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இலங்கை புடவை மற்றும் ஆடை நிறுவகம்
Sri Lanka Institute of Textile and Apparel

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வருடாந்த அறிக்கை
ANNUAL REPORT

2022

Sri Lanka Institute of Textile & Apparel
Kandawala Estate, No.02, General Sir John Kotelawala Mawatha, Ratmalana, Sri Lanka.
Phone : +94 11 26 32 406, +94 11 26 36 917 Fax : +94 11 26 36 337, +94 11 26 22 897
E-Mail : info@slita.ac.lk Web : www.slita.ac.lk

Sri Lanka Institute of Textile & Apparel

Ministry of Industries

Vision

To be a Globally Recognized Centre for Developing Proficiency of Personnel and Providing Consultancy Services, testing, R & D and Innovation for the Industrial Sectors of Textile , Apparel and Leather products.

Mission

To Provide Proficient, Well-trained Human Capital, Reliable Expertise, and Innovative Solutions to enhance the productivity Product and services quality and corporate value of the Textile, Leather products, Apparel and Allied Industries seeking Sustainable Development.

Objectives

- Conduct Post Graduate and Degree programmes and to provide Diploma level education, training and consultancy and technical services to those in the Textile & Apparel Industry.

- Establish national standards in Textile and Clothing Technology Management and other related areas and award certificates in respect of the same; Assist the Government in the formulation of a national policy on Textile and Apparel Industry.

- Link up with foreign Institutions, industries and laboratories and to provide accreditation and laboratory services and conduct high level of courses maintaining high standards in respect of the same.

- Form affiliations with local and foreign universities and institutions with a view of awarding digress, post graduate degrees, diplomas and certificates in the fields related to the Textile and Apparel Industry.

- Carry out research and promote product development in the Textile and Apparel Industry in collaboration with State Institutions, local and foreign academic organizations, institutions and industries.

- Offer testing and other related technical consultancy services in fields related to the Textile and Apparel Industry on a fee levying basis to local and foreign Institutions and to local and foreign students.

- Conduct market surveys, technical and economic feasibility studies, project appraisals and valuations on plant and machinery used in the Textile and Apparel Industry.

- Maintain a data base containing information relating to the product in, import and export and other technical information relating to the Textile and Apparel Industry.

- Issue conformity certificates to those engaged in the Textile and Apparel Industry on international, national and company compliance system standards.

OUR SERVICES

CORPORATE INFORMATION

Name of the Institution	:	Sri Lanka Institute of Textile and Apparel
Address	:	Kandawela Estate, No 02, Gen Sir John KotalawelaMawatha, Ratmalana.
Registration	:	The Sri Lanka Institute of Textile and Apparel Act, No 12 of 2009.
Legal Form	:	Statutory Board
Line Ministry	:	Ministry of Industries
Board of Directors	:	Mrs.D.N.Samarawickrama (Chairperson) Mr. Yohan Lawrence Mr.K.A.M.Chandrapala Mr.K.H.Bandula Fernando Mr.Felix A. Fernando Mr. K.G.R Wimalasooriya Mr.A.SureshIndika Mr.G.M.C.Pushpakumara Prof.C.Rathnayaka Dr.N.D.Wanasekara Mr.R.M.P.S.Abeyrathna
Auditor	:	Department of Auditor General
Telephone No	:	+94 112632406,+94 112636917
Fax No.	:	+94 112636337,+94 112622897
E-Mail	:	info@slita.ac.lk
Website	:	www.slita.ac.lk

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MESSAGE FROM CHAIRPERSON

The Apparel Industry can be mentioned as a major source of foreign income in today's Sri Lankan economy. Not only that, the apparel industry can be introduced as an industry with high potential to reach a target of 6 billion US dollars in the country's export market.

Sri Lanka Institute of Textile and Apparel is seen as one of the leading training institutes among the apparel industries in Sri Lanka when considering the past few decades. Furthermore, the Institute is equipped with a skilled staff that can meet the stringent standards required for a competitive industry.

Being a pioneering organization for textile and apparel related services, the main services provided by this institute are training, testing, technical and management consulting services for the development of the textile and apparel industry. Also, the Sri Lanka Textile and Apparel Institute has 31 years of experience in conducting National Diploma and Higher Certificate courses related to the textile and apparel sector.

Sri Lanka Institute of Textile and Apparel provides direct contribution to the textile and apparel industry through its services. This contribution is being given in relation to the subjects such as obtaining the nearly $05 billion annual contribution from the textile and apparel industry to Sri Lanka's gross national product, generating approximately one Million (1,000,000) jobs including indirect job opportunities. Moreover, this also contributes to generate industrial export income which is 47% of Sri Lanka's foreign exchange earnings.

Sri Lanka Institute of Textile and Apparel is now working to provide higher education opportunities up to degree level for students who have passed G.C.E.(A/L) but are unable to access higher education as well as those engaged in the textile and apparel sector to ensure their job security and better job promotion opportunities. At the same time, the Institute is functioning to provide cost-effective higher education opportunity to foreign students who are interested in the textile and apparel industry.

It is a matter of pride that the Sri Lanka Institute of Textile and Apparel is able to contribute to the garment industry with modern technology training facilities and a creative workforce with skills.

I strongly believe that the organization possesses as the capability and competence for the provision of necessities of the industry in today's competitive global market environment. As well, I highly appreciate the support and contribution received from the Board of Directors and the entire staff of the Sri Lanka Institute of Textile and Apparel, including the Secretary to the line Ministry, to make the institution move in the right direction.

D. Nandani Samarawickrama
Chairperson – Sri Lanka Institute of Textile & Apparel
Additional Secretary (Admin.) – Ministry of Industries

MESSAGE FROM DIRECTOR GENERAL

Sri Lanka Institute of Textile Apparel, SLITA, was formulated as a body corporate, by a Parliament Act, after merging its two predecessor institutions for better synergies. Henceforth, over the last couple of years as an institution, SLITA has been treading on its path of development to deliver its core business activities to the industry. En route to its final goals, many are the challenges of the century, the institute has to face in an ever expanding global market. But, it dares accept all the challenges with the capabilities sprung out of the merger of the predecessors, that had gone through a long curve of experiences.

The institute is, predominantly, an educational entity, with a team of highly qualified members of staff, who are capable of delivering the core business components to match the requirements of the industry. As the expectations of the industry are at higher echelons, the institute is making every effort to match the demand of the industry. As a result, on one hand, we have laid the foundation to acquire degree awarding status to become the centre of excellence in textile and apparel streams in Sri Lanka. Further, opportunities are being explored to enter into collaborative efforts with the higher seats of learning in the South East Asian regions, thereby more students are exposed to the portals of higher educations.

In the meantime, this institute has paved the way for the youths, as well as industry personnel to embark on successful careers, and, further the institute encourages students to look for career advancements through training programmes so that they are opted to upgrade their career advancements. Not only Sri Lankan participants but also foreign students from Pakistan, India and Bangladesh are enrolled to follow courses, and it is a hallmark of the history of the institute to extend its services for the development of skills in neighbouring countries, as well.

In comparison of the income generated from testing, training and consultancy with the previous year, the income generated from the laboratory, has risen appreciably in the year 2020, and the training income has augmented sharply for the same year, while the income generated by consultancy services was relatively maintained at the same level as the previous year. Meanwhile, the total income generated by the organisation for the year, under review has increased as against the previous year. The training courses and the curricula of the programmes conducted during the year were revised to the industry requirements, and the infrastructure facilities in the testing lab are upgraded with the state-of-the-art facilities to match the standards required by the international bench marks.

I appreciate the co-operation extended by the Ministry of Industries and the members of the staff of SLITA. I owe my greatest thanks to the Chairman and the Board of Governors for their untiring efforts and encouragements given to us in achieving excellence, as a pioneering institution in the country. Finally, I wish to place on records the commitment and dedication shown by the employees of the organisation, and besides, I believe that SLITA is on its way to excellence.

Archt. Sarath Fernando
Director General
Sri Lanka Institute of Textile & Apparel

STATEMENT OF DIRECTOR GENERAL'S RESPONSIBILITIES

The responsibilities of the Director General, in relation to the financial statements of the Institute, differ from the responsibilities of the Auditors.

As per the provisions of the Finance Act, the Director General is required to prepare financial statements for each financial year giving a true and a fair view of the state of affairs of the organization as at the end of the financial year and of the results of its operations for the financial year.

The Director General considers that, in preparing these financial statements, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Director General is also confident that the organization has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements. Further the Director General has a responsibility to ensure that the organization maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the organization and to ensure that the financial statements presented comply with the requirements of the Finance Act.

The Director General is also responsible for taking reasonable steps to safeguard the assets of the organization and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Director General is confident that he has discharged his responsibilities as set out in this statement. The Director General also confirms that to the best of his knowledge, all statutory payments by the organization as at the Balance Sheet date have been paid or where relevant, provided for.

RISK ANALYSIS REPORT

It seems a characteristic that no business survives without risk associated with its business process, and the concept of risk management has become a buzz word in business circles. Risk is an inherent feature embedded in a business operation, and consequently, risk management has become an integral part in the process of operation management.

Sri Lanka Institute of Textile and Apparel is a body corporate established under a Parliament Act, that describes the entire mandate of the business entity, and the Act is a well formulated legal instrument to handle potential risks in the business process. In a close analysis of the nature of the business operation, the entity is exposed to a few categories of risks in terms of Operational, Market and Regulatory risks.

As the nature of business falls far short of the nature of equity investments, risks associated are at a minimal standards, and Market risks may loom large for the operation of the current business. As a remedy, the entity explores diverse ways of moving into a wide spectrum of the business operations. Further, Regulatory risk seems a potential factor, and as such, the entity engages in an effort to comply with the stipulated standards through regular reviews. Additionally, operational risk is marginal as the business operation is thriving on a well founded business plan, and , if at all there exists a risks, it is associated with the human capital, which may dwindle due to policies implemented, from time to time by the government.

AN OVERVIEW OF THE INSTITUTE

INTRODUCTION

Of the institutes, renowned to offer textile and apparel related services, Sri Lanka Institute of Textile, SLITA, stands out as the pioneering institute as the unique arm of the government to represent textile and apparel sector, and has been in the continuous business world of Textile and Apparel industry for the last several decades. Institute offers a strong presence to the recipient of its services with its unparalleled service delivery in its core business operations, of which training, testing, and technical and management consultancy services take a center stage, and industry sector makes use of the services to build and enhance the potential, and capacity of the industry. As a result, industrialists have been able to develop their edges of their own capabilities to gain the status as star class cash cows. This trend persists and continues unceasingly, with the contribution ofour organization and we, as the driving force of the knowledge, have envisioned to grow with the latest industry demands and requirements.

In the global arena of textile and apparel industry, trends are dynamic and revolutionary with the developments of latest techniques on the production floor and the users are more intelligent than ever, to select the right product to their satisfaction. As a result, producers are now, finicky about their products that go to the market to match the pulse of the users. It is now a competition between the product and the mind-set of the users, as customers look for fine and flawless products, in the market.

In this process, SLITA, as a training institution, becomes instrumental in producing visionary leaders to the industry. The role of SLITA is crucial in this respect, as it offers training, testing and consultancy services as its core business services to cater to the emerging world of textiles and apparel. In order to look for untapped opportunities in the global marketplace, the institution, now, is geared to train both school leavers andindustry personnel in various disciplines thatare demanded in the industry sector.

During the past years, the Institute has gained a sizeable portion of income through training activities and the income gained through testing remained average. Student population is, truly, on a rapid rise, reaching to a couple of thousands and more facilities are planned, to increase the intake, in the years to come. Further, as the concept of productivity is gaining grounds, specialized training programmesare offered to those industrialists, that require improvements in productivity in order to compete in local and international markets. In parallel to this, training courses for cottage based industries take acenter stage of the services of the institute to impart knowledge to the communities in the less privileged districts, so that communities are able to upgrade their standards of living through a sustainable livelihood. As the institutes progresses on the path of development, there looms large a host of business opportunities in the offing for the institution to grow with.

The Board of Governors

The Board of Governors are entrusted with the powers to make decision on policy and legislation of the Institute and Director General executes the decisions of the Board. The Board Meetings are held each month and the members review the progress & activities and set guidelines for operations of the Institute.

The Board as at 31st December 2022

1	Mrs.D.N.Samarawickrama	Chairperson	Ministry of Industries
2	Mr.Yohan Lawrence	Member	Joint Apparel Association Forum
3	Mr.K.A.M.Chandrapala	Member	Ministry of Finance
4	Mr.K.H.Bandula Fernando	Member	Sri Lanka Chamber of Garment Exporters Association
5	Mr.Felix A. Fernando	Member	Sri Lanka Apparel Exporters Association
6	Mr.A.SureshIndika	Member	Textile Manufacturing Industry
7	Mr. K.G.R Wimalasooriya	Member	Ministry of Industries
8	Mr.G.M.C.Pushpakumara	Member	Textile Manufacturing Industry
9	Prof.C..Rathnayaka	Member	NSBM Green University
10	Dr.N.D.Wanasekara	Member	University of Moratuwa
11	Mr.R.M.P.S.Abeyrathna	Member	Ministry of Education

Staff as at 31st December 2022

The total staff strength – 84

Category	Management & Operation	Technical/ Operation	Finance	General/ Administration
Employees	04	48	04	28
Trainee	-	-	-	-
Assignment	-	-	-	-

Mr.P.S.W.K.Fernando - Director General
B.Sc. (BE), M.Sc. (Arch), RIBA, AIA (SL)

Mr. S. Ilangovan - Director (Training and Technical)
B.Sc. (Eng.) (Text), MBA, AMIE (SL)

Mr.P.V.S.Wijayaratne - Director (Operations)
M.Sc. (MIT),M.Sc.(Mgt.),B.Tech.(Eng.)Hons
AMIE (SL), LLB

Mr. M.P. Kannangara - Deputy Director (Administration)
MBA (P.I.M.)
B.Sc. (Col.),PG.Dip in International Rel:(BCIS)
Dip.in American Professional Qualification-HRM
LLB (UG), Diploma in Legal Studies.

Ms.H.G.Nandani - Accountant (Acting)
MA(Econ), BBA_{sp} Accounting & Finance

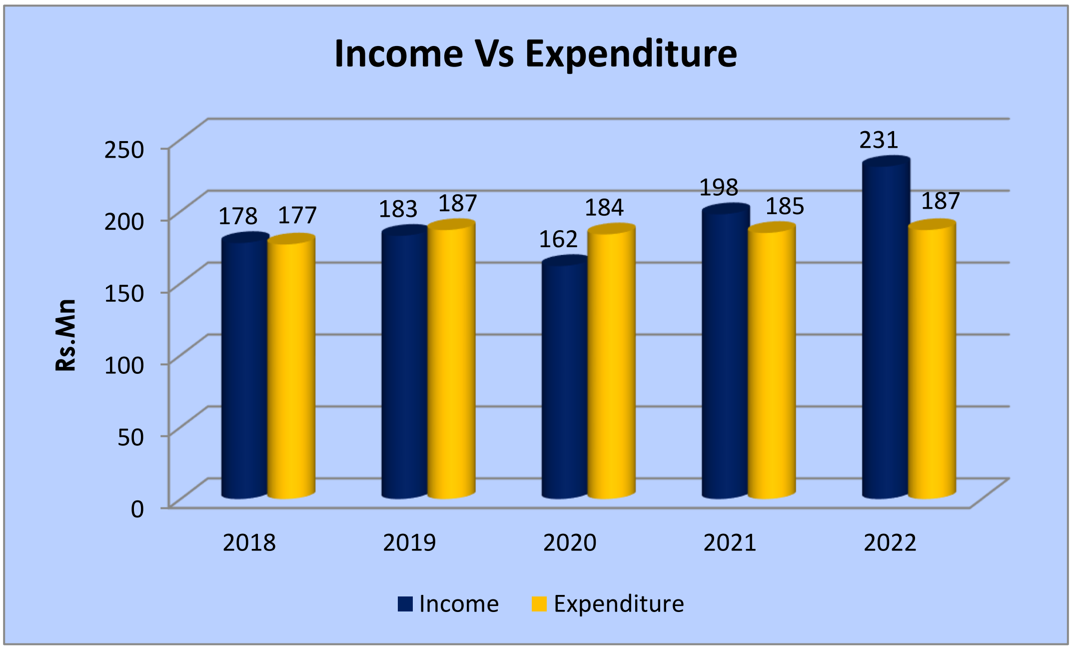
Mr.K.P.MPerera - Internal Auditor
B.Sc. Management

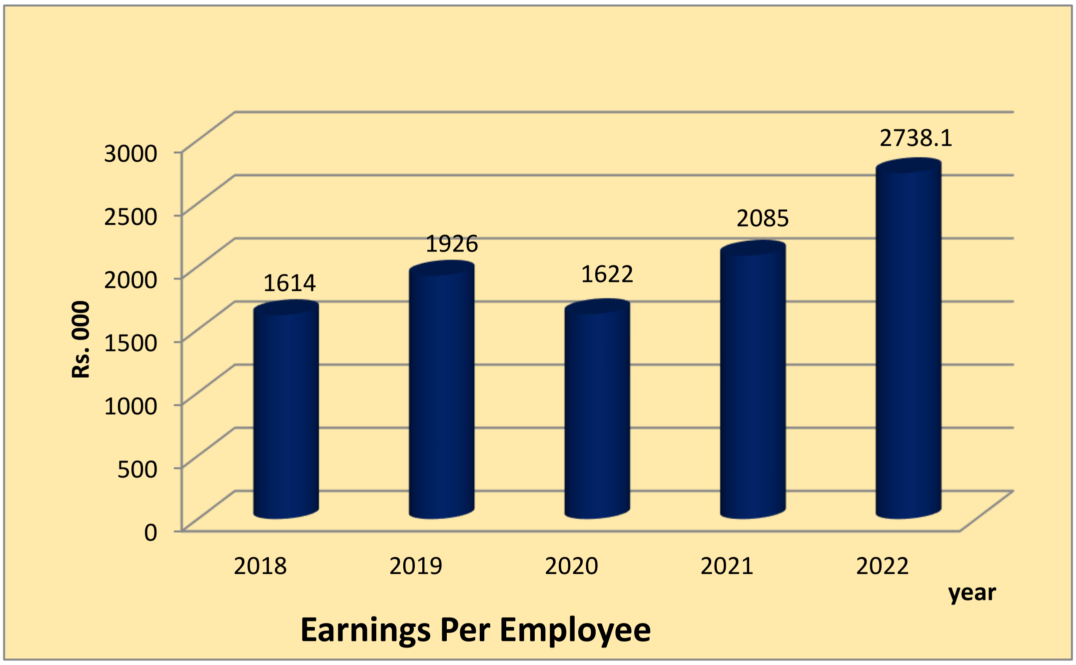
Senior Staff (Technical)

Mr. G. K. K. S. Kumara - Chief Technologist, B.Sc. (Eng.) (Text), MBA, AMIE (SL)
Mr. B.L.S.P. Nishantha - Chief Technologist, B.Sc. (Hons.), M.Sc. (Text.)
Mrs. K.A.R.V. Abeywardena - Chief Technologist NDT (Text. Tech.)
Mr. K.Jegatheesan - Chief Technologist, B.Sc. (Eng.)(Text),M.Sc.(Text),AMIE(SL)
Mr. W.M.S.K. Wijebahu - Chief Technologist, B.Sc. (Eng.),M.Sc.(Text) ,AMIE(SL)

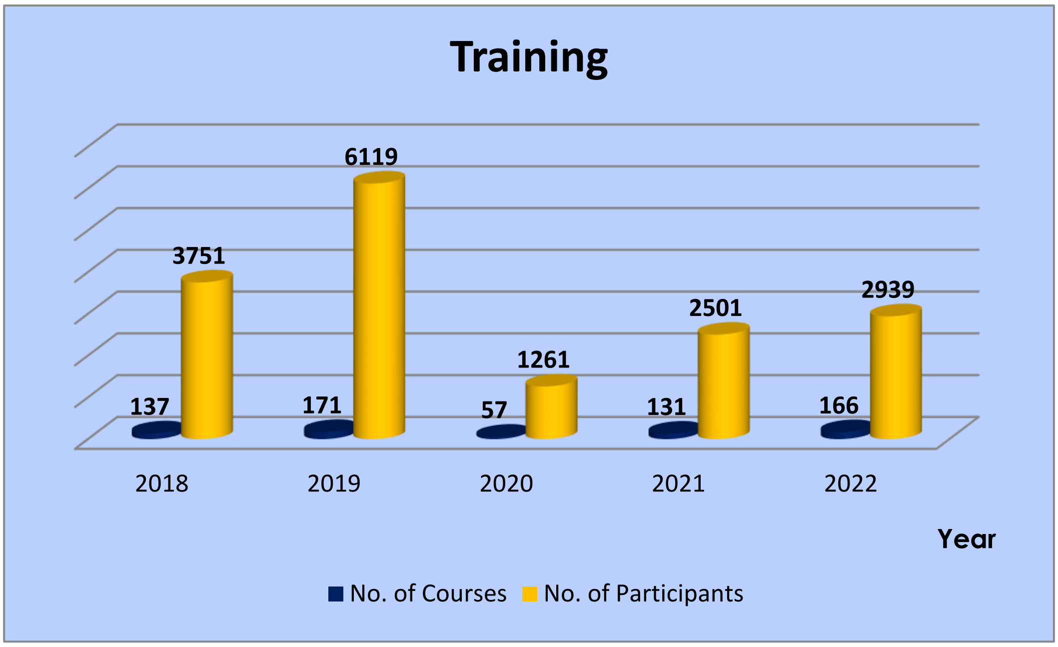
PERFORMANCE HIGHLIGHTS

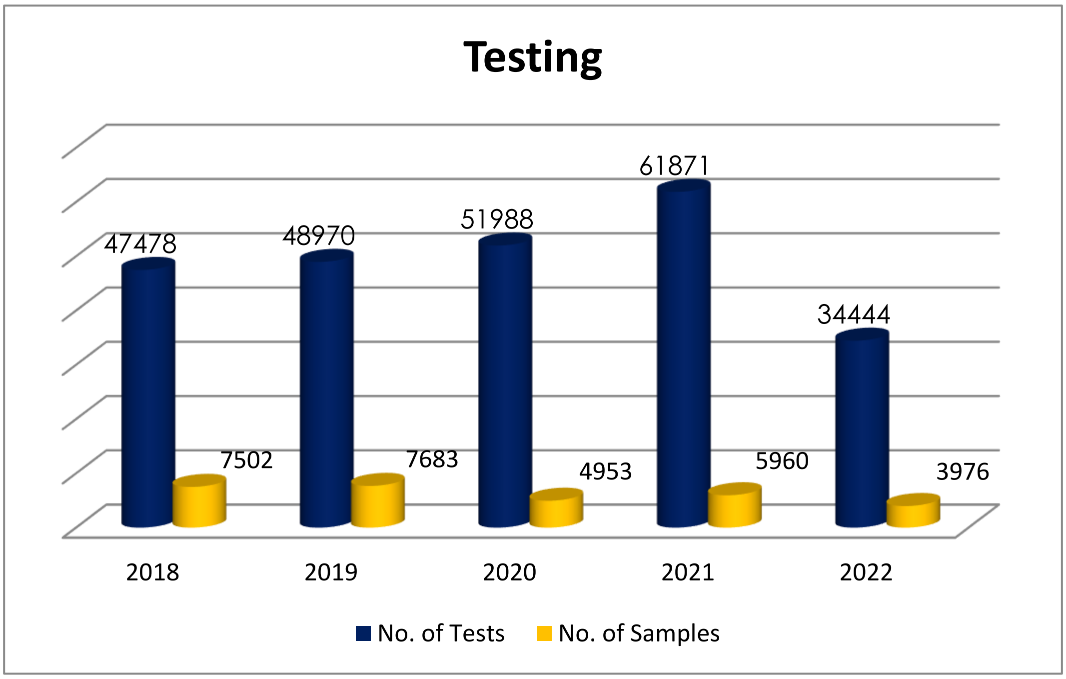
1. Financial Performance





2. Physical Performance





ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Basis of Preparation

(i) The financial statements comply with the Public Sector Accounting Standards meant for the public sector in Sri Lanka on accrual basis. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

(ii) The calendar year is the Financial Year of the Institute.

(iii) Financial Act No.38 of 1971 applies in respect of financial control and accounts Of the Institute.

Accounting Policies

1. Property, Plant and Equipment

All Infrastructure, plant and equipment other than land are stated at historical cost/ valuation, less accumulated depreciation.

Cost includes all costs directly attributable to bringing an asset to working condition for its intended use. Significant renovations are capitalized if they extend the life of the asset beyond its originally estimated useful life or increase its recoverable value. Maintenance, repairs and minor renewals are charged to income as incurred.

The cost of Infrastructure, plant & equipment that are disposed of are eliminated from the balance sheet, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by reference to their carrying amount and are taken into account in determining operating profit.

2. Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all property, plant and equipment in order to write-off such amounts over the following estimated useful lives by equal installments.

Following rates are applied for the depreciation.

Buildings	2.5%
Plant and Machinery	10%
Furniture ,Fittings, Fixtures &Equipment	10%
Canteen Equipment	10%
Motor Vehicles	10%
Computers & Software	20%
Books and Periodicals	10%
Lab Equipment	10%
Video Programme	25%
Industrial Sewing Machine	10%

Full depreciation rate is charged for the assets acquired in the first half of the year and 50% depreciation rate is charged for acquisition during the second half of the year.

3. Inventories

All inventories are held to be used by the Institute, in providing its services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using First In, First out (FIFO) method.

4. Trade Receivables

Trade receivables are carried at original invoice amount.

5. Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, deposits and other short term highly liquid investments with original maturity of three months or less.

6. Provisions

Provisions are recognized when the Institute has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

7. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions and gains and losses resulting from the settlement of such transactions are recognized in the income statement.

8 Superannuation

Terminal benefits are provided for those employees who have completed one year of service in the Institution, under the Gratuity Act No. 12 of 1983 .Basic salary includes cost of living allowances and the special living allowance also.

9. Defined Contribution Plan

All employees of the Institute are members of the Employees’ Provident Fund and Employees’ Trust Fund, to which the Institute contributes 12% and 3% respectively of such employees’ basic salary together with the cost of living allowance and other special living allowance.

10. Revenue Recognition

Revenue is recognized on an accrual basis on invoiced value for sale of services net off discounts.

11. Expenditure

Expenses are recognized on accrual basis. All expenditure incurred in running the Institute and in maintaining property, plant & equipment in a state of efficiency have been charged to income in arriving at the profit for the period.

12. Cash Flow

Statement of Cash Flow is prepared using the Indirect Method.

13. Government Grant

Government grant related to assets and non-monetary grants are accounted according to the Public sector accounting Standards. Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expenditure item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs

intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Institute receives non-monetary grants, the assets and that grants are recorded at nominal amounts and are released to the income statement over the expected useful life of the relevant assets by equal annual installments.

GENERAL DISCLOSURE

1. Financial statements have been prepared as per the guidelines given in the SLPSAS-1 And SLPSAS -11.

2. Investments in Treasury Bills, Fixed Deposit and call deposits

Investments in call Deposits are stated in the accounts at cost.
Investments in Treasury Bills and Investment in fixed Deposits are stated in the accounts at accumulated value.

3. Provision for Bad Debtors

Bad debtors' provision is represented under deduction of Trade receivables. In compliance with SLPSAS, debtors are grouped in different categories' and according to their pattern of payment following bad debtors' provisions are applied.

Age group	**Provision rate**
<90 Days	0%
90 to 180 Days	2%
180 to 360 Days	3%
360 to 720 Days	4%
720 to 1080 Days	5%
>1080 Days	100%

4. Inventories

All inventories are held to be used by the institute, in providing its services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using first in first out (FIFO) method.

5. Gratuity provision

Total amount of the gratuity provision was invested on fixed deposits from 2014and stated under Superannuation heading.

6. Government Grant

Depreciation portion of the Capital purchases from grants are accounted as deferred income.

7. Revaluation

The revaluation of motor vehicles has been done according to the valuation report given by the valuation department this year.

8. Disposal of Assets

Disposal process and all adjustments were completed in the year.

9. Provision for staff development fund

No provision has been made for the staff development fund this year

10. Capital Grant

Under this, fund granted by the Treasury for following projects.

- Capacity Development of Footwear Sector
- 100 Sawing Machine Mechanic Training Programme

11. Projects

Funds received From Ministry in the year 2022.

- Establishment of 160 Batik Centers -45 Centers
- Strengthen of Manufactures in Footwear, Apparel & Domestic Products (Colombo District)

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2022 Rs.	2021 Rs.
ASSETS			
Current Assets			
Cash and Cash Equivalents	1.1	118,443,137	148,983,040
Short term Investments	1.2	274,137,981	262,129,359
Receivables	2	34,688,114	37,913,380
Inventories	3	3,592,026	2,931,033
Pre payments	4	2,018,813	2,242,656
Payment in advance for capital works	5	71,145,429	20,822,434
Other current Assets	6	9,401,007	7,267,116
Total current Assets		513,426,508	**482,289,019**
Non - Current Assets			
Infrastructure, Plant and Equipment (Net)	7	106,228,487	93,634,440
Land & Buildings (Net)	8	86,317,607	84,452,376
		192,546,094	**178,086,816**
Total assets		705,972,602	**660,375,834**
LIABILITIES			
Current liabilities			
Payables	9	18,525,310	13,427,291
Short - term provisions	10	1,098,428	2,776,388
		19,623,738	16,203,679
Non current liabilities			
Superannuation	11	50,733,180	48,214,906
		50,733,180	48,214,906
Total liabilities		70,356,918	**64,418,585**
Net Assets		635,615,684	**595,957,250**
Net assets/ Equity			
Govt.Contributions & Foreign Aid	12	208,738,193	216,077,975
Other reserves		23,243,299	-
Other projects	13	22,138,985	63,942,332
Accumulated surplus (Deficit)	14	381,495,208	315,936,943
Total Net Assets / Equity		635,615,684	**595,957,250**

The Accounting Policies and Explanatory Notes from an integral part of these Financial Statements.
(Figures in brackets indicate deductions.)
These Financial Statements are in Compliance with the Sri Lanka Public Sector Accounting Standareds.

H. G. NANDANI
Accountant (Acting)
Sri Lanka Institute of Textile and Apparel
Kandawela Estate No. 2,
General Sri John Kotalawela Mawatha,
Ratmalana.

....
Ms. H.G.Nandani
Accountant (Acting)

Archt. P. SARATH. W.K.T. FERNANDO; AIA(SL)
Director General
Sri Lanka Institute of Textile & Apparel
Kapdawala Estate, No.02,
General Sir John Kotalawala Road,
Rathmalana.

....
Mr. P.S.W.K Fernando
Director General

The Board of Directors is responsible for the preparation and presentation of these financial statements.
These Financial statements were approved by the Board of Directors on 17.02.2023 and singed on their behalf.

K.G.R. Wimalasooriya
Additional Secretary
(Public Enterprises & Restructuring)
Ministry of Industries
73/1, Galle Road,
Colombo 03.

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MR. K.G.R. Wimalasooriya
Board Member

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Mrs. D.N. Samarawickrama
Chairperson

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31st December 2022

	Note	2022 Rs.	2021 Rs.
Revenue			
Fees and others	**15**	**230,914,380**	**198,109,924**
Total Operating Revenue		**230,914,380**	**198,109,924**
Expenses			
Personal Emoluments (Wages, Salaries & Employee benefits)	16	**101,276,109**	107,038,328
Traveling	17	**616,500**	778,100
Supplies & Consumables used	18	**13,054,555**	9,644,611
Repairs and Maintenance	19	**3,639,551**	5,744,261
Contractual Services	20	**20,797,549**	16,961,030
Depreciation & Amortization expenses	21	**24,954,583**	27,511,216
Other expenses	22	**22,890,279**	17,148,310
Finance Cost	23	**150,043**	252,566
		(187,379,167)	**(185,078,422)**
Surplus/(Deficit) from operation activities		**43,535,213**	**13,031,502**
Other revenue			
Deferred Income	24	**22,356,441**	24,407,876
Total other revenue		**22,356,441**	**24,407,876**
Total Surplus/(Deficit) for the period		**65,891,654**	**37,439,379**

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

CASH FLOW STATEMENT

For the Year Ended 31st December

	Note	2022 Rs.	2021 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the period		**65,891,654**	**37,439,379**
Adjustments for			
Amortization - Differed income	24	(22,356,441)	(24,407,876)
Interest Income from Investing Activities		(49,648,601)	(15,603,589)
(Profit)/Loss on disposal		(157,193)	(157,824)
Depreciation	21	24,954,583	27,511,216
Operating surplus/(Deficit) before working capital changes		**18,684,001**	**24,781,306**
Increase in provision for Gratuity		3,503,437	3,604,429
(Increase)/Decrease in Inventories		(660,993)	62,139
(Increase)/Decrease in pre payments		223,843	(1,001,824)
(Increase)/Decrease in other current assets		(2,133,891)	2,109,095
(Increase)/Decrease in Trade & Other Receivables		3,225,266	14,549,521
(Decrease)/Increase in previous year deficit (P/y/adj)		(333,389)	1,952,660
Increase in Trade other Payables		5,098,019	(1,379,881)
Increase in provisions		(1,677,960)	(208,512)
Error correction-Acc.Dep. Books and periodical		-	-
Gratuity Payments made		(985,163)	(6,346,480)
Net Cash Flows from Operating Activities		**24,943,171**	**38,122,453**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Plant & Equipments		(16,171,414)	(45,288,738)
Net Change in Investment Securities		(12,008,623)	3,300,771
Advance Payment for Capital Expenditure		(50,322,995)	(17,059,833)
Disposal of Assets		158,045	158,249
Interest Income Received		43,648,601	14,182,337
Net Cash Flows from Investing Activities		**(34,696,386)**	**(44,707,213)**
CASH FLOW FROM FINANCING ACTIVITIES			
Capital Grants (Cash)		40,000,000	76,950,000
Capital Grant Error Correction		-	9,900,000
Capital Grants (Refund)		(20,723,241)	-
Capital Grants (Assets)		1,739,900	12,410,481
Changes in other projects		(41,803,347)	36,648,513
Net Cash Flows from financing Activities		**(20,786,689)**	**135,908,994**
Net increase/(Decrease) in cash and cash equivalents		**(30,539,903)**	**129,324,234**
Cash and cash equivalent at beginning of period		**148,983,040**	**19,658,807**
Cash and cash equivalent at end of period	1	**118,443,137**	**148,983,040**

Schedule No.1

Cash & Cash Equivalents	**2022**
Cash at Bank	
Bank of Ceylon -Ratmalana(Current A/C 9521019)	(6,976,337)
Bank of Ceylon -Ratmalana(Savings A/C 88355180)	7,445,531
Bank of Ceylon Ratmalana Foreign Currency (A/C7011691)	3,893,106
Short term Investments (Less than three months)	
Treasury Bills	20,080,837
Call deposit	94,000,000
	118,443,137

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31st December 2022

	Schedule No.	Contributed capital	Other reserves	Translation reserves	Accumulated surplus/deficit	Total Net Assets/Equity
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31st December 2021	1	**280,020,307**	**-**	**-**	**315,936,943**	**595,957,250**
Changes in accounting policy		-	-	-	-	-
Changes NA/E in the year	2	(49,143,129)	-	-	(333,389)	(49,476,519)
Gain on property revaluation	Notes - 25	-	23,243,299	-	-	23,243,299
Loss on revaluation of Investments		-	-	-	-	-
Foreign currency translation losses		-	-	-	-	-
Net revenue directly recognized in NA/E		(49,143,129)	23,243,299	-	(333,389)	(26,233,220)
Surplus/deficit for the period		**-**	**-**	**-**	**65,891,654**	**65,891,654**
Total revenue recognized for the period		(49,143,129)	23,243,299	-	65,558,265	39,658,434
Balance as at 31st December 2022		**230,877,178**	**23,243,299**	**-**	**381,495,208**	**635,615,684**

Schedule No. 1		**Rs.**
Contributed capital		
Govt. contributions & Foreign Aid Balance as at 01st Jan. 2022		216,077,975
Total balance of other projects as at 01st Jan. 2022		63,942,332
		280,020,307
Schedule No. 2		
Changes NA/E in the year		
Capital Grants in the year	12.1	35,739,900
Refund Grant to General Treasury	12.2	(20,723,241)
Amortization of Assets in the year	12.3	(22,356,441)
Changes in other projects during the year		(41,803,347)
		(49,143,129)

Notes to Financial Statements

For the Year Ended 31st December			2022	2021
			Rs.	Rs.
1.1	**Cash & Cash Equivalents**			
	Cash at Bank			
	Bank of Ceylon -Rathmalana (Current A/C 9521019)		(6,976,336.79)	24,887,719.90
	Bank of Ceylon -Rathmalana (Fund Management Savings A/C 88355180)		7,445,531.19	-
	Bank of Ceylon - Rathmalana Foreign Currency (A/C7011691)		3,893,105.56	1,591,029.11
	Call deposit (Less than three months)		94,000,000.00	105,000,000.00
	Treasury Bills		20,080,837.12	17,504,291.15
			118,443,137.08	**148,983,040.16**
1.2	**Short term Investments**			
	Fixed deposits - NSB (Gratuity fund)		5,430,729.89	5,172,123.69
	Call deposit (including Gratuity fund 2022)		268,707,251.60	256,957,235.13
			274,137,981.49	**262,129,358.82**
2	**Receivables**			
	Trade receivables			
	Testing debtors	**2.1**	7,991,338.64	23,550,559.50
	Training - Internal debtors	**2.2**	10,601,534.98	8,046,882.80
	Training - External debtors	**2.3**	161,600.00	161,600.00
	Consultancy services debtors	**2.4**	93,558.88	93,558.88
	Customer / Technical Services debtors	**2.5**	46,756.00	76,646.00
	Other Trade debtors	**2.6**	518,929.45	370,129.45
			19,413,717.95	**32,299,376.63**
	Less - Provision for Bad debtors		(5,265,473.09)	(4,876,547.15)
			14,148,244.86	27,422,829.48
	Sundry debtors	**2.7**	20,539,869.23	10,490,550.93
			34,688,114.09	**37,913,380.41**
2.1	**Testing Debtors**			
	C.W.Industries -C.C.Thilakarathna		4,791.88	-
	Isuru Weaving - E.D.Nandawathi		4,369.06	-
	Janaka Weaving - L.H.J.Kumara		(1.00)	-
	Jeewan Industries - A.A.K.Perera		(0.01)	-
	Leshan Industries (Pvt) Ltd		6,976.41	-
	Lihini Industries - C.N.Senanayake		5,285.16	-
	Madushani Weaving - M.C.J.Bandara		-	4,259.00
	Manju Industries - P.A.A.M.Wijerathna		4,369.06	-
	Maradagahamula Cooperative Textile Weavers		4,791.88	-
	Mithila Handloom Ind - J.H.Chandra Kalyani		(1.25)	-
	Nandanie Weaving -B.L.Pemawathie		4,016.72	-
	New Kuveni Text (Pvt) Ltd - D.R.N.Kulasekara		0.01	-
	Pallewela Textile - M.D.G.Basnayaka		4,016.72	-
	Perera Weaving - A.L.S.L.Perera		(893.75)	(893.75)
	Premasiri Enterpries - W.D.N.Premasiri		4,016.72	-
	Ramani Weaving Industries - M.A.R.Perea		5,285.16	-
	Ranjitha Industires - S.Galagamaarachchi		4,369.06	-
	Roseth Industries & Distributor - H.N.T.Geethnajana		4,369.06	-
	Sahana Weaving - A.N.N.Perera		5,285.16	-
	Shantha Industries - K.A.C. Jayashantha		(1.25)	-
	Shyamalee Industries - K.Merihamy		4,369.06	-
	Subhas Textiles- subhas Weerakoon		6,976.66	-
	Tharindu Industries -J.D.R.Geethanjali		4,369.06	-
	Ushani Weavers - K.N.N. De Silva		5,285.16	-
	Yasiru Textiles -M.I.Kumarasiri		4,016.72	-
	Gauze Testing		86,061.46	3,365.25

Notes to Financial Statements contd....

	2022	2021
	Rs.	Rs.
ACRI Apparels	4,000.00	4,000.00
Alpha Apparels	1,283,612.50	-
ATG Lanka (Pvt) Ltd	4,250.00	-
Bam Knitting (Pvt) Ltd	-	38,100.00
Benji Ltd	14,900.00	-
Bernard Phil knit (Ceylon) Ltd	-	12,250.00
Brandix Apparel Ltd	19,317.75	19,317.75
Brandix Apparel Ltd - FC	2,761.20	2,761.20
Brandix Casual wear Ltd - FC	1,727.52	1,727.52
Brandix Fast Fashion	-	3,850.00
Brandix Finishing Ltd	29,900.00	29,900.00
Brandix Intimate Apparels Ltd	4,830.00	4,830.00
Calico (Pvt) Ltd	-	6,050.00
Camso Loadstar (Pvt) Ltd - Test	-	14,950.00
Ceylon Petroleum Storage terminals Ltd	8,200.00	-
Ceylon Leather Products Manu. Ltd	-	39,400.00
Charlott Surgical Gauze- M AC Perera	4,369.06	-
Civil Security Department	33,350.00	33,450.00
Coconut Cultivation Board	-	-
Consumer Affairs Authority	5,255.04	5,255.04
Creative Textile Mills - Normal testing		-
Creative Textile Mills -School Uniform	-	2,081,889.00
Creative Textile Mills	13,786.25	-
Dankotuwa Weaving Mills - School Uniform	-	5,049,874.50
Department of Christian Religious Affairs	-	-
Department of Civil Security	(3,250.00)	184,350.00
Department of Industries (Western Province)	10,100.00	10,100.00
Department of Immigration & Emigration	1,433.18	1,408.18
Dept of Muslim Religious & Cultural Affairs	-	-
Department of Wild Life Conservation	-	97,600.00
DG Fashions Garment (pvt) Ltd	7,539.84	7,539.84
Delink & Madushani Product	-	-
Directorate of Ordnance Services S.L.Army	248,600.40	248,600.40
Ekro Industries	-	(757.50)
Excise Department Of Sri Lanka	-	25.00
Fireflies for Lanterns		-
General Sir John Kotalawala Defence University	22,111.05	22,111.05
Genuine T Shirt	3,450.00	3,450.00
G P Garments (Pvt) Ltd		-
Hameedia Stores Pvt Ltd	31,500.00	31,500.00
Hela Clothing (Pvt) Ltd	570.80	570.80
Hela Clothing (Pvt) Ltd - FC	44,999.21	44,999.21
Hela Marketing & Design Centre	9,775.00	9,775.00

Notes Financial Statement contd….

	2022 Rs.	2021 Rs.
Kabeer Handloom	29,295.68	29,295.68
Kishani Industries (Pvt) Ltd	-	6,600.00
K.C.M. Weaving-K.C.Malani	3,241.56	-
Knitting World Ceylon	25,250.00	25,250.00
Lalan Rubbers (Pvt) Ltd -LN Thread	-	30,500.00
Lanka Salusala	71,491.80	98,096.80
LRDC Services (Pvt) Ltd	40,550.00	-
Marshal Trading Company	7,650.00	7,650.00
Mas Active (Pvt) Ltd - Linea Intimo	129,000.00	129,000.00
Mas Active (Pvt) Ltd	(0.09)	4,182.00
Mas Fabric (Pvt) Ltd- MATRIX	(100.00)	-
Mas Intimates (Pvt) Ltd	2,600.00	2,600.00
Ministry of Defence	(900.00)	(900.00)
Ministry of Education & Higher Education	6,740.16	6,740.16
Mirage Industries - Forces Uniform	21,134.40	21,134.40
Nethum Industries P.D.Y.Ruwanmali	0.03	-
New Unique Suppliers	16,330.00	16,330.00
Noyon Lanka (Pvt) Ltd	-	7,550.00
Omega Line Ltd	10,300.00	-
Pan Asia Coloured Yarnd (Pvt)Ltd	-	8,500.00
Pathma Weaving Mills	-	13,800.00
Penguin Leisurewear (Pvt) Ltd	26,128.58	26,128.58
Police Head Quarters	111,908.94	141,308.94
Prabha Textile Industries -School Uniform	4,500,000.00	10,985,952.00
Prabha Textile Industries -Forces Uniform	22,800.00	22,800.00
Probdha & Sakura Industires (Pvt) Ltd-K.N.Perera	4,791.88	-
Presco International	(1.25)	16,600.00
Radiant Textile	2,463.30	2,463.30
Rasika Surgicle Gauze - V.R.Laalani	4,369.06	-
Rathanjana Textiles	16,832.55	16,832.55
Regitsrar - Magistrate Court	49,999.99	49,999.99
Rhino Consultants & Facilitators	-	13,000.00
Sentrino (Pvt) Ltd	200.00	-
Samson Rubber Industires (Pvt) Ltd	13,427.50	-
Sarasavi Industries-Forces uniforme	-	31,050.00
S.G.S Lanka (Pvt) Ltd	20,243.75	75,050.00
Shinsee Lanka (Pvt) Ltd	12,850.47	12,850.47
Shiwanthi Weaving - K.H.M.Dilrukshi	(422.82)	-
Sirio Ltd	204,231.25	-
South Asia Textiles Limited	-	3,800.00
Sirio ltd	-	-
Skansco Trading Company (Pvt) Ltd	-	-
Spencer Denim Industries (Pvt) Ltd	1,583.55	1,583.55
Sri Lanka Airforce Headquarters	77,150.00	-
Sri Lanka Army Headquarters	222,650.00	240,400.00
Sri Lanka Army	85,445.32	85,445.32

Notes Financial Statement contd….

		2022	2021
		Rs.	Rs.
	Sri Lanka Customs	17,595.00	17,595.00
	Sri lanka Home guard Forces	17,250.00	17,250.00
	Sri Lanka Navy	202,236.94	636,486.94
	Sri Lanka Standard Institution	23,455.00	16,205.00
	Star Textile Processing Industries	-	-
	S & S Safety Equipment Holdings	23,973.10	23,973.10
	State Ministry of Women & Child Dev.	-	445,000.00
	Super Fashion Garment	523.43	523.43
	Texlan Center (Pvt) Ltd	-	-
	Tamisha Baby Care	(100.00)	-
	Textprint Lanka (Pvt) Ltd	-	3,550.00
	Thisanva Enterprises		
	Textrip (Pvt) Ltd	3,550.00	-
	Tristar Apparel Export (Pvt) Ltd	790.00	790.00
	T & T Fashions	1,900.00	1,900.00
	Union Colombo Washing	-	-
	Vanguard Industries Ltd	61,663.25	8,722.00
	Vanguard Industries Ltd - School Uniform	(1,800.00)	2,226,812.00
	Vanguard Industries Ltd - Forces Uniform	2,700.00	2,700.00
	Virtue Tape Industries	2,700.00	2,700.00
	Winner Guys	2,516.05	2,516.05
		7,991,338.64	**23,550,559.50**
2.2	**Internal Training Debtors**		
	Course fees to be received from students	7,827,237.00	6,952,905.00
	Air Force Sewavanitha Garment (SME)	20,400.00	20,400.00
	Alpha Apparels Ltd	16,200.00	16,200.00
	Celcious (Pvt) Ltd	46,000.00	46,000.00
	Department of Rural Industry		
	Dynamic Clothing(Pvt) Ltd	7,650.00	7,650.00
	Elegant Knitting	142,000.00	142,000.00
	Everest Footwear Industries	40,800.00	40,800.00
	Jayz Arvind Enterprises Ltd	118,320.00	118,320.00
	Nordex (Pvt) Ltd	54,840.00	54,840.00
	N P N Perera & Co . (Pvt) Ltd	40,800.00	40,800.00
	Obaidani Apparel (Pvt) Ltd	127,500.00	127,500.00
	Omega Line Ltd	205,000.00	
	One Time Training Customers	353,398.20	353,398.20
	Paradigm Clothing (Pvt) Ltd	3,750.00	3,750.00
	Pearly Fashion	30,600.00	30,600.00
	Prym Intimates lanka (Pvt) Ltd	25,600.00	25,600.00
	Rusirumal (Pvt) Ltd.	1,000.00	1,000.00
	Sri Lanka Army	4,000.00	4,000.00
	Srl Lanka Customes Dept.	0.18	-
	Tee Jay Lanka Plc	1,475,320.00	-
	Textured Jersey (Pvt) Ltd	46,350.00	46,350.00
	Trig Apparel (Pvt) Ltd	14,769.60	14,769.60
		10,601,534.98	**8,046,882.80**

Notes Financial Statement contd….

		2022	2021
		Rs.	Rs.
2.3	**External Training Debtors**		
	Kane Apparel	10,200.00	10,200.00
	Lanka Garments Mfg. Co Ltd	7,500.00	7,500.00
	Pattern Garment (SME)	12,500.00	12,500.00
	Queens workwear	30,000.00	30,000.00
	Shas Wear (Pvt) Ltd	30,600.00	30,600.00
	S G Q Apparel	30,000.00	30,000.00
	Sri Lanka Army Ordnance Factory	40,800.00	40,800.00
		161,600.00	**161,600.00**
2.4	**Consultancy Services Debtors**		
	Creative Textile Mills	10,000.00	10,000.00
	Department of Health services	1,730.40	1,730.40
	Pathma Distributors	2,203.20	2,203.20
	Police Headquarters	18,506.88	18,506.88
	Silver Mills (Pvt) Ltd - Tra	-	-
	Special Task Force	22,505.28	22,505.28
	Sri Lanka Customs	13,708.80	13,708.80
	Sri Lanka Navy	24,904.32	24,904.32
		93,558.88	**93,558.88**
2.5	**Customer /Technical Services Debtors**		
	D A G Apparel	-	5,440.00
	Lanka Garment Mfg.Co.Ltd	-	4,250.00
	Nordex (Pvt) Ltd	3,300.00	3,300.00
	Police Head Quarters	25,806.00	25,806.00
	Sha Lanka Apparel	17,650.00	17,650.00
	Sri Lanka Army Head Quarters	-	-
	Yasindu Textile	-	10,200.00
	Vanguard Industries Ltd	-	10,000.00
		46,756.00	**76,646.00**
2.6	**Other Trade Debtors**		
	Bearfoot (Pvt) Ltd	2,500.00	2,500.00
	Fidelity Manufacturing (Pvt) Ltd	200.00	200.00
	Forte Healthcare (pvt) Ltd	3,240.00	3,240.00
	MAS Capital (Pvt) Ltd	46,920.00	46,920.00
	MAS Intimates (Pvt.) Ltd	82,516.86	82,516.86
	MAS cap team	800.00	800.00
	Ministry of Education	173,800.00	25,000.00
	Orients Garments Ltd Sam-Dyeing	8,625.00	8,625.00
	Sri Lanka Chamber of Garment Exporters	12,000.00	12,000.00
	Sri Lanka army Head Quarters	20,644.80	20,644.80
	State Ministry of Education	161,500.04	161,500.04
	Textured jersey lanka (Pvt) Ltd	3,300.00	3,300.00
	Unichella (Pvt.) Ltd - Dyed sample	2,882.75	2,882.75
		518,929.45	**370,129.45**

Notes Financial Statement contd….

			2022 Rs.	2021 Rs.
2.7	**Sundry Debtors**			
	Ministry of Ind.& Com Footwear Train.Project		1,700,000.00	4,000,000.00
	Miscellaneous advance		937.76	937.76
	Interest receivable on F/D		511,306.94	167,916.87
	Interest receivable on Treasury bill		393,562.65	67,660.50
	Interest receivable for Call deposits		17,543,085.65	5,979,191.28
	Welfare Society		66,665.02	133,333.31
	Lanka Ashok Leyland PLC		43,280.50	43,280.50
	Vat Receivable		98,230.71	98,230.71
	Refundable Deposit -BMICH		182,800.00	-
			20,539,869.23	**10,490,550.93**
3	**Inventories**			
	Stationery		1,687,317.94	1,103,618.19
	Training material & Consumables		1,565,670.39	1,481,127.54
	Dyes & Yarn		142,180.00	149,430.00
	Spare parts & Accessories		196,857.30	196,857.30
			3,592,025.63	**2,931,033.03**
4	**Pre payments**			
	Insurance - Medical		1,484,371.60	1,419,859.80
	Insurance- Motor vehicles		202,132.72	304,607.24
	Insurance - Fire & other		130,998.78	121,288.55
	Insurance - Money in transit		8,294.30	9,479.29
	Service Contracts - Land & Buildings		4,100.00	4,100.00
	Service Contracts - Computers		107,585.82	86,432.23
	Service Contracts - Furniture & Equipment		51,403.63	21,449.40
	Service Contracts - Generators		13,326.42	-
	Vehicle License & Emission		16,599.84	25,439.69
	Diploma Awarding Ceremoney		-	250,000.00
			2,018,813.11	**2,242,656.20**
5	**Payment in Advance for capital works**			
	Building Construction		3,762,600.68	3,762,600.68
	Improvement Modification & Upgrading of Class Room		63,778,019.09	17,059,833.20
	Boundry Wall & LandScaping Design		3,604,809.60	-
			71,145,429.37	**20,822,433.88**
6	**Other Current Assets**			
	Staff loans	**6.1**	8,980,007.26	6,846,116.16
	Deposits	**6.2**	421,000.00	421,000.00
			9,401,007.26	**7,267,116.16**

Notes Financial Statement contd….

		2022	2021
		Rs.	Rs.
6.1	**Staff loans**		
	Distress loan		
	Mrs.W A C Ashoka	213,541.69	78,125.07
	Mrs. R M N D Ranasinghe	223,958.35	171,875.05
	Mr. R A D R I Perera	223,958.35	166,666.72
	Mr. J A Priyantha	36,458.47	98,958.43
	Mrs. D A M Priyangika	213,541.69	125,000.07
	Mrs. W M D A Warnasooriya	208,333.36	135,416.74
	Mrs. G S Waduge	187,500.04	250,000.00
	Mr.G R Lakmal	150,000.08	-
	Miss. T R Jayatilake	145,833.40	208,333.36
	Mrs. E A D Sunitha	213,541.69	135,416.74
	Mrs. P K R S Ariyaratne	-	57,291.79
	Mr. L T D Hettiarchchi	218,750.02	125,000.08
	Mr. M D U Jayadasa	52,083.45	114,583.41
	Mr. J P D R Wijewardene	177,083.38	239,583.34
	Mrs. D N Dodangoda	234,375.01	145,833.40
	Mrs. R A D T R Samaranayake	203,125.03	78,125.07
	Mrs. G S Ranjani	213,541.69	156,250.06
	Mrs. C A D S Kandambi	-	124,999.96
	Mrs. T Balachndra	192,708.37	114,583.41
	Mrs. J M A S A Jayakodi	213,541.69	151,041.73
	Mrs. J M D R R Jayasekara	20,833.45	83,333.41
	Mrs. P D R R de Silva	98,958.43	161,458.39
	Mr. B S A Mendis	194,444.48	48,611.24
	Mr. W M S K Wijebahu	187,500.04	5,208.49
	Mr. Y N Wikramanayake	93,750.10	156,250.06
	MR. K A M Priyantha	-	222,222.24
	Mr. U Wikramasinghe	208,333.36	5,208.49
	Mrs.K K V N Somarathna.	213,541.69	-
	Mrs. H T M D Dinesha	187,500.04	250,000.00
	Mr. S P A Sathyapala	229,166.68	-
	Mrs.M S R Bhanu	67,708.45	130,208.41
	Mrs.M S Thewarapperuma	31,250.14	93,750.10
	Mr. R M U Ratnayake	125,000.08	187,500.04
	Mr. D P Weeraratne	-	5,208.49
	Mrs.M B A Chathurika	125,000.08	187,500.04
	Mrs. Y M de Silva	67,708.45	130,208.41
	Mrs. W D Nirosha	229,166.68	161,458.39
	Mrs. N W K M Badrani	208,333.34	125,000.08
	Mrs. N C Ranasinghe	213,541.69	-
	Mr.J M D Jayalath	244,791.67	36,458.47

Notes Financial Statement contd….

		2022	2021
		Rs.	Rs.
	Mrs.M D L Fernando	187,500.04	250,000.00
	Mrs. M N Ranasinghe	125,000.08	187,500.04
	Mr. W A L N Kumara	62,500.12	125,000.08
	Mr. G K K S Kumara	177,083.31	-
	Mr.I S Jayalathge	66,666.76	-
	Mr.N P P S K Pathirana	201,388.92	-
	Mr.A H Hibras	187,500.04	250,000.00
	Mrs.N A C K Thirimawithana	-	48,611.24
	Mr.N K C Kiriella	234,375.01	-
	Mrs.P D Maduwanthi	192,708.37	109,375.07
	Mr.M M Mifras	145,833.40	208,333.36
	Mr.N M M Rehan	223,958.35	-
	Mr.P V S Wijayaratne	145,833.40	-
	Mrs. S Wathudura	46,875.11	109,375.07
	Mr.M M M Shabeer	208,333.36	156,250.06
	Mrs.D L Kushlani	213,541.69	125,000.07
	Mr.C C S Silva	55,000.12	110,000.08
	Mr.N P K Rajapaksha	208,333.36	125,000.08
	Mr.M R S K Manchanayake	-	20,833.26
	Mrs.N I S Silva	93,750.10	156,250.06
	Mrs.P A B Maduwanthi	135,416.74	197,916.70
		8,980,007.26	**6,846,116.16**
6.2	**Deposits**		
	Electricity Board deposit	250,000.00	250,000.00
	R.L.Fernando-Fuel deposit	100,000.00	100,000.00
	Oxygen & Acytesity cylinder	36,000.00	36,000.00
	Dialog Telecom PLC roaming facility	20,000.00	20,000.00
	M Postal Service Deposit	15,000.00	15,000.00
		421,000.00	**421,000.00**

Notes Financial Statement contd….

7. Infrastructure, Plant and Equipment

	Plant & Machinery	Motor Vehicles	Industrial Sewing Machinery	Furniture, Fittings & Equipment	Lab Equipment	Computers	Books & Periodicals	Video Programme	Spare Parts & Acc.	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost										
Cost as at 01/01/2022	**61,674,928.72**	**24,248,384.33**	**53,967,753.22**	**84,107,441.60**	**183,821,153.68**	**52,046,548.64**	**9,520,888.89**	**582,055.00**	**1,356,195.00**	**471,325,349.08**
Additions Note no.7.1	1,431,016.28	-	-	5,024,851.00	2,655,266.64	2,043,190.00	49,332.75	-	-	**11,203,656.67**
Revaluation		4,036,456.76								**4,036,456.76**
Disposal	(101,696.43)			(941,030.37)	-	(65,010.00)				**(1,107,736.80)**
Cost as at 31/12/2022	**63,004,248.57**	**28,284,841.09**	**53,967,753.22**	**88,191,262.23**	**186,476,420.32**	**54,024,728.64**	**9,570,221.64**	**582,055.00**	**1,356,195.00**	**485,457,725.71**
	-	-	-	-	-	-	-	-	-	
Accumulated Depreciation										
Accumulated Depreciation as at 01/01/2022	**43,209,550.03**	**23,295,983.10**	**44,517,162.88**	**59,703,111.48**	**155,724,931.93**	**41,686,226.29**	**7,615,693.53**	**582,055.00**	**1,356,195.00**	**377,690,909.24**
	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	3,317,567.94	792,366.67	1,648,061.73	5,395,007.80	6,458,529.17	3,905,074.89	335,447.95	-	-	**21,852,056.15**
Accumulated Dep. for Rev. Motor Vehicles		(19,206,842.01)								**(19,206,842.01)**
Depreciation on Assets Disposed	(101,696.43)	-		(941,030.37)	-	(64,158.00)	-	-	-	**(1,106,884.80)**
Accumulated Depreciation as at 31/12/2022	**46,425,421.54**	**4,881,507.76**	**46,165,224.61**	**64,157,088.91**	**162,183,461.10**	**45,527,143.18**	**7,951,141.48**	**582,055.00**	**1,356,195.00**	**379,229,238.58**
Net Book Value as at 31/12/2022	**16,578,827.03**	**23,403,333.33**	**7,802,528.61**	**24,034,173.32**	**24,292,959.22**	**8,497,585.46**	**1,619,080.16**	**-**	**-**	**106,228,487.13**

Notes to Financial Statements contd....

			2022 Rs.	2021 Rs.
7.1	**Infrastructure, Plant and Equipment**			
	Property , Plant & Equipment - Additions			
	Plant & Machinery			
	Air Conditioners	4	1,431,016.28	
			1,431,016.28	
	Furniture, Fittings, Fixtures & Equipment			
	Micro Phone	1	6,000.00	
	Installation Caller Tune		40,000.00	
	Jug Kettle	1	4,800.00	
	Lecturer Tables	6	390,000.00	
	Double Door Invertor	1	97,990.00	
	Smart Screen	6	3,555,000.00	
	Camera	6	403,056.00	
	Wall Fan	1	9,900.00	
	Water Boiler	1	26,730.00	
	Flex Board With Zink Sheet	1	201,000.00	
	Stop watch	2	9,500.00	
	White Board Stand	2	33,000.00	
	Kettle	1	6,500.00	
	Magnatic Board	1	9,250.00	
	Zibra Blind		232,125.00	
			5,024,851.00	
	Lab Equipment			
	Analytical balance	1	254,620.00	
	Water Gayser	2	160,000.00	
	Grip Controller	1	2,240,646.64	
			2,655,266.64	
	Computers			
	UPS	5	56,000.00	
	Canon Printer	1	38,000.00	
	Dell Laptop Computer	6	1,801,690.00	
	Canon Copier	1	118,800.00	
	Hard Disk - External	1	18,000.00	
	Dongle	1	7,500.00	
	Hub	1	3,200.00	
			2,043,190.00	
	Books & Periodicals			
	Books	**66**	**49,332.75**	
			49,332.75	

Notes to Financial Statements contd....

8. LAND & BUILDINGS AS AT 31/12/2022

	Land	Buildings	Total
	Rs.	Rs.	Rs.
Cost			
Cost as at 01/01/2022	**5,018,434.00**	**121,722,427.42**	**126,740,861.42**
Additions - Note No.8 . 1	3,787,086.09	1,180,671.31	4,967,757.40
Cost as at 31/12/2022	**8,805,520.09**	**122,903,098.73**	**131,708,618.82**
Accumulated Depreciation			
Accumulated Depreciation as at 01/01/2022		42,288,485.55	42,288,485.55
Depreciation for the year	-	3,102,526.43	3,102,526.43
Accumulated Depreciation as at 31/12/2022	**-**	**45,391,011.98**	**45,391,011.98**
Net Book Value as at 31/12/2022	**8,805,520.09**	**77,512,086.75**	**86,317,606.84**

Notes Financial Statement contd….

			2022 Rs.	2021 Rs.
8.1	**Land & Buildings**			
	Land			
	Road Carpeting		3,787,086.09	
			3,787,086.09	
	Buildings			
	Renovation of Existing Buildings		963,155.00	
	Renovation of Sawing Shed & Improvement of Class Room		217,516.31	
			1,180,671.31	
9	**Payables**			
	Trade creditors	**9.1**	4,090,826.38	1,290,501.38
	Accrued expenses	**9.2**	8,962,732.33	6,925,193.21
	Sundry creditors	**9.3**	685,418.11	4,531,296.25
	Current Tax Payable	**9.4**	175,271.33	8,700.00
	Project 2019 Payable	**9.5**	671,600.00	671,600.00
	Project 2022 Payable	**9.6**	1,200,000.00	-
	Bank Guarantee Payable	**9.7**	2,736,962.00	-
	Salary Payable		2,500.00	-
			18,525,310.15	13,427,290.84
9.1	**Trade Creditors**			
	Course fees received in advance		4,090,826.38	1,290,501.38
			4,090,826.38	1,290,501.38
9.2	**Accrued Expenses**			
	Casual wages & allowance for trainees		-	63,162.00
	Allowance to TEC & MTB Members		102,000.00	281,000.00
	Building Cost		660,640.00	182,689.76
	Project 2021 - Batik Centers (25 Centers)		852,000.00	-
	School Uniform Inspection		-	237,390.00
	Co-ordinating fees		-	-
	Transport Chargers		98,521.07	390,381.29
	Allowance for Chairmen- Arrears		-	125,000.00
	Repairs &Maintenance of Computers		-	24,646.30
	Repairs & Maintenance of Motor Vehicles		60,615.00	76,576.30
	Repairs & Maintenance of F.F.F & Equipments		-	165,081.87
	Repairs & Maintenance of Plant & Machinery		-	9,082.02
	Repairs & Maintenance Land & Building		-	13,250.00
	Overtime		327,431.81	468,134.64
	Traveling & subsistence		47,150.00	176,700.00
	Water		54,817.07	21,903.29
	Electricity		628,501.03	585,669.61
	Security charges		200,100.00	159,150.00
	Communication services		68,973.92	64,512.89
	Fuel for vehicles & Generator		162,390.00	137,448.00
	Medical scheme labour welfare		214,886.27	246,255.07
	Janitorial services		498,798.50	343,112.00
	Expenses on gauze testing		14,300.00	22,100.00
	Entertainment		-	8,670.00

Notes Financial Statement contd….

		2022 Rs.	2021 Rs.
	Visiting Lecture fees	196,200.00	269,125.00
	News paper bill	5,310.00	2,660.00
	Purchase of Stationery	34,125.00	66,255.00
	Purchase of Consumables	318,860.00	-
	Professional Allowance	-	3,000.00
	Weekend Payments	1,166,379.00	1,408,855.29
	Training courses expenses	-	15,102.66
	Other Service Charges		-
	Whats App Bill	836.67	-
	Improvement Modification & Upgrading of Class Room	2,736,961.99	
	Consultancy Incentive		-
	Boundry Wall & LandScaping Design	400,199.00	
	Interview Board Member Fees	-	61,050.00
	Renovaton of Sewing Shed & Improvement Class Room	-	1,178,471.82
	Career Guidence Programme	-	7,521.55
	Accredititations & Certifications Fees	112,736.00	111,236.76
		8,962,732.33	**6,925,193.21**
9.3	**Sundry Creditors**		
	Consultancy advances	75,336.25	11,536.25
	Test Report in Advance	47,430.86	47,430.86
	Canteen tender deposit	5,000.00	5,000.00
	Bid security	35,500.00	6,000.00
	Refundable Deposit	473,001.00	489,731.00
	General Treasury (Vehicle Sale Proceed)	-	3,871,448.14
	Refundable Tender Deposit	49,150.00	100,150.00
		685,418.11	**4,531,296.25**
9.4	**Current Tax payable**		
	Stamp Duty Payable A/c	8,250.00	8,700.00
	VAT PAYABLE	-	-
	Social Security Contribution Levy -(SSCL-2.5%)	167,021.33	-
		175,271.33	**8,700.00**
9.5	**Project 2019 Payable**		
	Installing Learniing Management Project	671,600.00	671,600.00
		671,600.00	**671,600.00**
9.6	**Project 2022 Payable**		
	100 Sawing Machine Project	1,200,000.00	-
		1,200,000.00	**-**
9.7	**Bank Guarantee Payable**		
	Chance Engeneering	2,736,962.00	-
		2,736,962.00	-
10	**Short-term provisions**		
	Provision for audit fees	936,000.00	2,000,000.00
	Provision for Staff Development Fund	162,427.66	776,387.66
		1,098,427.66	**2,776,387.66**

Notes Financial Statement contd….

			2022 Rs.	2021 Rs.
11	**Superannuation**			
	Provision for Gratuity			
	Balance as at the beginning of the year		48,214,906.00	50,956,957.50
	Less - Payments for the year		(985,162.50)	(6,346,480.00)
			47,229,743.50	44,610,477.50
	Provision for the year		3,503,436.72	3,604,428.50
	Balance at the end of the year		**50,733,180.22**	**48,214,906.00**
12	**Govt.Contributions & Foreign Aid**			
	Balance as at the beginning of the year		216,077,974.76	141,225,370.48
	Add - Grants in the year	**12.1**	35,739,900.00	99,260,480.50
			251,817,874.76	240,485,850.98
	Refund Grant to General Treasury	**12.2**	(20,723,241.42)	-
	Less- Amortization of the year	**12.3**	(22,356,440.65)	(24,407,876.22)
	Balance as at end of the year	**12.4**	**208,738,192.69**	**216,077,974.76**
12.1	**Capital Grant in the year**			
	Cash Grant in the year		35,000,000.00	100,000,000.00
	Cash Grant from treasury for Special Project (100 Sewing Machine Mechanic Project)		5,000,000.00	-
	(-) Cash Grant from treasury for Special Project (PIP,Multi task , Leather & F/W,100 Saw. Mach. Mec)		(6,000,000.00)	(23,050,000.00)
	Capital Grants (Cash)		**34,000,000.00**	**76,950,000.00**
	Error Correction-Upgrading of Sewing Laboratary & Improvement of class rooms		-	9,900,000.00
	Grant received from Government through Ministry for projects	**12.1.1.**	1,739,900.00	12,410,480.50
			35,739,900.00	**99,260,480.50**
12.1.1	**Grant received from Govern. through Ministry for Capital Expend.**			
	Establish Textile Design Innovation, Research & Development Center		23,300.00	6,319,065.00
	Strengthen the Research and statical activities in Textile & Apparel sector		963,800.00	1,380,059.00
	Development of multi skilled task force		752,800.00	4,711,356.50
			1,739,900.00	**12,410,480.50**
12.2	**Refund Grant to General Treasury**			
	New Building Project		19,237,399.42	-
	CCTV Project		1,485,842.00	-
			20,723,241.42	-
12.3	**Amortization of the year**			
	Depreciation portion of assets by the Government Grant		22,356,440.65	24,407,876.22
			22,356,440.65	**24,407,876.22**
12.4	**Govt.Contributions & Foreign Aid**			
	Capital Grant from the Government		610,707,558.13	574,967,658.13
	Assets transferred by the Ministry		50,043,791.00	50,043,791.00
	Foreign Aid (World bank & JICA)		99,276,267.00	99,276,267.00
	Other donations received		291,081.00	291,081.00
			760,318,697.13	724,578,797.13
	Less- Refund Grant to General Treasury	12.2	(20,723,241.42)	-
	Less- Accumulated total of amortization		(530,857,263.02)	(508,500,822.37)
			208,738,192.69	**216,077,974.76**

Notes Financial Statement contd….

			2022	2021
			Rs.	**Rs.**
13	**Other projects**			
	Handloom Development programme - Marandmunei		-	2,147,985.53
	Ministry of industry & commerce Scholarship Fund		-	236,867.04
	Project 2020 - Batik Training Programme		1,215,490.39	1,353,923.58
	Project 20/21-Eet.Tex.Des.Inno.& Res.Dev-Mn.7.1		-	667,049.00
	Project 20/21-Stren.the Res.& Sta.Act.-Mn.3		-	1,016,845.11
	Apparel Base cottage Industry		229,219.06	229,219.06
	Project -2021-Dev.of Pro.Mui.Skill Rural Youth 8Mn		-	2,574,213.40
	Project 2021 - Establishment of 160 Batik Centers		30,350,779.34	50,670,364.41
	Project 2021 - Product , Impro Project		-	5,045,864.99
	Project 2021 - Establishment of 160 Batik Centers -25 Centers		(9,656,503.94)	-
			22,138,984.85	**63,942,332.12**
14	**Accumulated surpluses/ (deficit)**			
	Profit Brought Forward		315,936,943.02	276,544,904.67
	Prior Year Adjustments for event occurred after balance sheet date			
	Interest Income Audit Adjustment			1,854,492.00
	Revised Expenses	**14.1**	**(333,389.34)**	98,167.78
			315,603,553.68	278,497,564.45
	Excess for the year		65,891,654.03	37,439,378.57
			381,495,207.71	**315,936,943.02**
14.1	**Revised Expenses**			
	Battery for Laptop		(28,728.00)	
	Repair for Fax Machine		(2,700.00)	
	Accredititations & Certifications Fees		232,000.00	
	Fuel Allowance for Chairmen		253,300.00	
	Allowance for Chairmen		(25,000.00)	
	Interview Board Member Fee		(61,050.00)	
	Visiting Lecturer Fee		(18,000.00)	
	Weekend Payments		(2,400.00)	
	Travelling		(500.00)	
	Renovation of Canteen		(0.09)	
	Road Carpeting		(13,532.57)	
			333,389.34	
15	**Operating Income**			
	Testing	**(15.1)**	50,502,098.03	80,053,160.63
	Training	**(15.2)**	92,350,055.26	60,191,250.00
	Special Projects		20,181,257.98	-
	Consultancy services		3,326,946.00	1,921,549.00
	Customer / Technical Services & other sales		13,125,526.97	39,770,433.25
			-	-
	Other income	**(15.3)**	51,271,302.38	16,015,706.84
	Excess amount received on disposal of assets	**(15.4)**	157,193.46	157,824.40
			230,914,380.08	**198,109,924.12**
15.1	**Testing**			
	Normal testing		26,674,329.50	30,161,661.68
	Forces uniforms		-	2,403,200.14
	School uniforme testing		23,866,963.53	47,624,021.06
	less - Discounts given-Testing		(39,195.00)	(135,722.25)
			50,502,098.03	**80,053,160.63**

Notes Financial Statement contd….

			2022	2021
			Rs.	**Rs.**
15.2	**Training**			
	Week Day Training		31,592,353.83	19,640,000.00
	Week End Training		49,401,157.93	26,763,300.00
	External Training		11,356,543.50	13,787,950.00
			92,350,055.26	**60,191,250.00**
15.3	**Other Income**			
	Other Sales Income	**(15.3.1)**	48,750.00	50,000.00
	Miscellaneous income	**(15.3.2)**	110,827.35	158,117.60
	Savings A/C interest (Foreign Currency Savings A/c & Fund Management Savings A/c)		733,607.53	12,115.84
	Fixed Deposit interest		601,996.27	307,229.86
	Treasury Bills interest		2,902,448.12	855,706.04
	Call deposit interest		44,779,229.07	13,860,553.12
	Staff Loan Interest		631,320.02	567,984.38
	Registration of Suppliers		111,000.00	6,000.00
	Canteen rental		10,000.00	5,000.00
	Non Refundable Tender Deposit		29,000.00	193,000.00
	Forex Gain		1,313,124.02	-
			51,271,302.38	**16,015,706.84**
15.3.1	**Other Sales Income**			
	Auditorium,Seminar Hall,Class Room Hiring Charges		48,750.00	-
	Location Hiring Charges		-	50,000.00
			48,750.00	**50,000.00**
15.3.2	**Miscellaneous Income**			
	Photocopy charges		3,256.00	-
	Repeat exam fees & VIVA		93,000.00	8,517.00
	Transport charges (PIP and Divineguma,Other Projects)		-	31,000.00
	Over Payment Debt		16.67	-
	Sales on Disposal Consumable Items		14,554.68	109,400.60
	Course fee refund		-	9,000.00
	Work Diary		-	200.00
			110,827.35	**158,117.60**
15.4	**Excess amount received on disposal of assets**			
	Cost of the Assets-2022		1,107,736.80	460,237.42
	(-) Depreciation		(1,106,884.80)	(459,812.42)
	Net Book Value of disposal assets		**852.00**	**425.00**
	Sale proceed		158,045.46	158,249.40
	Total profit on disposal		**157,193.46**	**157,824.40**
16	**Personal Emoluments (Wages, Salaries & Employee benefits)**			
	Salaries & wages		51,691,761.02	57,758,573.05
	Cost of Living Allowance		7,273,820.00	8,148,400.00
	Special Allowance		4,709,333.33	-
	EPF		7,086,969.73	7,913,230.00
	ETF		1,771,742.43	1,978,307.46
	Allowance to chairman		933,980.81	425,000.00
	Casual wages / Allowance to trainees		236,940.98	1,207,037.85
	Overtime		2,817,161.00	3,596,970.47
	Week-end payments		10,425,713.34	9,872,880.24
	Professional Allowance		2,650,349.66	*3,055,516.67*
	Bonus/Appreciation allowance		1,295,000.00	2,651,274.00
	Board secretarial fee		68,000.00	50,000.00
	Allowance for week-end school staff		243,500.00	327,166.67
	Telephone allowance		243,733.33	220,662.17
	Transport allowance		4,020,010.00	4,855,000.00
	Co-coordinating fee		1,546,474.81	872,429.02
	Testing lab Staff allowance		459,000.00	459,000.00
	Gratuity		3,503,436.72	3,604,428.50
	Consultance Incentive		299,181.38	42,451.80
			101,276,108.54	**107,038,327.90**

Notes Financial Statement contd….

			2022 Rs.	2021 Rs.
17	**Traveling**			
	Local		616,500.00	778,100.00
			616,500.00	**778,100.00**
18	**Supplies & Consumables**			
	Stationery & office requisites	**18.1**	3,613,748.55	2,308,449.18
	Other consumables	**18.2**	1,445,986.12	1,007,789.37
	Accreditations & certification fees		3,198,240.42	2,690,315.60
	Fuel for vehicles & generator		4,796,579.45	3,638,057.14
			13,054,554.54	**9,644,611.29**
18.1	**Stationery & Office Requisites**			
	Stock as at beginning of the year		1,103,618.19	1,090,185.33
	Add -Purchases during the year		4,197,448.30	2,321,882.04
			5,301,066.49	3,412,067.37
	Less - Stock as at end of the year		(1,687,317.94)	(1,103,618.19)
			3,613,748.55	**2,308,449.18**
18.2	**Consumables,QC Lab materials, Yarn & Dyes**			
	Stock as at beginning of the year		1,481,127.54	1,480,698.89
	Add -Purchases during the year		1,530,528.97	1,008,218.02
			3,011,656.51	2,488,916.91
	Less - Stock as at end of the year		(1,565,670.39)	(1,481,127.54)
			1,445,986.12	1,007,789.37
19	**Repairs and Maintenance**			
	Land & Buildings		1,158,353.25	1,159,795.40
	Motor Vehicles		(181,211.34)	1,169,277.87
	Furniture & Fittings and Equipment		335,776.73	583,939.01
	Lab Equipment		907,531.24	1,713,664.88
	Plant & Machinery		734,800.90	473,842.02
	Computers		575,891.42	592,399.32
	Industrial Sewing Machine		1,435.00	-
	Generator		106,973.58	51,342.25
			3,639,550.78	**5,744,260.75**
20	**Contractual Services**			
	Insurance		196,990.41	191,733.28
	Security charges		1,884,457.00	1,769,100.00
	Janitorial services		4,530,627.01	3,861,606.34
	Electricity		6,335,251.70	5,394,768.16
	Water		884,867.87	596,881.63
	Communication services		813,248.71	740,239.86
	Postage		74,980.00	264,722.00
	Advertisement Expenses		399,437.40	1,276,515.46
	Transport charges		5,677,688.41	2,865,462.89
			20,797,548.51	**16,961,029.62**

Notes Financial Statement contd….

			2022	2021
			Rs.	**Rs.**
21	**Depreciation**			
	Building		3,102,526.43	2,771,127.35
	Computers		3,905,074.89	3,902,946.43
	Furniture ,Fittings & equipment		5,395,007.80	5,709,155.62
	Motor Vehicles		792,366.67	1,882,582.05
	Plant & Machinery		3,317,567.94	3,192,369.03
	Industrial sewing machinery		1,648,061.73	1,829,245.73
	Lab Equipment		6,458,529.17	7,875,155.58
	Books & Periodicals		335,447.95	348,634.43
			24,954,582.58	**27,511,216.22**
22	**Other expenses**			
	Visiting lecturer fees		2,688,475.00	1,080,900.00
	Audit fees - provision for the year		1,600,000.00	912,000.00
	Training courses expenses		5,486,338.40	6,874,119.33
	Miscellaneous expenses	22.1	1,158,727.38	437,373.16
	Interview Board Members Fees		-	61,050.00
	Staff Welfare - Tea Expenses		2,483,373.47	1,242,408.86
	Staff Medical scheme labour welfare		3,699,547.55	2,931,777.73
	Welfare society		-	200,000.00
	Fees to Board of Governors		564,000.00	450,000.00
	Exhibition expenses		235,000.00	20,145.00
	Stamp duty		38,675.00	24,925.00
	Career guidance programme		113,437.38	118,002.01
	Doubtful debtors		388,925.94	(249,552.39)
	NVQ Accrditation Expenses		88,400.00	47,950.00
	Expenses of gauze testing		141,700.00	47,100.00
	Membership Subs.Fees		151,907.12	95,798.26
	Exp. For testing of school uniform material		-	5,201.91
	Withholding Tax			
	NBT - 2% expenses			
	Allowance to TEC and MTB Members		102,000.00	281,000.00
	Allowance to Audit & Management committee, Academic council members		114,000.00	95,175.00
	Entertainment expenses		244,650.76	260,879.34
	Certificate Award ceremony		-	-
	Diploma Awarding expenses -2022		478,197.94	-
	Degree Awarding status Expenses		762,115.00	3,050.00
	Economic Service Charges			
	Dgree Course Expenses		33,465.00	-
	Publication & magazines		442,260.00	363,172.80
	Staff Development Fund		-	891,903.00
	School Uniform Inspection		500,741.95	795,921.11
	Advertising & Marketing		1,328,155.00	
	Covid Expenses		46,185.64	158,010.00
			22,890,278.53	**17,148,310.12**

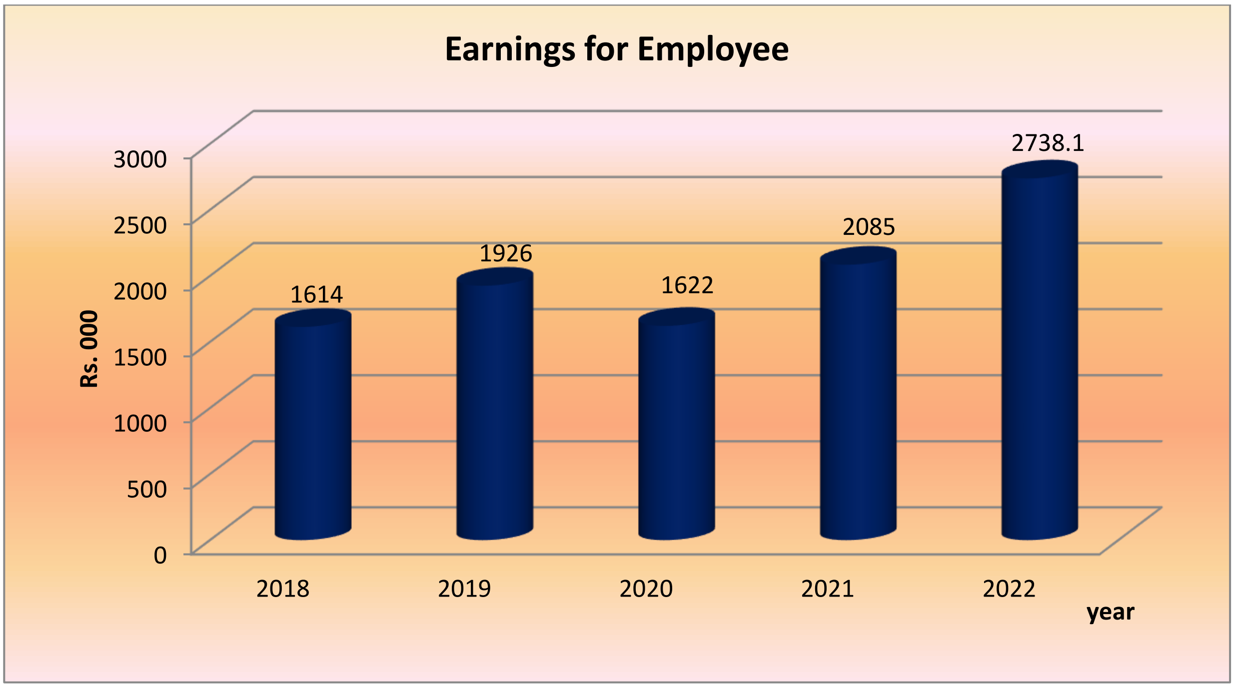
Notes Financial Statement contd….

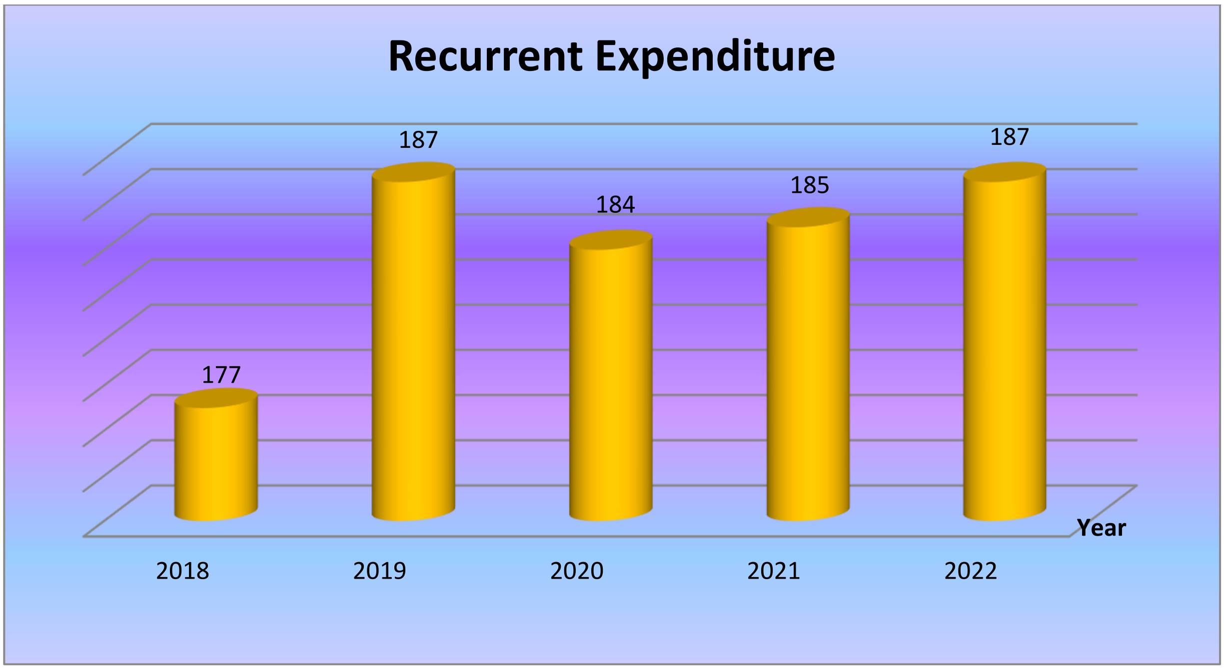
		2022 Rs.	2021 Rs.
22.1	**Miscellaneous Expenses**		
	News paper bills	44,990.00	19,730.00
	Labour charges	14,000.00	51,750.00
	Key Cutting charges	500.00	250.00
	Verification of Educational Certificates	-	2,800.00
	Honorarium fee	18,000.00	6,000.00
	Translation Fees - annual report & others	210,657.00	47,835.00
	Vehicle parking fee	-	450.00
	Medicine/Medical treatment for students	9,256.69	-
	Pirith ceremony	67,123.00	51,100.00
	Purchase of Gift items for ITN	-	12,250.00
	Certificate framing charges	-	750.00
	Other Expenses	220.00	-
	Book binding charges	17,603.90	6,194.50
	Refreshments - Pirith Ceremony	-	36,445.00
	Driving Licence	1,700.00	-
	Valuation Charges	554,454.44	-
	Payment for UGC Visitors	-	8,235.00
	Gift for visitors - Staff Development programme	-	5,940.00
	Purchase of photo frame	-	750.00
	Sharping Charges	2,400.00	-
	DTAC Payment	-	-
	Subscription for Magazine	-	-
	Misc. Advance	-	21,335.00
	Purchase of Building Plan Application	-	500.00
	Purchase of Coconut oil bottle	15,895.00	800.00
	Photocopy charges	-	515.00
	' Thuhinasara'' Event	15,000.00	-
	New Year Cards	15,720.00	-
	Courier charges	65,968.26	87,763.63
	Subscription Fee (Magazine,Textile News Paper)	61,879.09	-
	Purchase of Tissue box, match box, Cutter knife	8,365.00	3,627.00
	Expenses for Katina Cheewara programme - Kurunegala	-	29,830.00
	Expenses for Katina Cheewara programme - Polonnaruwa	24,490.00	-
	Allowance for Vehicle services (Immigration Dept.)	-	19,000.00
	Pre-payments - Adjustments	-	17,065.53
	Donation - Unduwapsara Student Event 2021	-	75,000.00
	Postage charges	-	9,700.00
	Decorations for X'mas & New Year	10,505.00	5,657.50
	Reimbursement of Katina Cheewara Programme	-	(83,900.00)
		1,158,727.38	437,373.16
23	**Finance cost**		
	Foreign exchange loss	-	170,942.12
	Bank charges	150,043.22	81,623.75
		150,043.22	**252,565.87**

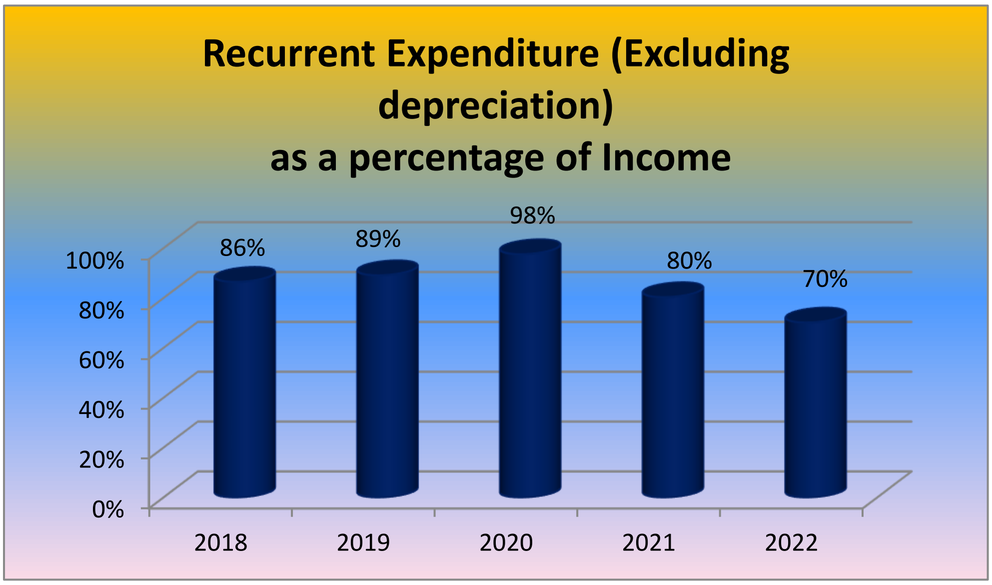
Notes Financial Statement contd….

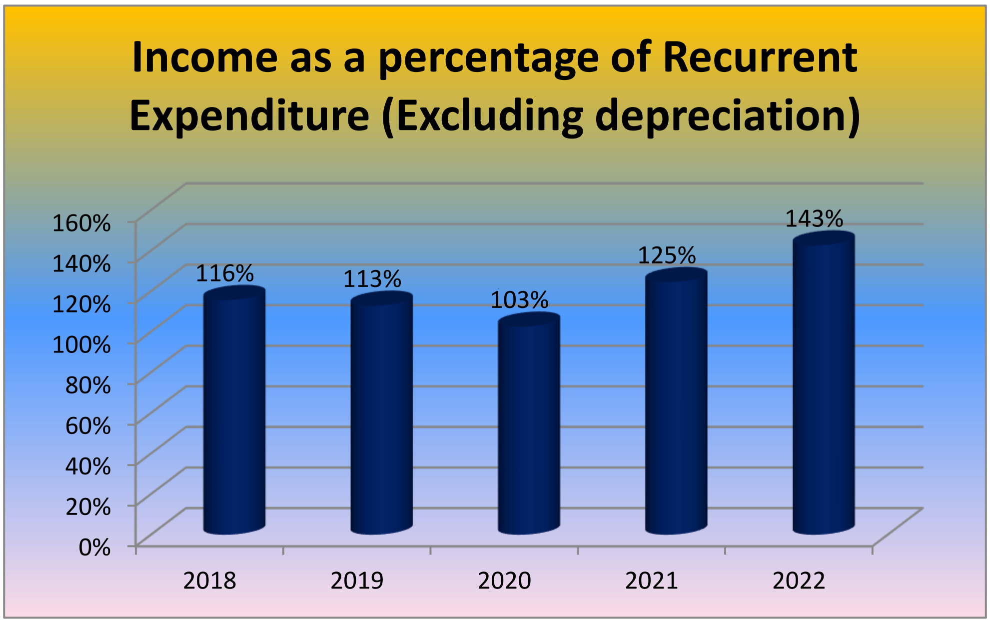
		2022	2021
		Rs.	**Rs.**
24	**Deferred income**		
	Depreciation portion of assets by the Government Grant	21,356,440.65	23,607,876.22
	Government contribution for human capacity building	1,000,000.00	800,000.00
		22,356,440.65	**24,407,876.22**
25	**Revaluation Surplus**		
	Revalued Motor Vehicles	23,800,000.00	-
	Net Book Value Revalue Motor Vehicles as at 31.10.2022	(556,701.23)	-
		23,243,298.77	-

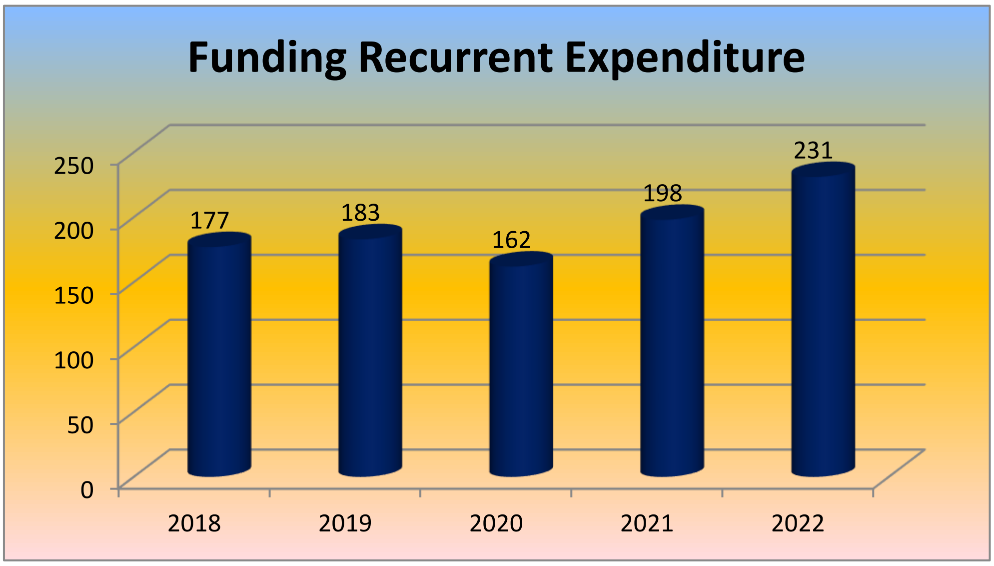
PERFORMANCE INDICATORS





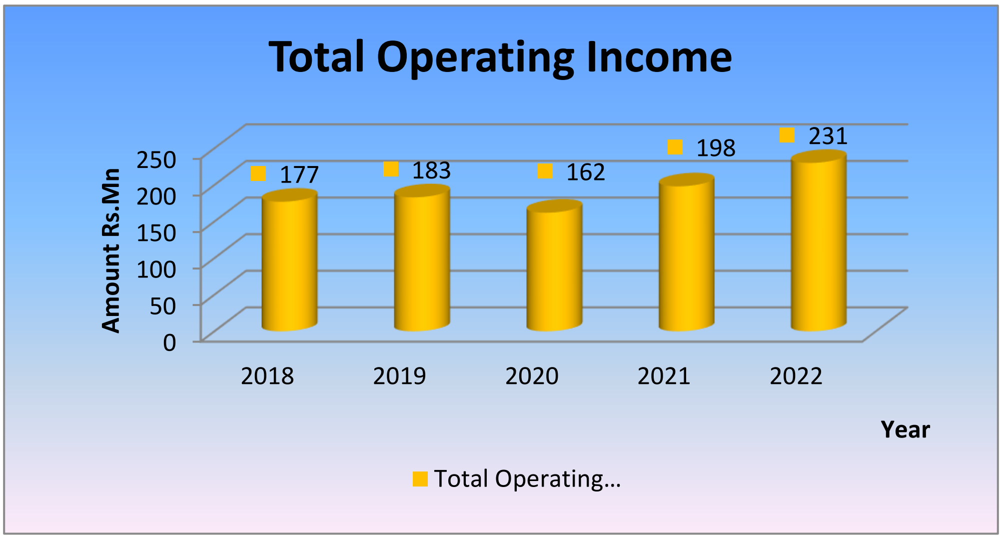

Recurrent Expenditure (Excluding depreciation)
as a percentage of Income
100%
80%
60%
40%
20%
0%
86%
89%
98%
80%
70%
2018
2019
2020
2021
2022


Income as a percentage of Recurrent Expenditure (Excluding depreciation)
160%
140%
120%
100%
80%
60%
40%
20%
0%
116%
113%
103%
125%
143%
2018
2019
2020
2021
2022


Funding Recurrent Expenditure
250
200
150
100
50
0
177
183
162
198
231
2018
2019
2020
2021
2022

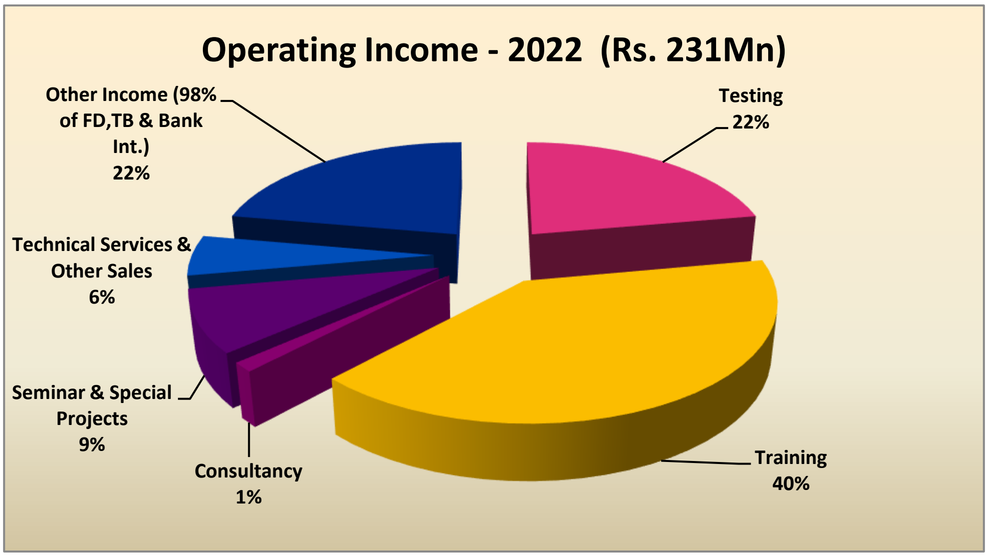
REPORT ON FINANCIAL STATEMENTS

Income



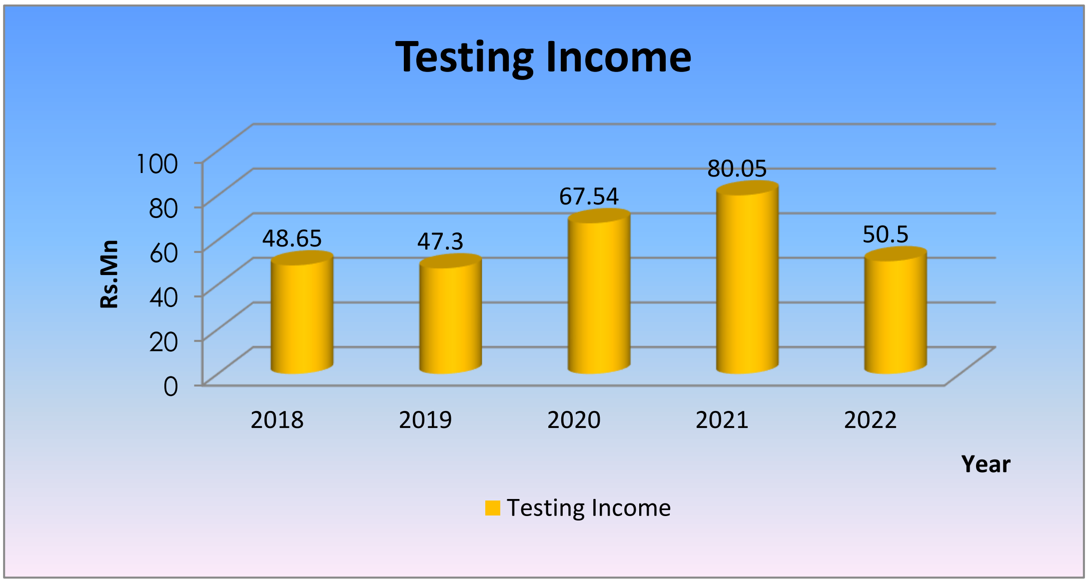
The Institute has recorded a total annual income of Rs. 231Mn during the year under review which is an increase of 17% compared to the year 2021.During the year under review total income increased by Rs. 33 Mn. due to the increase of testing, training, consultancy & technical services income.

Operating Income



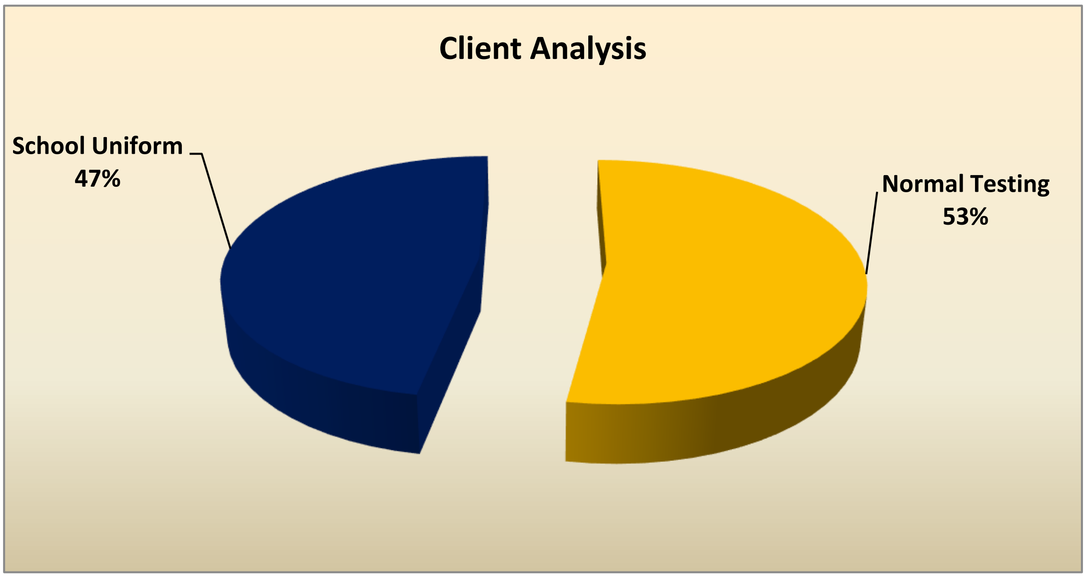
The income generated by Testing, Training and Consultancy services are 63% of the total operating income while 22% of the operating income is contributed by sources such as Interests Income (Fixed Deposit, Treasury Bills and Call Deposits interest), Transport income and, miscellaneous activities. The technical Services income is 6% of the total income.

Testing Income



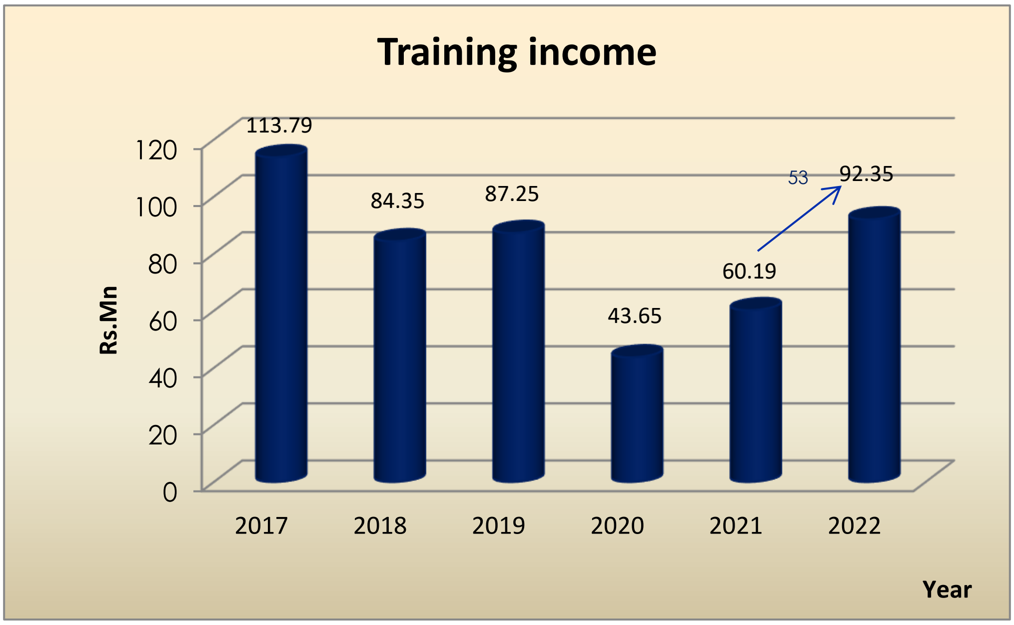
During the year, testing has generated an income of Rs.50.50 Mn. through 34,444 tests from 3976 samples. There is a decrease of 36.91% in the testing income compared to the previous year.

Testing Income Client Analysis



Training

Training is another service provided by the Institute. In the year 2022, Institute records a total number of Trainees as 2,939 and total number of Training Programs as 166. Total training income generated in the year under review amounts to Rs.92.35 Mn., compared to Rs. 60.19 Mn. earned in 2021. This is a considerable increase by 53% compared to the year 2021.



Income from Other Sources

Other income sources, comprise mainly of Interest on Fixed deposits, Treasury bills and Call Deposit investments income, Distress loan interest income, canteen rental, nonrefundable tender deposit, and forex gain and the balance contribution is made from Miscellaneous activities such as repeat exam fee, transport charges and tender document fees, photocopy charges,....etc.

Expenditure

	2022 Rs.Mn	2021 Rs. Mn
Operating Income	230.91	198.11
Less:		
Total Operating Expenditure	187.38	185.08
Operating profit/loss	43.54	13.03
Deferred Income	22.36	24.41
Net Surplus/ (Deficit) for the Period	**65.89**	**37.44**

Total recurrent expenditure incurred during the year is Rs.187.38Mncompared to Rs. 185.08 Mn. previous year and this indicates a slight increase of1.2 % of expenditure. Recurrent expenditure mainly consists of personnel emoluments, supplies and consumable expenses.

Overall Financial Structure

Infrastructure, Plant and Equipment consist of a net value of Rs. 178.09Mn. Total investment during the year is Rs. 19.8Mn.

- Overall institutional income increased by 17% from Rs. 198.11 Mn. to Rs.230.91 Mn.
- Total Expenditure Increased by 1.2% from Rs.185.08Mn toRs.187.38 Mn.
- Earned operating Profit Rs. 43.56 Mn. from operating Profit Rs.13.03 Mn.

ACTIVITIES -YEAR 2022

HIGHLIGHTS

2022 First Day at Office

Training Programme for Employees of SLITA

MOU with University of Vocational Technology

Sinhala & Tamil Avurudu – 2022

Official Launching Ceremony of B.Sc Degree Programme

Diploma Award Ceremony 2022

Cricket Tournament 2022 Ministry of Industries

Friendly Cricket Tournament with Staff and Students

Staff Training Programme on Curriculum Development

Health Camp

"Thuhinasara'' Event 2022

RESEARCH ACTIVITIES OF THE SLITA

Sri Lanka Institute of Textile and Apparel is planning to offer B.Sc. in Textile and Apparel. Accordingly Organization Structure has been amended to support the academic a activities of the Institute. Five Centre, namely Staff Development Centre, Carrier Guidance Centre, Research Centre, Cultural, Sports and Welfare Centre and Quality Assurance Centrehave been established.

Research Centre is established to promote innovation and excellence in research in SLITA. The main expectation from Academics is generation of new knowledge through research. It aims to engage continuously in many activities to promote research culture and encage academics for quality research. The Centre is responsible to promote academics and administration for advancing scholarly activity through collaborate research, research training and research dissemination or creative endeavors.

Array of activities have been planned by the Research Centre including Academic writing workshop, awareness programme for Mini Symposium, Training Programme on Research Methodology and Research Symposium.

FUTURE PLANS FOR THE YEAR 2023

1. Continuous update of curriculum to match the requirements of the industry. (Industry 4.0)

2. Construct a spacious new building complex with modern Fashion Design, Auditorium& Library & Studying area for Students.

3. Improve institutional and corporate connectivity and networking facilities, both Local and internationally, to provide competitive service deliveries in the areas of training, consultancy, testing and technical services.

4. Acquire degree awarding status.
5. Linkages with foreign academic institutions.
6. Research to obtain yarn from 100% banana fiber to produce fabric.
7. Commercialization of banana Products.
8. Equipped with modern Laboratory Machine & Equipment.
9. Introduce Green & Sustainable System (Solar).

My No: TAC/A/SLITA/FS/22/21 Date: 17.05.2023

National Audit Office
Chairman
Sri Lanka Institute of Textile and Apparel

Auditor General's Report on the Financial Statements and other legal and monitoring requirements of the Sri Lanka Institute of Textile and Apparel, for the year ended on 31st day of December, 2022, as per Section 12 of the National Audit Act, No. 19 of 2018.

1. FINANCIAL STATEMENTS

1.1. Qualified Opinion

The Financial Statements of the Sri Lanka Institute of Textile and Apparel¸ for the year ended on 31st December, 2022 including the Statement of Financial Positions as at 31st December, 2022 and the Statement of Financial Performance, Statement of the Change of Ownership for the year ended on that date and the Cash Flow Statement and the Notes relating to the Financial Statements for the year ended on that date, with the summarized important Accounting Policies, were audited under my direction, as per the Provisions of the National Audit Act, No. 19 of 2018 and the Financial Act, No. 38 of 1971, read with Section 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My Report would be tabled in Parliament in due course, as per the Provisions of Section 154 (6) of the Constitution.

Except for the effect from the matters described in the Basis for the qualified Opinion section of my Report, my opinion is that the Financial Position as at 31st December, 2022 and Financial Operations and Cash Flow for the year ended on that date of the Institute reflect a true and just position according to the Accounting Standards of the Public Sector of Sri Lanka.

1.2. Basis for the qualified Opinion

(a) The assets that do not fulfill the requirements of paragraph 76 of Sri Lanka Public Sector Accounting Standard number 01, need to be classified under non- current assets, however, the ongoing work of capital nature with a value of Rs.71145429, had been indicated under current assets as advances.

(b) As per paragraph 08 of Public Sector Accounting Policy number 02, the interest received in cash based on call deposits and to the Fund Management Account in the year under review was Rs. 37415413. This was overstated as Rs. 43648601 in the cash flow statement with an additional amount of Rs. 6233188/=.

(c) In the Sri Lanka Public Sector Accounting Standard Number 07,

(i) In the revaluation of property, plant and equipment as per paragraph 49, the property, plant and equipment category to which the said asset belongs needs to be fully revalued. However, only 07 vehicles out of 10 vehicles that belonged to the institution had been revalued.

(ii) Although the Property, plant and equipment with a cost of Rs. 221618704 which were completely depreciated at the end of the year under review, had been in use continuously although this had not been revealed in the financial statements. Similarly, as per the Sri Lanka Public Sector Accounting Standards number 03, no action had been taken to review the estimated defect on the useful lifetime of these assets and to adjust these values in the financial statements.

(iii) The road which was developed incurring an expense of Rs. 3787086 as per paragraph 73 by the institution had been added to the cost of the land but without any depreciation.

(d) The payment charged for the training programs which are started in the current year and implemented until future accounting years, as per paragraph 19 of the Sri Lanka Public Sector Accounting Standards number 10, has to be recognized separately based on the relevant years. However, the income has been overstated in Rs. 3032170/= due to recognizing the total income of Rs. 3268170 charged for the courses as an income of the year under review.

(e) As per the paragraphs numbers 44 to 49 of Sri Lanka Public Sector Accounting Standards number 11, the revenue generated from the non transfer-transactions needs to be recognized and measured , however, such action had not been taken with pertinence to capital grants of Rs. 40 million that the institution received within the year under review.

I conducted the audit according to the Sri Lanka Audit Standards. My responsibility under these audit standards, have been further described in the section called 'auditor's responsibility regarding auditing of financial statements' of this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.3 Other Information included in the Annual report 2022 of the institution.

Other Information refers to the information which was obtained by me prior to the date of this audit report and which are not included in the financial statements and my audit report on the said statements , in spite of being included in the annual report of 2022 of the institution,. The management is held responsible regarding these other information.

My opinion on the financial statements does not cover the other information and I abstain from making any assurance or opinion in that regard.

My responsibility in relation to my audit on the financial statements, is to study the other information identified above when they are received and to consider whether the other information quantitatively mismatch with the financial statements or with my knowledge acquired in the audit or otherwise.

In case if it is decided by me that these other information have been quantitatively misstated, based on the other information that was obtained by me on the day prior to the date of this audit report and based on the tasks undertaken by me , I have the responsibility to report the same. I have nothing to report in this regard.

1.4 Responsibilities of the Management and the governing parties regarding Financial Statements

It is the responsibility of the Management to decide the internal control for preparing these Financial Statements according to the Auditing Standards of the Sri Lanka Public Sector and forwarding those in a just manner, and for enabling to prepare Financial Statements without quantitative errors that can be caused by frauds and mistakes.

When preparing Financial Statements, it is a responsibility of the Management to decide the ability of continued existence of the Institution, and also it is the responsibility of the Management to keep the accounts and to disclose the matters regarding the continued existence of the Institution, except when the Management decides to liquidate the Institution or to discontinue the operations of the Institution, when there is no other alternative.

The responsibility of Financial Reporting process of the Institution is borne by the governing parties.

The Institution should maintain relevant books and reports on its revenue, expenditure, assets and liabilities to enable to prepare its annual and periodic Financial Statements as per Subsection 16(1) of the National Audit Act, No. 19 of 2018.

1.5 Responsibilities of the Auditor regarding the auditing of Financial Statements

My intention is to forward an equitable assurance that the Financial Statements, as a whole, are without quantitative errors that can be caused by frauds and mistakes and to issue the Auditor's Report including my opinion. Even though the equitable assurance is an assurance of a higher level, it would not be an assurance that it would always disclose quantitative misstatements when performing an audit according to Sri Lanka Audit Standards. Quantitative misstatements can be made by the effects of frauds and mistakes singularly or collectively, and it is expected that it would affect the financial decisions taken by the users based on these Financial Statements.

I conducted the audit with professional judgment and professional skepticism according to the Sri Lanka Audit Standards. Further,

- When identifying and assessing risks of quantitative false statements that can be caused in financial statements due to frauds and mistakes, the base for my opinion is to obtain sufficient and relevant audit evidences, in order to avoid the risks caused by frauds and mistakes by using relevant auditing procedures that suit the situation. The effect caused by a fraud is more dangerous than that is caused by a quantitative statement, and the causes for a fraud are unholy alliance, preparing false statements, intentional avoidance or the avoidance of internal control.
- Even though an understanding regarding the internal control of the Institution was obtained for planning relevant audit procedures to suit the situation, it is not intended to give an opinion regarding the success of the internal control.
- Justifiability of the auditing policies and accounting estimates, and the relevancy of connected disclosures made by the Management is appreciated.
- Based on obtained audit evidences whether there is any quantitative uncertainty of continued existence of the Institution due to happenings or causes, the relevancy of using the continued existence of the Institution as a base for accounting was decided. If I conclude that there is a quantitative uncertainty, I should focus my attention to the disclosures in the financial statements regarding those, and if those disclosures are not sufficient, my opinion should be modified. However, it is probable to end the continued existence due to future happenings or causes.
- Presentation of Financial Statements consisting disclosures, its structure and the content were appreciated and it is appreciated that the transactions and happenings based for that are included in financial statements in a relevant and just manner.

  Governing parties were made to understand the Important audit findings, main internal control weaknesses and other matters identified in my auditing.

2. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

2.1 Special provisions regarding the following requirements are included in the National Audit Act, No. 19 of 2018 :

2.1.1 According to the requirements contained in Section 12 (a) of the National Audit Act, No. 19 of 2018, except for the effects described in basis for the qualified Opinion part of my Report, I obtained all the required information and explanations for auditing and as seen in my inquiry, the Institution has maintained relevant Financial Records.

2.1.2 According to the requirements contained in Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018, Financial Statements forwarded by the Institution are similar to the last year.

2.1.3 According to the requirements contained in Section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018, except for the observations described in Paragraph (iii) of section (C) of the basis for the qualified Opinion part of my Report, recommendations done by me in the last year have been included in the Financial Statements.

2.2 Procedures followed and on the evidence obtained, and within the limits of quantitative matters, there was nothing for my attention to make following statements :

2.2.1 According to the requirements contained in Section 12 (e) of the National Audit Act, No. 19 of 2018, there is a connection directly or otherwise out of the normal business position of any member of the Board of Management of the Institution regarding any agreement of the Institution.

2.2.2. According to the requirements contained in Section 12 (f) of the National Audit Act, No. 19 of 2018, acted in non compliance to any of the relevant written law or any other common or special provisions issued by the Board of Management of the Institution, except for the following observation.

Reference to laws/provision	Observations
a) Public Finance Circulars Number 01/2020 dated 28th August, 2020 and number 01/2020 (ii) dated 20th December 2020	All the government institutions that have not increased the charges charged for the provision of services within the period from the year 2020 to 2022 need to amend the rates as per the circular. However, the required measures have not been taken by the institution to amend the charges for 39 courses and 17 courses even after the year 2019 and 2017 respectively.

Reference to laws/provision	Observations
b) Paragraph 3.2 (i) of the Operational Handbook on Good Governance issued consecutively with the Public Enterprises Circular number 01/2021 dated 16th November 2021	All the allowances paid to employees should be submitted for the approval of the Department of Management Services after obtaining the director board approval and the recommendation of the line ministry. However, in the year under review, a sum of Rs. 12730369/- had been paid for laboratory testing allowance , course coordination fees, staff allowance for week end courses and consultancy allowance, after obtaining only the director board approval.
c) Financial regulation number 756 amended by the Public Finance Circular number 1/2020 dated 28th august 2020.	Although the annual survey should be conducted on the assets, inventories and inventory items and should be produced to the auditor general prior to the 31st of March 2023, it has not been done even until 15th May 2023.
d) Paragraphs 06 and 10 of the Assets Management Circular number 01/2017 dated 28th June, 2017.	Although every government institution needs to submit the accurate information on all the non-financial assets coming under their institution to the Office of the controller general , the information had not been reported regarding the infrastructure, plant and machinery with a value of Rs. 471325349 as at 31st December of the year under review.
e) Paragraph 02 (b) of circulars number 04/2022 of 25th January 2022 and number 05/2020 dated 02nd October 2020.	The repair of vehicles of which the repair is profitable, should happen immediately, however, no action had been taken to repair 03 vehicles that belonged to the institution but not used for a period of more than 02 years even as at the date of audit.

Reference to laws/provision	Observations
f) The guideline 5.4.8 (b) of the procurement guidelines of 2006 and Clause 52.1 of the signed contract agreement	When the contract period of the contract for the Improvement, Modification and Upgrading of the class rooms was extended, the performance security too needs to be extended accordingly, however this extension had been rejected by the bank. Although it is necessary to get a performance security from an accepted bank, a sum of Rs. 2736962, equivalent to the said value, had been obtained in cash. Further, the value of performance security had not been adjusted along with the price fluctuations although it should so happen as per the contract agreement

2.2.3 According to the requirements contained in Section 12 (g) of the National Audit Act, No. 19 of 2018, acted in non compliance to the powers, duties and business of the Institution, except for the following observation.

Conducting of degree courses and post graduate courses had been included as one objective behind the establishment of the institution through section 04 (a) of the Sri Lanka Institute of Textile and Apparel Act number 12 of 2009. However, under the Powers, functions and responsibilities of the institution as per section 05 of the Act, the institution has only been authorized to conduct degree and post graduate programs after entering into agreements with local and foreign universities to accomplish the above objective. In this situation, an expense of Rs.762115/= had been borne in the year under review to convert the institution into the level of awarding degrees independently.

2.2.4 According to the requirements contained in Section 12 (h) of the National Audit Act, No. 19 of 2018, assets of the Institution have not been procured and utilized efficiently and effectively within the time limits and according to the relevant laws and rules of the Institution.

2.3 Other Matters

(a) With effect from 11th January 2022, the funds in the current account had been transferred to a fund management account which was in the same bank leaving an amount of one million in it , as no interest is received for the balance maintained in the current account of the institution. Accordingly, there were 06 instances where the monthly balance of the said fund management account remained between Rs. 5-10 million and another 06 instances where the balance remained between Rs. 10-25 . An interest of Rs. 711762 had been charged for the year under review for keeping the money in the said account. However, it was observed that these funds could have been utilized more productively, had they been invested in the call deposits.

(b) An HTHTPS Dyeing machine had been purchased for a value of Rs. 11962335 in the year 2019, with the objective of producing yarn using banana bark under the Banana Yarn project by the institution. The said machine is not being used as the above project was not successful. It was further observed that there was no trained machine operator to operate the machine within the institution.

(c) 65 Diploma and Certificate courses conducted by the institution have been registered in the Tertiary and Vocational Education Commission and the National Vocational Qualification could be acquired during the previous years for 05 certificate courses out of the above courses. However, the NVQ qualification had not been granted for applications which were submitted to acquire the NVQ qualification for 10 courses during the year under review, stating that accreditation is not possible.

W.P.C. Wickramarathne
AUDITOR GENERAL