,663	1,580,744
Surplus from NLA	3.3	6,282,863	-
		11,925,962	5,448,705
3.1 Dangerous goods regulation (DGR) course			
Income from DGR course		2,115,000	3,840,000
Expenses for DGR course		(2,128,564)	(3,815,039)
Deficit/Surplus from DGR course		(13,564)	24,961
3.2 Academy of International Trade and Transport (AITT) course fee			
Income from AITT course		4,317,000	5,611,970
Expenses for AITT course		(3,275,337)	(4,031,226)
Surplus from AITT course		1,041,663	1,580,744
3.3 National logistics awards income			
Income from NLA		17,131,667	-
Expenses for NLA		(10,848,804)	-
Surplus from NLA		6,282,863	-
4. OPERATING EXPENSES			
Annual general meeting		1,590,497	1,518,618
		1,590,497	1,518,618
5. OTHER OPERATING INCOME			
Royalty income - SLFFA cargo services		1,100,000	1,000,000
SLFFA members' night		3,522,918	-
Commissions for promoting insurance		577,670	520,746
FIATA bill of lading sales		53,750	46,500
Gain on disposal of assets		9,000	5,000
		5,263,338	1,572,246
6. OTHER OPERATING EXPENSES			
Car rent		440,000	330,000
Telephone, internet and GSM charges		64,578	65,374
		504,578	395,374

	Notes	2022/2023 Rs.	2021/2022 Rs.
7. ADMINISTRATION AND OTHER EXPENSES			
Staff salaries		1,074,200	1,146,440
EPF and ETF		161,130	171,966
Consultancy fees		1,380,000	1,354,000
Bonus		196,600	210,000
Bank charges		65,086	10,575
Secretarial charges		-	49,383
Membership fees (FAPAA/FIATA/IATA)		3,222,053	1,608,632
Car service fee		102,165	13,610
Depreciation		-	515
Subscriptions		-	42,400
Printing and stationery		23,020	70,653
Audit fee		106,456	93,934
Tax compliance fee		37,800	37,800
General expenses		284,594	-
Computer equipment maintenance		29,000	14,000
Web development charges		725,402	194,400
Staff medical		244,400	-
Legal and professional charges		3,314,920	-
Foreign travelling		519,382	-
Local travelling		10,173	-
Provision for doubtful debts		1,378,513	-
		12,874,894	5,018,308
8. FINANCE INCOME			
Interest income		5,154,806	1,636,456
		5,154,806	1,636,456
9. INCOME TAX EXPENSE			
Income tax provision for the year		2,084,994	287,787
Under provision for previous years		-	93,772
		2,084,994	381,559

Notes to the Financial Statements

10. PROPERTY, PLANT AND EQUIPMENT

Description	COST		DEPRECIATION		W.D.V.	
	As at 01.04.2022 Rs.	As at 31.03.2023 Rs.	As at 01.04.2022 Rs.	As at 31.03.2023 Rs.	As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Office equipment	259,800	259,800	259,800	259,800	-	-
	259,800	259,800	259,800	259,800	-	-

		As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Note			

11. OTHER RECEIVABLES

Advances	11.1	241,200	1,750,037
Prepayments	11.2	9,695,155	3,431,885
Other receivables	11.3	3,570,237	4,916,971
		13,506,592	10,098,893

11.1 Advances

Advance paid to hotel for SLFFA dance	-	1,650,000
AASL - agreement renewal	192,300	100,037
Advance paid to Metropolitan	48,900	-
	241,200	1,750,037

11.2 Prepayments

FAPAA membership fees	490,337	272,494
IATA membership fees	5,170,526	-
FIATA - membership fee	1,265,371	-
DGR/IATA trainer fee	108,629	187,000
DGR manuals	530,016	883,151
Car rent	92,500	55,000
Coffee table book	1,921,326	1,971,040
FIATA BL printing cost	116,450	63,200
	9,695,155	3,431,885

11.3 Other receivables

Interest income	1,926,415	476,171
Rent and electricity reimbursement	371,822	397,787
Membership subscriptions	18,000	78,000
Achievers' profit share	817,602	817,602
Insurance commission - Allianz	560,911	560,911
SLFFA Cargo Services	1,254,000	2,586,500
	4,948,750	4,916,971
Provision for doubtful debts	(1,378,513)	-
	3,570,237	4,916,971

		As at 31.03.2023 Rs.	As at 31.03.2022 Rs.
Note			

12. FINANCIAL ASSETS AT AMORTIZED COST

Investments in fixed deposits

National Development Bank PLC	15,952,109	14,415,023
Nations Trust Bank PLC	18,737,235	17,677,053
	34,689,344	32,092,076

13. INCOME TAX RECOVERABLE

Balance at the beginning of the year	132,161	484,720
Income tax provision for the year	(2,084,994)	(287,787)
Under provision for previous years	-	(93,772)
Tax paid	1,086,560	29,000
Balance at the end of the year	(866,273)	132,161

14. CASH AND CASH EQUIVALENTS

Nations Trust Bank PLC- savings account - 006167000019	4,472,480	8,600,944
Nations Trust Bank PLC- current account - 006100010696	2,290,080	3,634,580
Nations Trust Bank PLC- current account - 006166000012	53,508	-
Cash in hand	20,000	20,000
	6,836,068	12,255,524

15. OTHER PAYABLES

SAFFA	1,257,661	1,257,662
Audit fee	100,920	93,934
AITT course	5,159,311	4,504,921
AITT Lecture fees	-	725,600
E.P.F. and E.T.F.	18,768	38,741
IATA DGR	-	889,350
National logistics awards	-	3,141,463
FIATA membership	-	284,400
IATA membership	-	84,000
ACV rent/electricity	-	124,282
Advance received for DGR course	-	650,000
Sundry	85,000	25,000
	6,621,660	11,819,353

16. UNRECOGNIZED CONTRACTUAL COMMITMENTS

There were no commitments existing as at the end of the reporting period.

Notes

Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



www.slffa.com