

ANNUAL REPORT 2022

லார்க்கிக லார்க்கால

வருடாந்த அறிக்கை



சாங்க லேசீகர ஡ெஸீலாங்க
தேசிய வடிவமைப்பு நிலையம்
NATIONAL DESIGN CENTRE



கர்மாஜ்ன அலாங்காங்க
கைத்தொழில் அமைச்சு
Ministry of Industries

ANNUAL REPORT & STATEMENT OF ACCOUNTS
2022

National Design Centre

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Guiding principles

Vision :-

Sustainably developed Sri Lanka

Mission :-

Introducing market based creative designs in line with global and local market trends through promotion, development, capacity building, popularization and adaption to the mainstreaming.

Business Objectives

- Developing handicrafts currently manufactured by craftsmen and introducing innovations and new design concepts in line with current and future market trends in the local and export markets.
- Conducting research programmes with scientific and technical institutions to introduce appropriate technology and improve quality standards and introduce proper technical and raw material preparation methods to increase qualitative production capacity.
- Providing advance technical and product development training assistance to craftsmen with the aim of increasing income for the better development of the handicrafts sector.
- Facilitating the database, use of new technology, common facilities to craftsmen/small-scale entrepreneurs and the public.
- Introducing substitute raw materials and more efficient, innovative production methods for handicraft designs.
- Improving market for newly designed handicraft products both local and international.
- Providing design consultancy services as requested by the public, private and non-governmental sectors.
- Improving the ability to design creativity through conducting vocational education programmes and training.

Core Values

- ❖ We are bound by responsibility.
- ❖ To be honest and transparent.
- ❖ Trust in the skills and unity efforts.
- ❖ We're moving to use new technology and preference.
- ❖ We believe that good customer service is provided.

Contribution of National Design Centre to achieving Sustainable Development Goals

Among the sustainable development goals, the National Design Center has focused on achieving the 8th goal identified as sustainable development goals that can be achieved through the role of the National Design Center.

8th Goal -Decent Work and Economic Growth

Under the 8th objective, the National Design Center is leading in carrying out the following main activities.

- 8.2** Achieve higher levels of economic, productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour -intensive sectors
- 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
- 8.4** Resource efficiency in consumption and production and endeavor to decouple-economic growth from environmental degradation
- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

In preparing the annual action plan, the National Design Center has allocated provisions to implement the following main activities related to the achievement of the 8th sustainable development objective identified above.

- Spreading quality trainings all over the country to cater the needs of selected craftsmen.
- Providing a way to earn additional income or self employment with group more opportunities for women to participate for training programmes
- Providing handicraft training for vulnerable groups to attract to the national economy.
- Introducing & expanding of cost effective, suitable appropriate systems for handicraft sector

- Develop the handicraft sector by Introducing new innovation, new technologies, new machineries, equipment and tools.
- Conducting research studies to develop the alternative raw materials and find out the pretreatment methods.
- Conducting awareness programmes and trainings on decent job.
- Introducing new market-friendly eco-friendly designs, innovative packaging and souvenir designs to the handicrafts sector.
- To introduce the new designs introduced in the field of handicrafts to the local and foreign markets and thereby boost the economy of the handicraftsmen.
- Enhancing the creativity of youth groups and providing career guidance by conducting vocational education programmes, training and consultancy services on a reasonable profit basis.

Business Act and Registration

The National Design Centre (NDC) is a statutory body which was established under the National Crafts Council and Allied Institutions Act No: 35 of 1982 and commenced its operations in 1983, and currently functions under the purview of the Ministry of Batik, Handloom and Local Apparel Products with the primary objective of improvement of craftsmen through the uplifting of the local handicrafts sector.

Organization

The National Design Centre is always in the process of achieving its objectives for the progress of the entire handicraft industry. Dedicated to uplifting the handicraftsman by carrying out various activities in collaboration with the Head Office located at No. 10, De Mel Road, Katubedda, Moratuwa, and in collaboration with the Branch Office established at Naththarampotha, Kalapura, Kandy covering the Central Province.

In addition, the National Comprehensive School, which is the center for invention creation through the Diploma Courses, has been established at the Head Office premises.

The youth of this country have created creative talents from the national level to the international level.

Also, the brass, laksha and leather related workshop and common facilities center located at the branch office Nattarampotha provide continuous service to the handicraftsman.

The implementation of the relevant activities in accordance with the action plan and the National Design Centre carries out its vision, mainly through the head office, in collaboration with the branch office at Nattarampotha. In addition, under the guidance of the State Ministry of Batik Handloom Textiles and Local Apparel Products, other existing sister organizations as well as voluntary organizations, handicraftsman and other external institutions engaged in various governmental and non-governmental organizations in the field of provincial councils and handicrafts are constantly involved in achieving the above objectives.

All administrative finance, marketing promotion, design development, design education, technical development and all other functions related to the main objective of the institution such as providing general facilities and library services are carried out by the head office and all other functions except administrative finance and marketing promotion. Activities are also handled by the Nattarampotha Project Office.

- | | | | |
|------|---|---|---|
| (i) | Head Office | - | No. 10, De Mel Road, Katubedda, Moratuwa |
| | Telephone/Fax No. | - | 011-2607114 – Chairman
011-2626345 – Director
011-2607814 – General |
| | Fax | | 011-2607111 |
| | e-Mail | | slndcrisep@yahoo.com / info@slndc.gov.lk |
| (ii) | Naththarampotha Project | - | Kalapuraya, Naththarampotha |
| | Office and workshop Telephone No. /Fax- | | 081-2420038 |

Board of Directors

- | | | |
|-----|--------------------------------|--------------------------------------|
| 1) | Mr. Ajith Jayawardena | - Chairman – up to 2022.12.05 |
| 2) | Mr. W. G. K. B. Ranathunga | - Chairman – from 2022.12.06 |
| 3) | Mrs. Chandrika Senanayaka | - Treasury Member - up to 2022.03.01 |
| 4) | Mrs. D. H. S. Pulleperuma | - Treasury Member - up to 2022.03.02 |
| 5) | Mrs. P. G. P. Rasanjali | - Treasury Member - up to 2022.09.01 |
| 6) | Mr. E. D. C. Sampath Erahapola | - Member |
| 7) | Mr. Lakmal Wickramarachchi | - Member |
| 8) | Mr. Densil Indrajith Perera | - Member |
| 9) | Mr. Ananda Jayasinghe | - Member |
| 10) | Mr. S.M. Abeyrathna | - Member |
| 11) | Mrs. Hashini Silva | - Member |
| 12) | Mrs. Nandani Samarawickrama | - Ministry Observer |

Senior Management

- | | | |
|-----|-------------------------------|---|
| 1) | Mr. Ajith Jayawardena | - Chairman - up to 2022.12.05 |
| 2) | Mr. W. G. K. B. Ranathunga | - Chairman – From 2022.12.06 |
| 3) | P. K. N. Asangika | - Director (Actg) / Assistant Director (Admin) |
| 4) | Mrs. M.A.S. Gamlath | - Assistant Director (Design Development)
Western Province / Head of Division |
| 5) | Mr. P. K. Wijesinghe | - Assistant Director (Design Development)
Central Province |
| 6) | Mr. B. Manathunga | - Assistant Director (Design Development)
North Central and North Western Province |
| 7) | Mrs. Tamara Damayanthi | - Assistant Director (Design Development)
Uva and Sabaragamuwa |
| 8) | Mr. W. M. Piyrathna | - Assistant Director (Design Development)
Southern Province |
| 9) | Mrs. B. R. Ranaweera | - Accountant |
| 10) | Mr. N. G. K. Indika | - Assistant Director (Marketing) |
| 11) | Mrs. B. A. N. N. Bamunusinghe | - Assistant Director (Chemical) |
| 12) | Mr. T. M. T. T. Thilakarathna | - Assistant Director (Mechanical) |

Bankers

Bank of Ceylon, Katubedda

People's Bank, Katubedda

Audit

Government Auditor General

Department of Auditor General

Chairman's Message

I consider it a great honour to be able to present an Annual Report of the National Design Center, which plays a leading role in promoting and developing the Sri Lankan handicrafts under the State Ministry of Batik, Handloom and local apparel products of the Ministry of Industries, for the year 2022.

Under the action plan of the year 2022, several endeavors such as conducting innovation development training programmes, sales development programmes, research and development programmes and awarding of certificates to 70 students who have successfully completed the diploma courses were accomplished by the Sri Lanka National Design Institute.

In addition to the above, activities such as, conducting a series of programmes on handicrafts designs with the support of the National Television Network, conducting the smart art drawing competition with the objective of influencing school children towards creative designing and conducting training programmes on fabric beautification, in integration with the vocational training authority were undertaken in the year 2022.

During this year, attention was focused on modernizing the strategies utilized for the action plan and also attention was paid towards the active implementation of the institution's act. Further, projects were planned within the year with a view to expanding the markets to enhance local production, to extend the creative support required to reach the new foreign markets, introducing the new innovations to the market, facilitating the craftsmen and manufacturers with the required facilities for exchanging knowledge and planning the development projects required to ensure standardization.

In addition to the action plans of the years 2023 and 2024, project proposals have been formulated and presented for the projects planned to be implemented under the allocations and guidelines extended by the Ministry of Industries.

I would like to make this an opportunity to extend my heart-felt gratitude to the entire staff of the Head Office and the Naththarampotha office who were extremely committed towards achieving the targeted progress of the year 2022 and also to the officers of the Line Ministry and the State Ministry for the support and guidance extended by them.

W. G. K. B. Ranathunga
Chairman
National Design Center

Director's Message

I was entrusted with the acting director responsibility since the post of the director remained vacant in the year 2022 as well. The dearth of fuel and the transport issues, which prevailed in the country, became a great challenge against the implementation of the action plan of the institution in spite of the gradual decline of the Covid threat.

However, with the support of the National Television Network, several programmes (Nugasewana programme) were conducted, covering different fields enabling the interested parties around the country with a concern towards the handicrafts sector to receive the required knowledge. This created the opportunity to further popularize the institute and its functions around the country .

As an integrated effort with the South Asia Partnership Sri Lanka and the Vocational Training Authority, a Training of Trainers (TOT) was conducted for the instructors. We were fortunate enough to conduct the “Smart Art Competition” for the first time, with the objective of introducing handicrafts and arts to the schools sector focused on the world children’s day and to hold an awards ceremony for the winners.

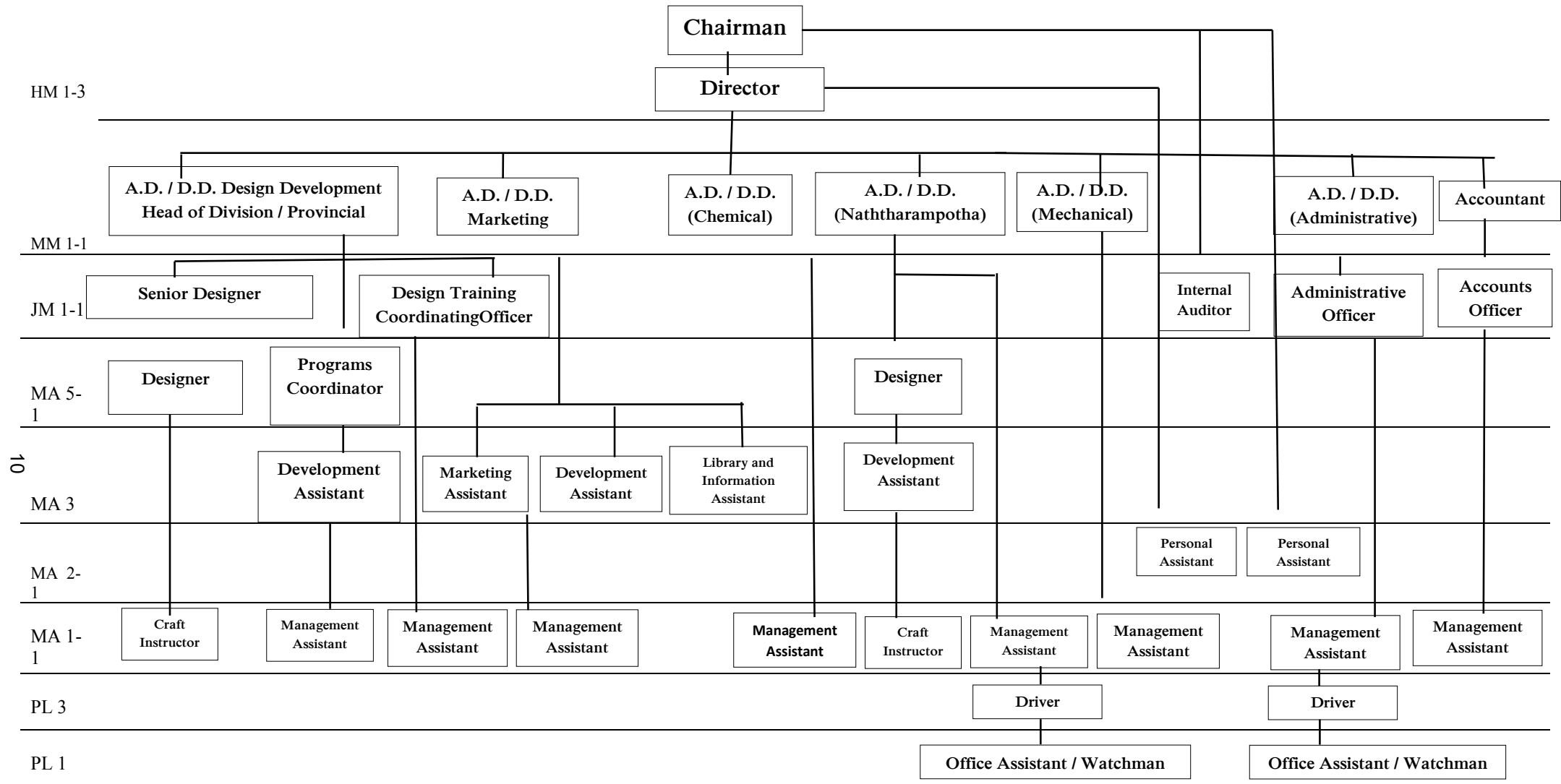
Similarly, we were able to launch 122 specific and unique packaging designs under the packaging project utilizing the funds of the ministry and 354 new designs were made through the Design Division for the handicrafts industry under the action plan.

There was also a possibility to establish a dust exhaust system within the workshop this year, utilizing the allocations of the ministry under the development of infrastructure in the institution

I would like to make this an opportunity to extend my respect and gratitude for the persistent guidance received from the ministry and for the support of the chairperson and the staff towards achieving physical progress and quality enhancement in spite of a multitude of practical challenges including the staff vacancies.

Nisham Asangika,
Director (Acting),
National Design Center.

Business Structure



Human Resource

Position Name	Category of services	Approved	Present	Vacancies
Director	HM 1-3	01	-	01
Assistant Director / Deputy Director (Design Development)	MM 1-1	06	05	01
Assistant Director / Deputy Director (Admin)	MM 1-1	01	01	-
Assistant Director / Deputy Director (Mechanical)	MM 1-1	01	-	01
Assistant Director / Deputy Director (Chemical)	MM 1-1	01	01	-
Assistant Director / Deputy Director (Marketing)	MM 1-1	01	01	-
Accountant	MM 1-1	01	01	-
Administrative Officer	JM 1-1	02	-	02
Accounts Officer	JM 1-1	02	01	01
Senior Designer	JM 1-1	04	04	-
Internal Audit Officer	JM 1-1	01	01	-
Design Training Coordinating Officer	JM 1-1	01	01	-
Board Secretary	JM 1-1	01	-	01
Marketing Officer	JM 1-1	01	-	01
Designer	MA 5-1	09	03	06
Programme Coordinator	MA 5-1	01	-	01
Library and Information Assistant	MA 3	01	-	01
Development Assistant	MA 3	03	01	02
Marketing Assistant	MA 3	01	-	01
Personal Assistant	MA 2-1	02	01	01
Management Assistant	MA 1-1	13	08	05
Craft Instructor	MA 1-1	32	27	05
Diver	PL 3	06 01 contract	06	01 contract
Office Assistant	PL 1-1	17	13	04
Watcher	PL 1-1	04	03	01
Total		114	78	36

National Design Centre

Development Programms and Progress - 2022

The financial progress of the development programs done in 2022 according to the action plan under a capital allocation of Rs. 40 M is Rs. 20.035 M while its physical progress has been sited below. The financial progress of it is 9.576 M.

In addition to the development programs implemented through the action plan, we jointly developed a value enhancement project for traditional handicrafts Teachers (TOT) in collaboration with the South Asia Partnership Sri Lanka and a training of trainers program on textile design project was also conducted in collaboration with the Vocational Training Authority (VTA).

Furthermore, we conducted a series of television programs with the support of Sri Lanka Rupavahini Corporation (Nugasewana Program) considering the training needs of the craftsmen spread across the country and it was a golden opportunity for them, as it was conducted during a period where the people were undergoing hardships such as fuel crisis when the entire country was experiencing an economic crisis.

Smart Art Drawing Competition

A drawing competition was organized by the National Design Center as a promotional program with the objective of introducing crafts and art for the schools and encouraging the future generation on the field of design, and exhibition and award ceremony for the winners was held at the National Design Center premises on 01 October in parallel to the World Children's Day. Atlas Company Pvt. Ltd and several other organizations contributed in making this programme successful.

Furthermore, due to the Rs. 3.7 million of allocation made by the Ministry to our institution, we got the opportunity to implement the following two projects.

1. We had the opportunity to make a high contribution by joining the new packaging design project implemented nationally with the objective of promoting sustainable packaging using local raw material and our organization prepared plans for the exhibition. Also, 122 new packaging designs were introduced through it.

2. A project was implemented to introduce and establish a cost-effective, suitable, dust disposal system for the workshop established at the head office premises of the institution.

Design and development of new designs

One of the main tasks of the National Design Center is to create new designs to win the local and foreign markets related to the field of handicrafts, and the initial samples (prototypes) of those designs are prepared in the workshop of the institute. The new designs and sample items thus created are introduced to the craftsmen through training programs conducted island wide and the design development department of the institute is engaging in developing new designs to suit the needs of handicraftsmen upon their requests.

Under the action plan of this year, it was planned to create 600 new designs. Accordingly, the Design Development Division of the head office and Naththarampotha branch office have planned to develop 427 new designs and to achieve the target of developing 122 new designs under the new Packaging Design Project to Promote Sustainable Packaging.

The new designs thus planned have been introduced to the workshop of the National Design Centre, and in the workshop they are developed into initial sample items. Accordingly, 354 new designs out of the 427 new designs planned under it were introduced to the workshop and 122 new designs were introduced to the workshop under the new Packaging Design Project to Promote Sustainable Packaging. In addition, 53 new designs have been designed and introduced to the external craftsmen upon their needs and requests.

The Design Development Division has taken action to introduce new design plans to the workshop of the institution with regard to each handicraft sector as follows.

Number	Planning new designs to introduce the workshop to each handicraft sector	Number of new designs planned
01	Wood Sector	53
02	Textiles Sector	74
03	Bamboo and cane Sector	47
04	Red Clay Sector	32
05	Coir Sector	41
06	Jewelry Sector	26
07	Rush and reeds Sector	31
08	Leather Sector	43
09	Brass Plate Sector	19
10	Brass Casting Sector	29
11	Laksha Sector	56
12	Batik Section	19
13	Screen printing Section	06
	Number of new designs introduced to the workshop under the action plan	
	- Number of new designs introduced to the workshop	354
	- Number of new designs made upon the requests and needs of external craftsmen	73
	Number of new designs planned under the new Packaging Design Project to Promote Sustainable Packaging	122
	Total number of designs planned	549

Conversion of new designs into prototypes (sample products).

The selected designs out of the planned new designs will be developed into prototypes at the workshop located in the Moratuwa and Nattarampotha office premises by the instructors of the National Design Center. Accordingly, the new designs planned under the sections of rush and reed, red clay, coir, bamboo and cane, textiles, wood and jewelry are developed into prototypes at the Moratuwa workshop while prototypes of leather, brass, batik and laksa are made at the Nattharampotha workshop.

The new designs and Prototypes thus made are introduced to craftsmen through island wide training programs on new design Development Programme conducted by the National Design Centre under various handicraft fields. In addition, new designs are being introduced with

collaboration of various organizations such as government and Non-Government Organizations, Provincial Councils, Export Development Board, National Craft Council, Sri Lanka Industrial Development Board who request for various programs in the handicraft field. New designs are also introduced through exhibitions and sales fairs for new designs as well as through various craftsmen who come to the institute to obtain various services.

Under the conversion of new designs to prototypes made at the institute's workshops, it was planned to make 400 new design prototypes under different sectors in 2022 and the National Design Centre has prepared 221 new design prototypes within the year while 122 new designs have been made under the new Packaging Design Project to Promote Sustainable Packaging. The new designs introduced by each sector to the workshop were developed into prototypes as follows.

Accordingly, 214 new designs have been made into prototypes at the workshop of the Motatuwa head office while 129 new designs have been made into prototypes at the workshop of the Nattarampotha branch office.

Serial No.	Handicraft Sector	Number of Initial Samples	Total
Head Officer			214
01	Wood Sector	50	
02	Textiles Sector	43	
03	Bamboo and cane Sector	35	
04	Red Cley Sector	25	
05	Coir Sector	28	
06	Jewelary Sector	11	
07	Rush and reeds Sector	22	
Naththarampotha office			129
01	Leather Sector	37	
02	Brass Plate Sector	24	
03	Brass Casting Sector	25	
04	Laksha Sector	43	
Total number of new design prototypes			343

Conducting new design development programs

➤ **Programs organized and conducted by the National Design Centre as per the action plan**

Under the capital allocation of the institute, it was targeted to conduct 19 practical training programs for introducing new designs which included awareness programs, basic training programs, advanced training programs and advisory programs and thereby training 322 beneficiaries.

Accordingly, 18 practical training programs introducing new designs and new technology were organized and conducted providing training for 331 beneficiaries as follows.

New Design Development Training Programs Conducted utilizing Capital Allocations as per the Action Plan

	Stage	Nature of the Programme	Handicraft Section	Commencement date and number of days conducted	District, division * and venue	D/S and	Number of Craftsmen participated
01		New design and new technology program - Training of Trainers	Red clay	21st February – 4 days	Colombo Moratuwa N.D.C..**	– -	21
02		Higher Technology program	Screen printing	3rd of August – 3 days	Kandy - Kundasale - Nattarampotha		18
03		Higher Technology program	Screen printing	3rd of August – 3 days	Kandy - Gangawatakorallaya Nattarampotha		17
04		New design basic training program	Textile related	19th of August – 4 days	Colombo - Bandaragama Hambantota		20

05	1	New design and new technology program	Rush and reeds Sector	16 th September – 03 days	Hambantota Veeravila	20
	2			9 th & 10 th November 02 days		
06		New design and new technology program	Leather cloth, Rexine	9 th September – 03 days	Kandy - Menikhinna - Natharampotha	12
07		New design and new technology program	Textiles and clothing	13 th September – 03 days	Anuradhapura - Anuradhapura - Thammannakulam	17
08		New design training program	Textiles and Soft toys	14 th October – 04 days	Colombo - Moratuwa - Kaldemulla	25
09		New design and new technology program	Flex	23 rd November – 03 days	Nuwara Eliya - Haguranketha	24
10		New design training program	Babmoo	9 th November – 03 days	Gampaha - Negombo	10
11		New design training program	Wood	5 th December – 03 days	Puttalam – Chilaw	17
12		New design training program	Wood	14 th December – 05 days	Matara - Devinuwara	14
13		New design training program	Ornamental	12 th December – 05 days	Kandy - Panwila	26
14		New design training program	Textile	12 th December – 03 days	Gampaha	25
15		New design and new technology program	Bamboo and cane	16 th December – 03 days	Matara - Kamburupitiya	14
16		New design and new technology program	Handloom and Rixin	21 st December – 04 days	Kandy - Poojapitiya	16
17		Higher Technology program	Batik (Java)	20 th December – 04 days	Kandy - Kundasale	16

18		Higher Technology program	Batik	29th December – 04 days	Kegalle Rambukkana -	19
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Training Programmes on New Design Development Conducted under Capital Allocation as Per the Action Plan

- **Conducting new design development training programs under the requests and provisions of government and non-government institutions**

Training programs were organized and conducted for those who are involved in the handicraft field and new youth group that shows interest towards the field upon the requests and utilizing the provisions of government and non-government organizations as follows. Basic and advanced training programs were conducted to introduce new designs so as to successfully fulfil market requirements and to provide new technological knowledge.

	Nature of the programme	Hadicraft sector	Commencement date and number of days conducted	District, division * D/S and venue	Number of Craftsmen participated	The Institution which made the request
1	New Technology programme - stage 01	Bamboo	Janury – 01 day	Gampaha - Mirigama - Halagama	35	Divisional Secretariat - Meerigama
	New design training program stages 02		January – 04 days			
2	Programme on handicraft	Miscellaneous	28th March 05 days	Colombo - Moratuwa Katubedda	15	M. J. F Institute
3	Designing new Batik designs	Batik	27th July - 02 days	Matale Ambangahakorala ya - Hunukataya	11	Divisional Secretariat - Ambangaga
4	New design training program	Batik related jewelry designs	19th of August – 2 days	Kandy-Gangawata Koralaya-	26	Department of Small Enterprise Development

				Sarasavigama-Mahakanda		
5	Higher Technology program - TOT	Rush and reeds	24rd of August – 5 days	Puththalam – Nawagaththegama - Anamaduwa	15	South Asia Partnership Lanka
6	New Technology program	Batik	5th September – 03 days	Colombo - Moratuwa - Katubedda	8	Ceylon Industrial Development Board
7	Advanced technical program -TOT- covering the entire island - stages 01	Textiles and clothing	24th September – 06 days	Kandy - Menikhinna - Naththara	36	Vocational Training Authority
	Stages 02		8, 9 and 15, 19 of October 04 days			
	Awareness programme on new designs	Laksha	24th March . 01 day	Matale - Raththota - Hapuvada	26	Department of Provincial Industries
	Awareness programme	Coir	24th of August – 1 day	Kaluthawa - Wadduwa	08	National Craft Council

It has been planned to conduct 09 training programmes to conduct training programs to introduce new designs and 180 were benefited by such training conducted upon the requests of various parties and utilizing provisions during the year 2022 and accordingly new designs as to meet the market requirements were introduced while providing new technological knowledge through conducting 7 practical training programs island wide for 180 participants.

❖ **Providing training in the workshop of the National Design Center**

The workshop of the National Design Center has organized training programmes on various fields of handicrafts upon the request of university students, school students, handicraftsmen and beginners who are interested in this sector. Accordingly, the training on Rush and reeds, red clay, coir, bamboo and cane, textiles, wood and jewelry sectors is provided at the Moratuwa workshop and the training for the applicants for leather, brass and laksha sectors is also done at the Nattarampotha workshop.

Accordingly, it was planned to give workshop training for 75 individuals during the year and accordingly the training was given for 51 individuals.

❖ **Introducing new designs to the handicraft field**

Planning new designs to meet the market requirements in the handicraft field is one of the main functions of National Design Centre. The new designs so planned are made into prototypes and are introduced to craftsmen through various programs by the National Design Centre. The National Design Centre targeted to introduce 500 new designs for the handicraft field this year through new design development training programs organized under the handicraft sector, developed as per to the action plan, through training programs conducted under the provisions and requests of non-government organizations, through those who obtain training by attending the workshops of the institute and through design plans given on the requests and needs of the artists and programs conducted through the Provincial Council, Export Development Board, National Crafts Council, Sri Lanka Industrial Development Board under which 189 designs have been truly introduced to handicraftsmen.

❖ **One day awareness programs on handicraft sector**

School students, school teachers as well as university students from different parts of the island regularly visit the National Design Center for awareness programs relating to the handicraft sector. It was targeted to provide this service to 500 people within this year and accordingly 490 people were benefited under the one-day awareness programs conducted by the National Design Center.

❖ **Research and development programs**

Finding substitutes for the raw material used in the local handicraft field, conducting researches on efficient and effective production processes and also regarding new machinery and equipment which could be utilized for such purposes, releasing related discoveries and solutions to the handicraft field are handled by the research and development division of the National Design Centre.

The activities made under the aforementioned programme in the year 2022 are as follows.

1) Taking action to develop a suitable standardization system for the Batik Industry

There was no standardization system in Sri Lanka that could ensure the quality in the Batik Industry and it was revealed from the previous surveys carried out by the Research Division that the persons involving the Batik Industry also have the same need . Accordingly, this project was implemented with the cooperation of the National Science Foundation. Accordingly, data was collected through government and private institutions involving in this Industry in order to identify a suitable standardization system for the batik industry. This project proposal was submitted to the Sri Lanka Standards Institute, which has the authority to establish standardization systems in Sri Lanka, and accordingly, the preparation of the draft on Standard for Formal Production Practices for Batik was initiated. Here, the officers went on field trips to study some factories engaged in the batik industry, for which our institute, the National Science Foundation and the Sri Lanka Standards Institute participated. Several institutions were involved in the preparation of the draft standards and as a member of the working committee, the Research Division of our institution also contributed in preparing this draft in both English and Sinhala languages, as a member of the Working Committee. The necessary arrangements are being made through the Sri Lanka Standards Institute to obtain the relevant approval for publishing it as a standard.

2) Conducting field studies related to controlling the growing of fungi on Palmyrah related handicrafts

One of the issued faced by the persons involving in Palmyrah related industries is the growth of fungus on Palmyrah products and the discoloration of the products. Although various researches have been conducted for that, a successful solution has not been received so far. Therefore, with the aim of finding a solution to this problem, information was found from the research done on the preparation of fungicides. Accordingly, upon the observations received after applying a safe anti-fungal liquid on the palm products and it was tested in the field. For that purpose, a group of people engaged in Palmyrah industry in Weerawila area was selected and a workshop was conducted where the manufacturers of the fungicides were also participated as a field experiment and also to demonstrate on how to use it correctly. The data should be collected and monitored over time and analyzed the duration of the resistance after

application of the fungicides. This project will be continued further with the support of the Weerawila Palmyrah Development Board.

03) **Identification and field study of high quality Colorants that can be used in batik industry**

The commonly used colorants in Batik industry are Naphthol and vat dyes. Accordingly, information regarding the colorants was collected from the suppliers under this project and information about other high-quality colorants was also collected. Accordingly, a two-day workshop involving batik manufacturers and colorant suppliers was conducted as a field study to study the various ways in which reactive dyes can be used in the batik process. There, several colors were obtained using reactive dyes which are active at low temperatures and a report containing their samples and information was prepared. It has been planned to continue this and was conducted with the aim of introducing high-quality colorants to the batik industry.

4) **Research to identify an alternative colorant to dye coir**

At present a chemical dye that operates at high temperatures is used to colour coir. In this research it was able to identify another dye variety that can be used at normal temperature for coloring coir. List of ingredients relevant to develop different colors using that dye were identified. Information about the quality of these colorants was also collected. Thought that process the cost incurred in respect of energy to color coir could be saved and as a result of this research, there is a possibility of using those ingredients in the field as an alternative ingredient to dye the coir.

5) **Conducting research on the possibility of introducing solid waste generated in water treatment as a raw material for handicraft products.**

This project was commenced in the previous year and the results obtained from the Research Division on the manner of using solid waste produced in water treatment as a raw material for handicraft products was submitted to the National Crafts Council. Researches were conducted to find the possibility of introducing this as a substitute raw material to the industrialists who are currently engaging in the clay handicraft production. Accordingly, the possibility of introducing these raw materials was identified and facilitated the industrialists who produce

clay lamps to use this as a material. The project was implemented in collaboration with the National Water Supply and Drainage Board.

Introducing manufacturing techniques, new machinery, tools and equipment, alternative raw materials and innovative manufacturing processes.

Research and Development Unit - Mechanical Division

At present, fabrication of rope-plies and reed flex, manually are conducting in the industries related to coir, reed and flex. This is a time-consuming process and on the other hand the products are of low-quality and below the standard. Hence, it has been unable to achieve the desired outcome. As a remedial measure, the following machines were introduced.

01. Semi-Automatic rope making Machine

This machine is currently being used in the workshop of the National Design Center for the fabrication process of the rope-plies and also for training purposes.

02. Semi-Automatic rope making Machine

This machine is currently being used in the workshop of the National Design Center for the fabrication process of the reed flex and also for training purposes.

Development programs conducted through the Marketing Division

Handicrafts Market - Handicrafts related new Design Market

In order to create market opportunities for handicraftsmen, the National Design Center and the Colombo City Center (CCC) jointly organized a market called Handicraft Market on March 26, 27 & 28 in 2022 in the Colombo City Center premises. Accordingly, 09 handicraftsmen were given the opportunity to sell their new designs and in addition received the opportunity to introduce the new designs made by the National Design Center to the market.

It is a special feature of this market that new designs are presented representing every section of handicrafts such as coconut shell products, jewelry, batik, lace, clay, palm leaf, wood, laksa, bamboo and cane, brass and coir.

Implementation of new design market promotion programs related to handicrafts through exhibitions organized by government and non-government organizations.

Introducing New design market promotion programs for handicrafts through exhibitions organized by government and non-government organizations were implemented in the year 2022. The benefits gain through that programme includes; introducing new designs of handicraft products to the customers, receiving orders, connecting the handicraftsmen to the buyers and getting customer opinions about the new designs of the National Design Center.

Accordingly, the National Design Center took part in the following exhibitions and promotional programs in the year 2022.

Exshibition	Institution that organized the event	Dates of conducting the event	Venue
Batik Product Promotion Program	Ministry of Industry	March 11	Ministry premises
Craft market	Colombo City Centre	March 25-27	Colombo City Centre
Ransalu Handloom Textile Fair and Market 2021	Department of Textile Industry	April 1-3	BMICH
Ransalu Handloom Textile Fair and Market 2022	Department of Textile Industry	December 2-4	BMICH
Pro food pro pack Exhibition	Export Development Board and National Packaging Centre	November 18-20	BMICH
Sales Fair	Ministry of Industry	December 23	Ministry premises

Introducing new designs to the market and granting market opportunities for the craftsmen

130 new designs were introduced to the market through sales promotion programs and exhibitions held in cooperation with public and private institutions and other institutions

engaged in the sale of handicraft products and assisted in developing market relations for 25 handicraftsmen

Design Consultation Services

02 activities were carried out this year under design consultancy services upon the request of the government and non-government organizations for interior designing of houses, graphic design, theme structures, trophies, medals and plaques and trade and exhibition booths.

- Preparation of Design plans and BOQ for SME One Stop Service Center / Business Service Center - Nuwara Eliya District Project under the State Ministry of Samurdhi, Household Economy, Microfinance, Self-Employment, Business Development and Underutilized Resources Development
- Providing design planning and consultation services for the new construction works for Egodaunya temple

Also, the Design and Development Division has developed 13 graphic and home interior designs upon the requirements of the consultation services, external agencies and the line ministry.

➤ Information Technology and Media Activities

103 Facebook posts (normal), 22 Facebook/YouTube videos and 33 Facebook banners have been released online to promote the regular work and special work done at the National Design Centre.

Activities Carried out by the Educational Division
Sri Lanka National Design Institute

The Sri Lanka Institute of Design which falls under the purview of the National Design Centre, offers courses such as Diploma in Home Interior Designing, Advanced Diploma Course in Interior Designing and Diploma Course in Lifestyle Products through which theoretical and practical knowledge are provided to young people who are interested in this field in order to empower them as professionals. The above mentioned interior designing diploma courses are conducted in the institution as weekend courses at Katubedda premises and the diploma course in lifestyle products is conducted at Nattharampotha branch in Kandy. Such courses may pave them the way for self-businesses through using the theoretical knowledge gained through these courses and they also may get local and foreign job opportunities.

01. National Diploma Course in Home Interior Designing - Weekends 2021-2023

65 students were enrolled for this course in the year 2021 and the course is being conducted this year as well.

02. Advanced National Diploma Course in Home Interior Designing 2021-2023 Weekends

This course was started in the latter half of 2021 and 19 students were enrolled for it. The course is being conducted in the year 2022 and it is expected to be completed in the year 2023.

03. Diploma Course in Lifestyle Products (2021 - 2022 (Weekends))

This course was started in the middle of the year 2021, and 35 students were enrolled and was completed at the end of the year 2022.

Particulars regarding the Courses –

- | | |
|--|----------------------|
| 1. Diploma Course in Interior Designing | – Duration 18 months |
| 2. Advanced Diploma Course in Interior Designing | – Duration 15 months |
| 3. Diploma Course in Lifestyle Products | – Duration 12 months |

Diploma Certificate Awarding Ceremony

The certificate awarding ceremony for 70 students who have successfully completed the Interior Designing Advanced Diploma Course- 2018-2020 and the Interior Designing Diploma Course- 2019-2020 will be held on 05.04.2022 in Lotus Hall at Bandaranaike Memorial International Conference Hall Complex, Colombo

**Summary report containing the progress of the projects and programs
implemented under the action plan and capital allocation of the year 2022
of the National Design Center**

Providing knowledge of new designs and new technology					
Activities	Allocation (Rs.M.)	Expenditure (Rs.M.)	Key performance Indicators (KPI)	Physical	
				Annual Target	Progress
Training for Handicraftsmen on enhancement of new products / new designs and manufacturing process	4.130	2.417	Number of training programs organized by the National Design Centre	19	18
			Number of craftsmen trained	322	331
			Number of new designs introduced for handicraftsmen	500	189
Conduct a new design development training program upon requests	0.080	0.003	Number of programs conducted in coordination with other institutions	9	7
			Number of craftsmen trained	180	180
Monitoring and evaluation of ongoing projects and programs	0.115	0.024	Number of monitoring and evaluation programs conducted	2	1

Design development, knowledge updating and skill development					
Introducing new designs for the handicraft sector as to meet the market requirements	...	...	Number of creative new designs completed	600	427
Providing the necessary raw materials for the preparation of initial samples and get done the samples that cannot be prepared in the workshop of the institute from the external handicraftsmen	1.550	0.680	Number of new design-based models developed	400	221
			Number of additional samples prepared	50	55
Training for Handicraftsmen/ Students at the Workshop of the N.D.C.	...	...	Number of Handicraftsmen/ students trained at the workshop of N.D.C.	75	51
Public facilitation and awareness programs for students and interested parties	...	...	Number of students and interested parties	500	490
Providing library services to Handicraftsmen and Entrepreneurs	...	...	Number of beneficiaries who received library services	50	17
Research and Development					
Development of technical raw material	...	...	Completion percentage	50%	50%

inspection and quality assurance scheme					
Awareness Program for Craftsmen on Chemical Safety and Health Safety	0.100	0.072	Number of programs conducted	1	1
			Number of persons benefited	25	48
Chemicals required to maintain the Batik Wastewater Treatment System at Naththarampotha	0.040	0.037	Completion percentage	100%	100%
Research on chemical / natural dyes (Colourants) for batik	0.040	0.036	Number of new discoveries	2	1
Introducing new technologies, new processes and material innovations					
Development of a speed control mechanism for the present reed processing machine and upgrading it to carry out the coir rope pressing process.	0.060	0.055	Completion percentage	100%	100%
Upgradation of the existing hand-operated reed processing machine into a motorized machine	0.170	0.170	Completion percentage	100%	100%
Introduction and development of maintenance strategies for the workshop of N.D.C.	0.200	0.200	Completion percentage	100%	100%

Conduct local market promotion programs and new design exhibitions					
Participation in exhibitions/ market promotion programs and other programs organized by other organizations	1.000	0.501	The number of New Design Exhibition (Other) Programmes conducted	6	7
			Number of marketing research programs conducted	4	1
			Number of new products introduced to the market through marketing research programs	125	130
Facilitate the handicraftsmen to develop market opportunities			Number of market relationships established	40	25
			Sales value through other exhibitions / market promotions and other programs	Rs. M 1.000	Rs. M 1.134
Design Consultancy services					
Providing design consultancy services	External provisions	External provisions	Number of consultancy services provided	3	2
			Number of graphic designs and interior decoration designs provided		
			Profit gained from Design Consulting Services	Rs. M 0.500	Rs. M. . 0.248
Developing Graphic designs and interior designs			Number of graphic designs and interior designs provided	20	13
Capacity building programs for internal staff					
Staff training program	0.215	0.172	Number of persons	90	82

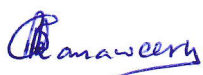
Conducting standardized courses for the field of fashion design					
Office Equipment for Naththrampotha Education Sector	1.113 upon earnings	...	Number of students registered for Diploma Course in Lifestyle Products	40	35
Contribution through the education sector	...	...	The fees earned by the Institution as at the end of the year from the education sector	Rs. M 1.000	Rs. M 0.864

National Design Centre
Statement of Financial Position as at 31st December 2022

	Note	31.12.2022 Rs.	31.12.2021 Rs.
<u>ASSETS</u>			
CURRENT ASSETS			
Cash & Cash Equivalent	1	16,309,772.34	13,352,709.61
Trade & Other Receivables	2	3,404,477.29	1,313,212.33
Closing Stock	3	8,860,988.12	8,066,417.79
Prepayments	4	731,896.34	578,628.65
Staff Loans	5	13,745,355.00	12,965,460.00
		<u>43,052,489.09</u>	<u>36,276,428.38</u>
NON CURRENT ASSETS			
Property Plant & Equipment	6	170,825,503.40	142,526,128.38
		<u>170,825,503.40</u>	<u>142,526,128.38</u>
Work in Progress		62,595.00	-
Intangible Assets			
Software		316,578.04	395,722.55
TOTAL ASSETS		<u>214,257,165.53</u>	<u>179,198,279.31</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade & other payables	7	4,346,918.92	10,049,449.74
Cash received as an advance for UNDP Program	8	2,312,227.97	2,312,227.97
Accrued Expenses	9	2,230,254.86	3,241,302.61
		<u>8,889,401.75</u>	<u>15,602,980.32</u>
NON CURRENT LIABILITIES			
Provision for Gratuity	10	26,763,675.50	25,334,414.50
TOTAL LIABILITIES		<u>35,653,077.25</u>	<u>40,937,394.82</u>

TOTAL NET ASSETS		178,604,088.28	138,260,884.49
NET ASSETS/EQUITY			
<u>DEFERRED INCOME</u>			
Capital Grant	11	109,431,667.13	110,949,206.31
Revaluation Reserve		45,117,114.29	6,578,345.91
Accumulated Profit	12	24,055,306.86	20,733,332.27
TOTAL NET ASSETS/EQUITY		178,604,088.28	138,260,884.49

The accounting policies on page 12-13 and notes from page 14 to 36 form an integral part of these Financial Statements.



B.R. Ranaweera
Accountant
17.04.2023



P.K.N. Asangika
Director (Acting)
17.04.2023

The Board of Directors are responsible for the preparation & presentation of these Financial Statements.

These Financial Statements were approved by the Board of Directors and signed on their behalf.



W.G.K.B. Ranathunga
Chairman
17.04.2023



P.G.P. Rasanjalie
Board Member
17.04.2023

National Design Centre
Statement of Financial Performance for the year ended 31st December 2022

	Note	2022 Rs.	2021 Rs.
OPERATING INCOME			
Treasury Grant - Recurrent	13	67,380,000.00	72,664,000.00
Treasury Grant - Capital for Development			
Activities		5,601,506.34	16,307,856.40
Development Activities - Ministry Funds		818,715.71	8,981,300.00
Other Income	14	10,355,256.62	2,565,019.64
		<u>84,155,478.67</u>	<u>100,518,176.04</u>
OPERATING EXPENSES			
Personal Emoluments	15	56,442,225.51	56,320,049.89
Travelling Expenses	16	135,229.17	227,063.50
Supplies	17	1,640,603.34	2,265,812.46
Maintenance	18	3,618,950.43	2,662,897.11
Contractual Services	19	6,176,349.55	6,723,493.46
Depreciation	20	11,761,315.51	10,168,003.08
Gratuity		2,595,521.00	1,719,011.00
Development Expenses	21	4,962,824.39	14,796,772.80
Development Activities - Ministry Funds	22	307,630.00	8,981,300.00
Other Expenses	23	4,266,427.75	1,392,749.15
		<u>91,907,076.65</u>	<u>105,257,152.45</u>
SURPLUS/DEFICIT FROM OPERATING ACTIVITIES		(7,751,597.98)	(4,738,976.41)
<u>Add</u>			
Deferred Income		11,075,032.84	9,641,949.71
SURPLUS / (DEFICIT) FOR THE YEAR		<u>3,323,434.86</u>	<u>4,902,973.30</u>

Statement of Cash Flow for year ended 31.12.2021

	2022 Rs.	Rs.	2021 Rs.	Rs.
Cash Flow from Operating Activities				
Surplus/Deficit from Ordinary Activities	(7,751,597.98)		(4,738,976.41)	
(+) Prior year adjustments	376,487.24		59,837.75	
(-) Prior year adjustments	<u>(377,947.04)</u>	(7,753,057.78)	<u>-</u>	(4,679,138.66)
Non Cash Movements				
Depreciation	11,761,315.51		10,168,003.08	
Gratuity	2,595,521.00		1,719,011.00	
Doubtful Debts	12,086.80		-	
Obsolete Stock	142,265.46		-	
(Increase) / Decrease in Closing Stock	(794,570.33)		(401,924.87)	
(Increase) / Decrease in Trade & Other Receivables	(2,091,264.96)		1,182,480.59	
(Increase) / Decrease in Staff Loan Receivables	(779,895.00)		(639,635.00)	
(Increase) / Decrease prepayment	(153,267.69)		(217,671.29)	
Increase / (Decrease) in Trade & Other Payables	(5,702,530.82)		4,141,906.14	
Gratuity Payments	(1,166,260.00)		(4,766,325.00)	
Increase / (Decrease) in Accrued Expenses	<u>(1,011,047.75)</u>	2,921,677.22	<u>998,066.03</u>	12,183,910.68
Net Cash flow from operating activities		(4,831,380.56)		7,504,772.02
Cash Flow from Investing Activities				
Improvements to Buildings	(21,765.73)		(10,011,125.10)	
Improvements to building (DCF)	-		(3,615,534.40)	
New Building	-		(2,147,875.33)	
Expenditure on Software	-		(88,175.00)	
Improvements to vehicles	-			

		(549,825.00)	
Purchase of Plant & Machinery	-	(1,034,292.88)	
Purchase of Furniture	(1,677,620.00)	(12,887,609.29)	
Purchase of Office Equipment	(69,665.00)	(1,207,389.00)	
Purchase of Tools	-	(768,733.00)	
Purchase of Library Books	-	(128,269.90)	
Purchase of Computer & other Equipment	-	(3,017,360.00)	
Net Cash Flow from Investing Activities	(1,769,050.73)		(35,456,188.90)
Cash Flow from Financing Activities			
Capital Grant from Treasury	9,557,493.66	24,374,143.60	
Net Cash flow from financing activities	9,557,493.66		24,374,143.60
Net Increase/ decrease in Cash & Cash Equivalent	2,957,062.37		(3,577,273.28)
Cash & Cash Equivalent at the beginning of the year	13,352,709.61		16,929,982.89
Cash & Cash Equivalent at the end of the year	16,309,772.34		13,352,709.61

Statement of Changes in Equity for the year ended 31.12.2022

	Capital Grant Rs.	Accumulated Reserve Rs	Revaluation Reserve Rs.	Total Rs.
Balance as at 01.01.2022	110,949,206.31	20,733,332.27	6,578,345.91	138,260,884.49
Changes in Accounting Policy				
Prior year adjustment		(1,460.27)		(1,460.27)
Deferred Expenses	(5,601,506.34)			(5,601,506.34)
Provision for Deferred Depreciation	(11,075,032.84)			(11,075,032.84)
Revaluation Reserve			38,538,768.38	38,538,768.38
Treasury Grant - Cash Assets	15,159,000.00			15,159,000.00
Statement of Financial Performance				
Currency Exchange Differences				
Surplus /Deficit for the period		3,323,434.86		3,323,434.86
Balance as at 31.12.2022	109,431,667.13	24,055,306.86	45,117,114.29	178,604,088.28

National Design Centre
Accounting Policies for the year 2022

01. Basis of Preparation

Financial Statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards. No adjustments have been made for inflationary factors affecting the accounts and the financial statements are prepared in Sri Lanka Rupees

These financial statements are for a public sector entity .The financial statements encompass the reporting entity as specified in the relevant legislation / guidelines.

The financial statements comply with Sri Lanka Public Sector Accounting Standards for the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

02. Government Grants

The Institutions receives two types of Government Grants namely, Recurrent and Capital.

03. Depreciation

Depreciation on tangible fixed assets has been provided on diminishing balance method at the following annual rates.

Building	5%
Office Equipment	10%
Computers and Accessories	20 %
Furniture & Fittings	10%
Tools & Equipment	25%
Motor Vehicles	20%
Machinery & Equipment	15%
Library Books	5%
Software	20%

04. Statement of Financial Performance

The revenue of the Institutions represents the income from Government Grants and other miscellaneous income. All income has been recognized on an accrual basis.

05. Valuation of Inventories

Inventories are valued at cost. The cost of inventories is determined on first in first out (FIFO) basis.

06. Post Balance Sheet Events

All material events occurring after the Balance Sheet date are considered and when necessary, adjustments have been made in the accounts

07. Value of the land where head office building and the project office building is located has not been included in the financial statements since the ownership has not been transferred to the institution from the Department of Small Industries

08. Provision for gratuity has been provided for employees who have completed five years of service in the institute.

09. Provision for bad and doubtful debts has been made on trade receivables over one year at 2 ½ %

10. Provision for Obsolete stock has been made at 1% on raw materials and 2% on finished goods

11. Dust Extraction machine cost is not considered as an asset since the machine was not completed and handed over for utilization as at 31.12.2022. It was handed over in January 2023.

12. A Labour Tribunal Case No.32/RM/04/2022 is in progress

13. Machinery Tools and Equipment and Motor vehicles have been revalued during the year.

Note 01 - Cash & Cash Equivalent

	31-12-2022 Rs.	31-12-2021 Rs.
National Design Centre Account -Bank of Ceylon A/c No 407273	15,773,677.58	2,224,142.70
National Design Centre Account Bank of Ceylon Kandy A/C NO. 32777	78,079.27	13,344.91
Design Consultancy Account -Bank of Ceylon A/c No 407326	-	4,262,835.00
Design Education Account Peoples Bank A/c 313100143657050	-	6,159,760.43
Staff Loan Account Bank of Ceylon A/c 407325	458,015.49	692,626.57
	16,309,772.34	13,352,709.61

Note 02 - Trade and Other Receivables

		31-12-2022 Rs.	31-12-2021 Rs.
Advance on cash		725.53	24,483.53
Advance for deposits		8,894.55	8,894.55
Receivable	2.1	497,044.21	129,971.25
Advance -Dust Dyanamic (pvt) Ltd		564,775.00	-
<u>Deposits</u>			
Telephone Deposit		11,950.00	11,950.00
Fuel Deposits		10,000.00	10,000.00
Newspaper Deposit		300.00	300.00
Cylinder Deposit		6,500.00	6,500.00
Electricity Deposit		20,000.00	20,000.00
Fuel Deposit Lanka IOC PLC		500,000.00	200,000.00
Class Fees Receivable		1,150,000.00	65,000.00
Sri Lanka Handicraft Development Board		327,155.00	513,115.00
Barefoot		50.00	6,000.00
Advances DCF		46,641.00	46,641.00
Trade Commerce and Tourism Dept. Central Province		137,832.00	137,832.00
Lakarcade (Pvt) Ltd		122,610.00	132,525.00
		3,404,477.29	1,313,212.33

Note 02.1 - Receivable

	31-12-2022 Rs.	31-12-2021 Rs.
Ministry of Industries	465,640.00	-
Staff Welfare Association	1,500.00	-
L.C Kodithuwakku	4,570.00	-
R.M SarathRanasingha	5,680.00	-
DilipMadusanka	1,399.21	-
W.P.K Wijesingha	18,255.00	-
National Craft Council	-	64,006.07
Receivables Vehicle accidents	-	65,965.18
	497,044.21	129,971.25

Note 03 - Closing Stock

		31-12-2022 Rs.	31-12-2021 Rs.
Raw Materials		1,588,008.40	1,207,908.37
Finished Goods	3.1	6,319,269.18	5,561,132.88
Stationary		1,095,976.00	1,250,776.54
DCF Stock	3.2	-	46,600.00
Less Provision for Obsolete Stock		(142,265.46)	-
		8,860,988.12	8,066,417.79

Note 3.1 - Finished Goods

	31-12-2022 Rs.	31-12-2021 Rs.
Finished Goods as per Board of Survey Report	6,475,543.38	5,792,525.92
Less : Excess /(Shortage) Adjustment	-	(173,953.49)
Unusable Finished Goods	156,274.20	(57,439.55)
	6,319,269.18	5,561,132.88

Note 3.2 -DCF Stock

	31-12-2022 Rs.	31-12-2021 Rs.
Stock at Head Office	-	40,800.00
Consignment Stock	-	5,800.00
	-	46,600.00

Note 04 - Prepayments

	31-12-2022 Rs.	31-12-2021 Rs.
Insurance	278,350.57	144,132.04
Contractual Services	169,120.33	223,343.85
Licence	33,872.42	22,202.76
Tax & Rate	250,553.02	188,950.00
	731,896.34	578,628.65

Note 05 -Staff Loans

	31-12-2022 Rs.	31-12-2021 Rs.
Distress Loan	13,630,505.00	12,940,610.00
Festival Advance	82,350.00	24,850.00
Bicycle Loan	32,500.00	-
	13,745,355.00	12,965,460.00

Note 6 Non Current Assets

Note 6 - Property Plant & Equipment

					Office	Furniture &	Tools &	Library	
	Buildings	Machinery	Vehicles	Computer	Equipment	Fittings	Equipment	Books	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.
Cost									
Balance as at 01.01.2022	109,928,085.91	8,333,699.96	26,149,825.00	16,184,667.56	14,593,585.98	26,598,679.93	3,210,814.58	3,487,901.46	208,487,260.38
Additions during the year	21,765.73				69,665.00	1,677,619.75			1,769,050.48
Error Correction	(326,272.91)								(326,272.91)
									-
Trf. To Revaluation		(8,333,699.96)	(26,149,825.00)				(3,210,814.58)		(37,694,339.54)
Revalued amount		11,993,241.59	33,850,000.00				3,665,219.54		49,508,461.13
Balance as at 31.12.2022	109,623,578.73	11,993,241.59	33,850,000.00	16,184,667.56	14,663,250.98	28,276,299.68	3,665,219.54	3,487,901.46	221,744,159.54
Depreciation									
Balance as at 01.01.2022	14,926,141.16	5,373,329.08	17,217,755.51	9,123,261.56	9,889,764.01	6,632,438.90	1,593,944.35	1,204,497.36	65,961,131.93
Trf. To Revaluation		(5,813,734.94)	(18,916,072.28)				(1,994,839.57)		(26,724,646.79)
Charges for the year	4,734,871.89	455,192.04	203,217.78	141,228.2	473,903.58	2,051,145.82	408,426.49	114,170.20	11,682,171.00
Balance as at 31.12.2022	19,661,013.05	14,786.18	333,863.01	10,535,542.76	10,363,667.59	8,683,584.72	7,531.27	1,318,667.56	50,918,656.14
Net Book Value									
Balance as at 01.01.2022	95,001,944.75	2,960,370.88	8,932,069.49	7,061,406.00	4,703,821.97	19,966,241.03	1,616,870.23	2,283,404.10	142,526,128.45
Balance as at 31.12.2022	89,962,565.68	11,978,455.41	33,516,136.99	5,649,124.80	4,299,583.39	19,592,714.96	3,657,688.27	2,169,233.90	170,825,503.40

Intangible Assets

Cost	2022	2021
Balance as at 01.01.2022	781,175.00	693,000.00
Additions Transferred from Computer	-	88,175.00
Balance as at 31.12.2022	781,175.00	781,175.00
Amortization		
Balance as at 01.01.2022	385,452.45	300,908.00
Additions	79,144.51	84,544.45
Balance as at 31.12.2022	464,596.96	385,452.45
Net Book Value		
Balance as at 01.01.2022	395,722.55	392,092.00
Balance as at 31.12.2022	316,578.04	395,722.55

Note 07 - Trade & Other Payables

	31-12-2022	31-12-2021
	Rs.	Rs.
Audit Fees Payable (Provision year 2022)	700,000.00	700,000.00
Cancelled Cheques	8,000.00	8,000.00
Retention Money Penthouse Pvt Ltd.	1,886,005.83	1,886,005.83
Retention Money Sakura Project & Interiors	57,288.00	57,288.00
Retention Money U.G Gunarathna	10,750.00	10,750.00
Retention Payable - M/S in AIRE (PVT) LTD	-	201,471.78
Security Deposit	6,850.00	97,375.00

Retention Payable Enviromec International pvt ltd	149,581.00	149,581.00
Retention payable Southren Construction Pvt Ltd	-	211,665.95
Retention Payable -Colombo Interiors	-	51,743.32
Retention Payable -Indecor Interiors	-	59,410.75
Retention Payable Leema Creation Pvt Ltd.	-	338,630.42
Retention Payable Modern Interior Project Pvt Ltd	-	19,840.00
Payable - Leema Creation pvt ltd	-	421,485.69
Stamp Duty Payable	-	9,100.00
Divisional Secretariat Mirigama Payable Exp, John keels office automation	-	238,600.00
	-	1,027,200.00
Retention Payable - Mangalabishika	-	21,625.00
Batik Saree Project	1,023,498.00	819,650.00
Batik Training Program	49,050.00	49,050.00
Ministry Of Industries	153,374.29	-
Class Fees Received in Advance	180,000.00	3,397,000.00
Stamp Duty Payable	-	100.00
Provision for Doubtful Debts	12,086.80	-
Retention payable Leema creation (Pvt) ltd	-	124,912.80
Retention Payable Singha Construction		38,329.20
Modern Interior Projects Pvt Ltd.	109,985.00	109,985.00
Stamp Duty Payable	-	75.00
Staff Loan Account		
Stamp Duty Payable	450.00	575.00
	4,346,918.92	10,049,449.74

Note 8 - Cash Received as an Advance for UNDP Programme

(Special project on technical capacity development and monitoring support for selected handicraft producer groups in Batticaloa, Mannar and Vavuniya districts where UNDP serves as implementing partner)

	31-12-2022 Rs.	31-12-2021 Rs.
Amount Received	2,312,227.97	2,312,227.97
Less -Work Completed	-	-
Balance in account to complete the project	2,312,227.97	2,312,227.97

Note 09 - Accrued Expenses

	31-12-2022 Rs.	31-12-2021 Rs.
Fuel	30,350.00	36,540.00
Telephone	42,467.58	71,579.76
Electricity	111,315.45	116,321.00
EPF Payable	411,155.64	458,452.55
ETF Payable	102,788.91	114,613.14
Water	5,000.28	9,426.31
New Design Exhibition	-	538,788.96
Over Time	132,984.95	159,140.15
Travelling	12,793.00	17,005.00
Salaries & wages (Payable EPF 8%)	274,103.76	305,635.03
Security Charges	55,734.00	133,684.00
Stationery & Office Requisites	-	3,800.00
Other allowances	-	30,975.00
Awareness/Training/TOT Program	141,842.11	21,914.00

Central Eng, consultancy Bauer	-	187,574.25
Cleaning Charges	5,100.00	2,700.00
Printing of annual reports	-	499,475.00
Office Equipment Maintenance	-	39,395.00
Staff Welfare	-	3,920.00
Insurance	-	9,730.06
Transport Expenses	-	4,500.00
Building Maintenance	-	66,525.00
Product development	-	294,295.00
EDC Commission	-	5,469.31
Gratuity _ D Dharmasiri	738,900.00	-
Payable Stamp Duty	7,025.00	-
Lecture Fees	120,175.00	45,150.00
Overtime & Travelling	38,519.18	64,694.09
	2,230,254.86	3,241,302.61

Note 10 – Gratuity Provision as at 31.12.2022

	Emp. Name	Date Joined	Completed Years as at 31/12/2022	Salary		Gratuity Provision as at 31.12.2022 (6) =(3) x (5)
	1		3	4	5	
1	U.L Wickramarathna	06/10/1985	37	51,720.00	25,860.00	956,820.00
2	P. Dharmasena	24/06/1985	37	45,615.00	22,807.50	843,877.50
3	D. Dharmasiri	06/10/1986	36	41,050.00	20,525.00	738,900.00
4	G.W. Ramyalatha	16/03/1987	35	48,420.00	24,210.00	847,350.00
5	M.A Somalatha	03/01/1988	34	81,295.00	40,647.50	1,382,015.00
6	W.A.P.K Wijesingha	08/01/1988	34	82,670.00	41,335.00	1,405,390.00
7	PalithaPushpakumara	15/04/1988	34	44,460.00	22,230.00	755,820.00
8	K.P.J. Perera	14/02/1989	33	42,490.00	21,245.00	701,085.00
9	B.K.K Perera	28/06/1989	33	41,980.00	20,990.00	692,670.00
10	Manel Rajapaksa	10/02/1989	33	56,100.00	28,050.00	925,650.00
11	U.A.LS.K. Jayathissa	01/01/1990	32	41,860.00	20,930.00	669,760.00
12	K.K.S.De Silva	15/08/1991	31	54,360.00	27,180.00	842,580.00
13	M.K Mahinda	07/01/1992	30	47,760.00	23,880.00	716,400.00
14	L.A Kularathna	04/05/1993	29	42,645.00	21,322.50	618,352.50
15	H.B.T Damayanthi	01/03/1994	28	74,707.00	37,353.50	1,045,898.00
16	A.M.T.K Alagiyawanna	05/02/1996	26	40,150.00	20,075.00	521,950.00
17	B. Manathunga	06/03/1996	26	76,635.00	38,317.50	996,255.00
18	D.M.A. Chandima	15/07/1996	26	46,030.00	23,015.00	598,390.00
19	M.A.R.U. Gunarathna	16/07/1998	24	45,120.00	22,560.00	541,440.00
20	SusilWijethunga	09/01/1998	24	39,190.00	19,595.00	470,280.00
21	W.M. Piyarathna	01/04/1999	23	66,475.00	33,237.50	764,462.50
22	* R.M. VijithaBandara	06/01/1999	20	63,725.00	31,862.50	637,250.00

23	S.S Weerasuriya	02/01/2000	22	43,800.00	21,900.00	481,800.00
24	H.T. Dinesh Silva	02/01/2000	22	43,800.00	21,900.00	481,800.00
25	C.K.Kalansooriya	11/01/1999	23	44,460.00	22,230.00	511,290.00
26	N.D.H Mohotti	08/02/1999	23	36,910.00	18,455.00	424,465.00
27	K.R. Kumara	24/11/1999	23	38,350.00	19,175.00	441,025.00
28	P. C. J. De Silva	15/08/2005	17	53,420.00	26,710.00	454,070.00
29	G.C.N. Perera	15/08/2005	16	53,420.00	26,710.00	427,360.00
30	V.G.B.D. Weeranayaka	15/08/2005	17	53,420.00	26,710.00	454,070.00
31	S.W.Vijithani	25/10/2005	17	48,210.00	24,105.00	409,785.00
32	B. R. Ranaweera	15/02/2006	16	73,350.00	36,675.00	586,800.00
33	R. M .GaminiRathnayaka	12/12/2007	15	35,820.00	17,910.00	268,650.00
34	I. A. kleetasAsanga	15/02/2008	14	39,410.00	19,705.00	275,870.00
35	W.I.R.L Fenandu	09/01/2008	14	36,110.00	18,055.00	252,770.00
36	N.G.K Indika	08/06/2009	13	66,475.00	33,237.50	432,087.50
37	M.D.L.SriSugathRathnayaka	04/11/2009	13	36,910.00	18,455.00	239,915.00
38	H.M. S..D. Herath	06/03/2013	9	47,950.00	23,975.00	215,775.00
39	M. L.U. Edirisinghe	07/01/2013	9	52,665.00	26,332.50	236,992.50
40	P.L. Gamage	06/03/2013	9	52,665.00	26,332.50	236,992.50
41	S.A.S.C. Perera	07/01/2013	9	52,665.00	26,332.50	236,992.50
42	A. M. T. I Adikari	07/01/2014	8	45,310.00	22,655.00	181,240.00
43	R.M SarathRanasinghe	25/07/2013	9	36,910.00	18,455.00	166,095.00
44	W. K. IsuruIndika	07/01/2013	9	36,910.00	18,455.00	166,095.00
45	W.G.D.Anurada	15/07/2013	9	36,910.00	18,455.00	166,095.00
46	ChampikaGunasekara	25/07/2013	9	38,360.00	19,180.00	172,620.00
47	R. M. Amith Kumara	25/07/2013	9	34,550.00	17,275.00	155,475.00
48	W. A .AmilaPresanna	07/01/2014	8	36,610.00	18,305.00	146,440.00
49	N. A. S. A . Kumara	02/03/2014	8	33,550.00	16,775.00	134,200.00

50	L. C. Kodituvwakku	07/01/2014	8	36,910.00	18,455.00	147,640.00
51	P.H.G. N. Rathnasuriya	07/01/2014	8	36,910.00	18,455.00	147,640.00
52	G.G.D.M.K. Somarathna	07/01/2014	8	36,910.00	18,455.00	147,640.00
53	K.P.N.R. Ariyavansha	07/01/2014	8	36,910.00	18,455.00	147,640.00
54	R.J.MAGAMAGE	08/01/2014	8	47,290.00	23,645.00	189,160.00
55	NishamAsangika	24-04-2017	5	66,475.00	33,237.50	166,187.50
56	E.D.P. Krishanthi	25-07-2017	5	36,910.00	18,455.00	92,275.00
57	R.K.T Rajapaksa	08-08-2017	5	36,910.00	18,455.00	92,275.00
58	V.S Vidanage	25-07-2017	5	36,910.00	18,455.00	92,275.00
59	B.A.N.N. Bamunusinghe	14-07-2017	5	66,475.00	33,237.50	166,187.50
60	L.T.M .Karunathilaka	27-07-2017	5	36,910.00	18,455.00	92,275.00
62	H.A Rameshika	15-08-2017	5	33,550.00	16,775.00	83,875.00
63	G.Ruwan Kumara	15-08-2017	5	33,550.00	16,775.00	83,875.00
64	G.W .SashithSumanka	04-09-2017	5	33,550.00	16,775.00	83,875.00
65	W.N.S. Priyadarshani	15-09-2015	5	33,550.00	16,775.00	83,875.00
66	W.A.C.P. Weerathunga	16-08-2017	5	33,550.00	16,775.00	83,875.00
						27,929,935.50
Less:						
<u>Gratuity Payments</u>						
29	G.C.N. Perera	15/08/2005	16	53,420.00	26,710.00	427,360.00
03	D. Dharmasiri	06/10/1986	36	41,050.00	20,525.00	738,900.00
						1,166,260.00
Total Gratuity						26,763,675.50

Note 11 - Deferred Depreciation

-	-	31-12-2022 Rs.	31-12-2021 Rs.
Deferred Revenue Income			
<u>Capital Grant</u>			
Previous Years		110,949,206.31	96,217,012.42
Current Year		15,159,000.00	40,682,000.00
		126,108,206.31	136,899,012.42
<u>Less</u>			
Total Development Activities Expenses	11.2	5,601,506.34	16,307,856.40
		120,506,699.97	120,591,156.02
<u>Less</u>			
Deferred Depreciation	11.1	11,075,032.84	9,641,949.71
Deferred Revenue Income		109,431,667.13	110,949,206.31

Capital Grant given by Treasury has been disclosed as deferred income in the Balance Sheet and it has been recognised as income based on depreciation rates on 2022

Note 11.1 Differed Depreciation

	31-12-2022 Rs.	31-12-2021 Rs.
Building	4,478,329.95	4,247,171.64
Machinery	455,192.04	365,152.14
Office Equipment	449,226.34	369,954.36
Furniture & Fittings	1,678,409.69	999,748.55
Tools	408,426.49	300,558.17
Library Books	114,008.69	115,163.19
Computer	1,380,115.35	1,058,249.95
Vehicle	2,032,179.78	2,101,407.26
Software	79,144.51	84,544.45
	11,075,032.84	9,641,949.71

Note 11.2 Total Development Activities Expenses

-	31-12-2022 Rs.	31-12-2021 Rs.
Awareness / Training / TOT Programs	2,729,634.25	3,176,298.10
Awareness programmer chemical safety	72,555.00	34,975.00
Staff Training	171,150.00	516,903.00
Product Development	-	829,084.03
New Design Exhibition	21,304.55	9,399,368.74
Exhibition In Collaboration With Other Institution	570,591.46	750,420.96
Fashion Show	380,820.97	369,950.00
Monitoring of Evaluating Project & Programs	-	4,890.00
Research Programs For Raw Material Processing	990.00	30,557.00
S.R.R. Design Element in Traditional Art pro,	-	123,085.00
Web Updating & Web Hosting Charges	520,702.16	-
Introducing New Process Technology	169,975.00	-
Raw Material Purchases Cost of creation of new		
new design	638,681.95	681,999.57
Preventive Maintenance Strategy For NDC	136,475.00	-
Data Base on Lacquer survey manpower research	-	293,550.00
Mechanical Research for introducing new Machine	117,475.00	56,775.00
Research on safe chemical dye material	71,151.00	40,000.00
	5,601,506.34	16,307,856.40

Note 12 - Accumulated Profit

	31-12-2022 Rs.	31-12-2021 Rs.
B/F Accumulated Profit	20,733,331.80	15,770,521.22
(+) prior Year adjustment	376,487.24	59,837.75
(-) prior Year adjustment	(377,947.04)	-
	20,731,872.00	15,830,358.97
Surplus/ Deficit for the Year	3,323,434.86	4,902,973.30
C/F Accumulated Profit	24,055,306.86	20,733,332.27

Note 13 - Treasury Grant Recurrent

	31-12-2022 Rs.	31-12-2021 Rs.
January	4,881,000.00	5,000,000.00
February	6,688,000.00	6,000,000.00
March	6,716,000.00	6,000,000.00
April	4,746,000.00	6,585,000.00
May	5,295,000.00	6,662,000.00
June	5,310,000.00	5,026,000.00
July	5,235,000.00	5,294,000.00
August	5,235,000.00	4,990,000.00
September	6,235,000.00	5,080,000.00
October	4,735,000.00	6,572,000.00
November	6,250,000.00	6,596,000.00
December	7,304,000.00	8,859,000.00
Refund 31-12-2022	(1,250,000.00)	-
	67,380,000.00	72,664,000.00

Treasury Grant Capital

	31-12-2022 Rs.	31-12-2021 Rs.
Treasury Grant For Assets	6,733,493.66	21,374,143.60
Ministry of Industries Grant for Assets	2,824,000.00	3,000,000.00
Treasury Grant For Development Activities	5,601,506.34	16,307,856.40
	15,159,000.00	40,682,000.00

Note 14 - Other Income

	Note	31-12-2022 Rs.	31-12-2021 Rs.
Levy on Private use of vehicles		6,000.00	6,000.00
Non Refundable Tender Deposit		1,500.00	31,500.00
Miscellaneous		11,175.68	39,950.00
Profit & Loss (Sub note 01)	14.1	485,089.97	(542,991.82)
Government Contribution		480.00	6,000.00
Scarp Sales		60,235.00	-
Institutional Charges		740,308.65	-
2021-2023 Diploma Course fee		4,322,000.00	528,000.00
2021-2022 Lifestyle Product Design Course kandy		900,000.00	1,150,000.00
2021-2023 Higher National Diploma Course fee		1,345,000.00	75,000.00
2021-2023 Lifestyle Product Design Course Kandy		900,000.00	-
NDID 2019-2020 Course Fees		360,000.00	460,000.00
Application Fees		36,000.00	21,500.00
Repeat Exam charges		-	5,000.00
Diploma Award Ceremony Income		198,000.00	-
Unidentified course fee		30,000.00	-

Design Consultancy income	14.2	283,453.40	259,985.40
Laksala Project	14.3	14,040.00	-
Other Sales	14.4	114,565.00	28,150.00
Consignment Income		-	3,700.00
Staff Loan Account Income		547,408.92	493,226.06
Interest Income		10,355,256.62	2,565,019.64

Sub Note 14.1

National Design Centre

Statement of Profit & Loss Account for the Year end 31.12. 2022

	Note	31-12-2022 Rs.	31-12-2021 Rs.
Income (sales)		873,522.00	828,873.69
Less : Cost of Sales (Note1.1)	14.1.1	400,669.03	1,375,903.51
Gross Profit		472,852.97	(547,029.82)
Common facility center income		12,237.00	4,038.00
Total Profit		485,089.97	(542,991.82)

Note14- 1-1 - Cost of sale

<u>Raw Material</u>	31-12-2022 Rs.	31-12-2021 Rs.
Opening Stock (1st January 2022)	1,207,908.37	1,721,966.12
Add- Pervious Year Adjustment	26,393.75	-
Purchases	1,149,592.66	681,999.57
	2,383,894.78	2,403,965.69
Less Closing Stock	(1,588,008.40)	(1,207,908.37)
Material Consumed	795,886.38	1,196,057.32
<u>Finished Goods</u>		
Opening Stock 1st January 2022	5,607,732.88	4,911,895.04

Add- Previous Year Adjustment	174,053.49	-
	6,577,672.75	6,107,952.36
Purchases	-	829,084.03
	6,577,672.75	6,937,036.39
<u>Less</u>		
Closing Stock 31 December 2022 14.1.1-i	(6,177,003.72)	5,561,132.88
Cost of Sales	400,669.03	1,375,903.51

Sub Note 14.1.1-i - Closing Stock 31December 2022

	31-12-2022 Rs.	31-12-2021 Rs.
Stock as per Board of Survey Report 31. 12.2022	6,475,543.38	5,792,525.92
Add :Exceess Finished goods stock		9,714.00
	6,475,543.38	5,802,239.92
Less : Shortage in Finished goods stock	-	(183,667.49)
	6,475,543.38	5,618,572.43
less- Unusable Finished Goods	(156,274.20)	(57,439.55)
Provision for Obsolete Stock	(142,265.46)	-
	6,177,003.72	5,561,132.88

Sub Note 14.2 - Design Consultancy Income

	31-12-2022 Rs.	31-12-2021 Rs.
National Craft Council Interior design drawing for Handicraft Emporium Sigiriya (Drawing and consultation fee)	144,447.50	-
Krisalese Institute (Design Drawing and consultation fee)	139,005.90	-
Batik Vesak Lantern Program		
Income		256,700.00
Expenses		267,155.00

	-	(10,455.00)
Official Flag for Parliament		
Income		105,000.00
Expenses		104,975.00
	-	25.00
MataleAluvihare Service Centre		
Consultancy Fee	-	94,695.90
National Craft Council Sales Centre		
BOQ preparation fee	-	80,170.50
Institute of Cristal		
BOQ preparation fee	-	95,549.00
	283,453.40	259,985.40

Sub Note 14.3 - Laksala Income

	31.12.2022 Rs.	31.12.2021 Rs.
Laksala Sales Income	14,040.00	-
Laksala Sales Expenses		-
	14,040.00	-

Sub Note 14.4 - Other Sales Income

	31.12.2022 Rs.	31.12.2021 Rs.
ccc exhibition sales		9,925.00
other	24,480.00	-
LakArcade	90,085.00	18,225.00
	14,565.00	28,150.00

Note 15 - Personal Emoluments

	31.12.2022 Rs.	31.12.2021 Rs.	Estimate 2022 Rs.
Salaries & Wages	46,705,897.89	45,559,523.34	46,889,000.00
EPF	4,987,373.32	5,413,761.05	5,015,000.00
ETF	1,252,147.69	1,359,218.69	1,253,000.00
Over time	1,550,496.61	1,909,364.82	1,677,000.00
Trainee Allowances	228,450.00	562,865.99	
Chairman's Allowance	1,437,860.00	1,164,600.00	1,505,000.00
Fuel Allowances		100,716.00	-
Directors Transport Allowance		250,000.00	-
Telephone Allowance	280,000.00	-	
	56,442,225.51	56,320,049.89	56,339,000.00

Note 16 - Travelling Expenses

	31.12.2022 Rs.	31.12.2021 Rs.	Estimate 2022 Rs.
Domestic	135,229.17	27,063.50	150,000.00
Foreign			
	135,229.17	27,063.50	150,000.00

Note 17 - Supplies

	31.12.2022 Rs.	31.12.2021 Rs.	Estimate 2022 Rs.
Stationery & Office Requisites	860,892.80	1,069,771.78	750,000.00
Fuel Expenses	688,097.11	1,111,540.68	1,000,000.00
Uniforms	76,000.00	80,000.00	80,000.00
Medical	8,658.43	3,500.00	10,000.00
Other Supplies	6,955.00	1,000.00	25,000.00
	1,640,603.34	2,265,812.46	1,865,000.00

Note 18 - Maintenance

	31-12-2022 Rs.	31-12-2021 Rs.	Estimate 2022 Rs.
Vehicle maintenance	2,669,549.62	1,330,155.03	3,000,000.00
Building maintenance	90,130.90	941,833.78	300,000.00
Plant & Machinery	58,323.00	4,860.00	934,000.00
Office Equipment	800,946.91	386,048.30	
	3,618,950.43	2,662,897.11	4,234,000.00

Note 19 - Contractual Services

	31-12-2022 Rs.	31-12-2021 Rs.	Estimate 2022 Rs.
Transport & Hire charges	39,455.00	6,500.00	100,000.00
Telephone charges	323,558.15	562,181.30	640,000.00
Postage	29,725.00	21,050.00	60,000.00
Electricity & water	1,576,680.85	1,450,635.70	1,600,000.00
Rates & Taxes	269,623.04	209,950.00	225,000.00
Audit fee	700,000.00	610,200.00	560,000.00
Legal fees	239,336.00	158,750.00	300,000.00
Pest Control Services	105,430.00	25,000.00	110,000.00
Advertisement	-	475,356.10	100,000.00
Petty Cash & miscellaneous	44,401.00	78,793.52	120,000.00
Bank Charges	5,950.00	3,870.00	25,000.00
Sanitary & Cleaning	270,825.00	264,475.00	300,000.00
News Paper and Subscriptions	83,065.00	34,500.00	100,000.00
Contractual services (Service Agreement)	379,785.27	245,061.37	350,000.00
Insurance	423,685.57	399,798.15	700,000.00
Vehicle License	47,340.34	62,117.24	
Meeting With clients	72,376.10	44,231.50	200,000.00

Staff welfare	211,420.00	224,054.00	350,000.00
Printing Annual Reports	79,072.50	589,735.00	750,000.00
Stamp Duty	3,625.00	4,575.00	
Board Member Fee	271,500.00	130,000.00	500,000.00
Audit & Management Committee Member fee	170,000.00	122,000.00	190,000.00
Interviews Expenses	4,250.00	9,019.00	25,000.00
Security Charges	637,663.00	620,289.00	720,000.00
Board of Survey Expenses	187,582.73	371,352.05	250,000.00
	6,176,349.55	6,723,493.46	8,275,000.00

Note 20 - Depreciation

	31-12-2022 Rs.	31-12-2021 Rs.
Building	4,734,871.89	4,422,067.08
Machinery	455,192.04	365,152.14
Office Equipment	473,903.58	397,373.53
Furniture & Fittings	2,051,145.82	1,283,109.99
Tools	408,426.49	300,558.17
Library Book	114,170.20	115,333.20
Computer	1,412,281.20	1,098,457.26
Vehicle	2,032,179.78	2,101,407.26
Software	79,144.51	84,544.45
	11,761,315.51	10,168,003.08

Note 21 - Development Activities

	31-12-2022 Rs.	31-12-2021 Rs.	Estimate 2022 Rs.
Staff Training	171,150.00	516,903.00	215,000.00
Awareness / Training / TOT Programs	2,729,634.25	3,176,298.10	4,210,000.00
Monitoring of Evaluating Project & Programs	-	4,890.00	115,000.00
Awareness programs on chemical safety	72,555.00	34,975.00	
Research on safe chemical dye material	71,151.00	40,000.00	
Research Programs For Raw Material Processing	990.00	30,557.00	
Introducing New Process Technology	169,975.00	-	
Preventive Maintenance Strategy For NDC	136,475.00	-	
Mechanical Research for introducing new Machine	117,475.00	56,775.00	
New Design Exhibition	21,304.55	9,399,368.74	
Exhibition In Collaboration With Other Initiations	570,591.46	750,420.96	1,000,000.00
Fashion Show	380,820.97	369,950.00	5,100,000.00
Web Updating & Web Hosting Charges	520,702.16	-	600,000.00
Boosting Digital Advertising	-	-	150,000.00
Product Development	-	-	800,000.00
Data Base on Lacquer survey manpower research	-	293,550.00	-
S.R.R. Design Element in Traditional Art pro,	-	123,085.00	-
	4,962,824.39	14,796,772.80	12,960,000.00

Note 22 - Expenses for Ministry craft development project

	31-12-2022 Rs.	31-12-2021 Rs.	Estimate 2022 Rs.
100 Handloom Batik Sarees Program	90,275.00	2,180,350.00	1,113,948.00
Ten Batik Training Programs in Ten villages	-	6,800,950.00	49,050.00
Packaging Project Expenses	217,355.00	-	1,240,000.00
	307,630.00	8,981,300.00	2,402,998.00

Note 23 - Other Expenses

	Note	31-12-2022 Rs.	31-12-2021 Rs.
Education Activity	23.1	2,679,548.76	1,176,978.35
Stationery & other Office Requisites		72,075.00	-
Overtime Moratuwa		470,265.82	116,842.89
Maintenance Expenses		67,155.00	-
Other Expenses		69,241.33	15,500.00
Diploma Award Ceremony		631,687.14	-
Telephone & Internet		64,106.46	30,287.91
Stamp Duty		-	475.00
Cleaning Charges		21,000.00	-
Advertising Expense		59,975.00	-
Service Agreement		17,026.44	-
Other Sales Expenses	23.2	89,335.00	24,200.00
Consultancy Expenses		9,850.00	-
Other Expenses		2,000.00	28,190.00
SLF -Stamp Duty		1,075.00	275.00
Doubtful Debts		12,086.80	
		4,266,427.75	1,392,749.15

Note 23.1 - Education Activity

	31-12-2022 Rs.	31-12-2021 Rs.
2022-2023 EX, LIFESTYLE PRODUCT DESIGN	444,808.86	-
NDID 2019-2020 Course Expenses	-	167,685.00
HND 2021-2023 Course Expenses	442,150.00	335,794.00
NDID 2021 2023 Course EXPENSES	1,110,337.50	52,225.00
2021-2022 EX, LIFESTYLE PRODUCT DESIGN	659,337.40	621,274.35
NDID 2023-2024 Course Expenditure	22,915.00	-
	2,679,548.76	1,176,978.35

Note 23.2 - Other Sales Expenses

	31-12-2022 Rs.	31-12-2021 Rs.
ccc exhibition related Sample purchasing	-	5,975.00
Laksala Sales	11,700.00	-
LakArcade	41,935.00	18,225.00
Other	35,700.00	-
	89,335.00	24,200.00



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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எனது இல.
My No. }

IMT/B/NDC/124/2022/FS

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

2023 ජූනි 30 දින

Chairperson,

Auditor General's report in terms of section 12 of the National Audit Act No. 19 of 2018 on the financial statements for the year ended from 31st December 2022 and other legal and regulatory requirements of the National Design Centre.

1. Financial Statements

1.1 Qualified Opinion

The financial statement as at 31st December 2023 of the National Design Centre, financial performance statement for the year ended from that date, net assets change statements as well as notes applicable to the financial flow statement and financial statements and the and the financial statements for the year ended from 31st December 2022 consisting of summarized important financial policies were audited in terms of section 12 of the National Audit Act No. 19 of 2018 to be read in concurrence with the statute 154 (I) of the Constitution of Sri Lanka Democratic Socialist Republic of Sri Lanka. My report will be tabled in the Parliament as per statute 154 (6) of the Constitution in due course.

In my opinion, the financial situation as of the 31st of December 2022 through the financial statements of the institution and its financial performance and financial flow for the year ended on the same date, furnish an accurate and fair situation in terms of Sri Lankan state sector standards, except for the effect of the matters explained in the section basis for the qualified opinion of my report.

1.2 Basis for the qualified opinion

- (a) A difference of Rs.149,639 was observed as the value of the finished product consumption was Rs.156,274 according to the financial statements and Rs.6,635 according to the survey reports.
- (b) A difference of Rs.13,973,351 was observed as the cost was Rs.62,612,120 according to the financial statements of 04 asset types as of 31st of December 2022 and Rs.48,638,769 according to the fixed asset register.
- (c) Sri Lanka state accounting standards No.11
 - (i) Capital grants of Rs.9,557,494 in the year of review was not mentioned in the financial performance statement.
 - (ii) Since an amortized value of Rs.11,075,033 for capital grants was mentioned in the financial statements in the year of review, a surplus of Rs.3,323,435 was depicted in the financial statements. Moreover, even though the capital gains of the previous year should be adjusted to the accumulated fund, it was mentioned as capital gain of Rs.109,431,667 in the statements of financial position contrary to that.

The audit was carried out as per Sri Lanka Audit Standards (SLAS). My responsibility in terms of this audit standards has been further described in the Auditor's Responsibility on the Audit of the Financial Statements section of this Report. I do here with believe that the audit evidences taken by me for furnishing a basis for my qualified opinion are sufficient and appropriate.

1.3 Other information included in the 2022 Annual Report of the centre

Financial statements and information about them that are not included in my report even though they are included in the 2022 Annual Report of the centre which is expected to be given to me after the date of this audit report is referred to as other information. The management is responsible for these other information.

While other information is not covered by opinion related to financial statements, I do not express any kind of guarantee or opinion regarding it.

My responsibility in terms of my audit about financial statements is to read the other information identified above when I am able to receive it and in doing so, considering

whether there is a sufficient mismatch of other information according to the financial statements or my knowledge received during audit or any other method.

If I conclude that there are sufficient misrepresentations when reading the 2022 annual report of the centre, I have to communicate those facts to the administrative parties for correction. If there are further misrepresentations that have not been corrected, I will be including them in the report that will be tabled at the parliament in due course according to the 154 (6) constitution.

1.4 Responsibilities of the Management and the Administrative parties on financial statements

It is the responsibility of the management to decide on the internal controls that will be required to prepare these financial statements according to Sri Lanka State Sector Accounting Standards as well as presenting them with justification and void of any false statements that can be developed due to fraud and errors.

In the preparation of financial statements, it is the responsibility of the management to decide the capability of the continuation of the center, and except if the management intend to liquidate the institution or the operations are to be winded up when there is no other alternative, it is the responsibility of the management to keep accounts on the basis of continuity and reveal the matters pertaining to the continuity of the center.

The responsibility of financial reporting process of the center is held by the parties applicable for administration.

The center should maintain books and records pertaining to its income, expenditure, assets and liabilities so that the center is capable of preparing annual and contemporary financial statements in terms of sub section 16 (1) of National Audit Act No. 19 of 2018.

1.5 Auditor's responsibility on the audit of financial statements.

My objective is to issue a justified confirmation that as a whole the financial statements are void of quantity false statements created from forgery and erroneous acts and to issue the auditor's report comprised of my opinion. Although the justified certification is a higher level certification, it will not always be a confirmation that ensure the quantity false statements revelation when performing the audit as per Sri Lanka Audit Standards. Quantity false statements may form due to the effect of forgery and erroneous statements formed individually and group - wise whereas it is expected that there will be influences to the economic decisions taken by the users of these financial statements.

I have audited with the professional judgement and professional doubtfulness according to the Sri Lanka Audit Standards. Furthermore,

- Planning and implementing appropriate audit procedures according to the situation when identifying and evaluating the risks of the quantity false statements that may appear in the financial statements due to frauds and errors, when acquiring a basis for the stated audit opinion. More than the effect of the quantity false statements occurring due to misrepresentation, the effect of fraud is more powerful due to reasons such as, collusion, forging documents, intentional avoidance, misrepresentation or bypassing internal controls.
- An understanding of the internal administration was obtained, not in the idea of expressing opinions on the success of the internal administration but for planning appropriate audit procedures according to the situation.
- The appropriateness of the accounting policies used, fairness of the accounting estimations and the related disclosures done by the management were appreciated.
- The decision to use the relevance of utilizing the basis of continuous existence of the center for accounting based on the audit evidences obtained with regard to whether there is a quantity uncertainty on the continuous existence of the center due to the incidences and circumstances. If I decide of a sufficient uncertainty prevailing, attention of my audit report should be paid on the financial statements and if those revelations are insufficient, my opinion should be modified. However, the continuous existence may end based on the future incidents or situations.
- The overall presentation of the financial statements including the appropriate and fair inclusion of the transactions and events which were the basis for the structure and content of the financial statements and the disclosures were appreciated.

I inform the administrative parties about the important audit findings, major internal administration weaknesses as well as the other particulars found at my audit.

2. Report on other legal and regulation requirement

- 2.1 Special provisions on the following requirements included in the National Audit Act No. 19 of 2018.
 - 2.1.1 Except for the effect of the matters explained in the section basis for the qualified opinion of my report, according to the requirements mentioned in section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the required

information and clarifications for the audit and as per my investigation, proper financial reports were maintained by the center.

- 2.1.2 The financial statements submitted by the center according to the requirement mentioned in section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018 are corresponding with that of the previous year.
- 2.1.3 Except for the observation mentioned under (b) of the basis for the qualified opinion in my report, the financial statements submitted contains the recommendations issued by me in the previous year according to the requirement mentioned in section 6 (1) (d) (IV) of the National Audit Act No. 19 of 2018.
- 2.2 Nothing was brought into my attention to furnish following statements based on the actions followed and evidences obtained as well as by limiting to quantity facts.
 - 2.2.1 Presence of a direct or indirect relationship of a member of the administration of the center, away from the general business relationship with regard to any agreement pertaining to the center as per the requirement of section 12 (d) of the National Audit Act No. 19 of 2018.
 - 2.2.2 Any action against a written law or the other general or special provisions issued by the administration board of the center apart from the following observations as per the requirement of section 12 (f) of the National Audit Act No. 19 of 2018.

Reference to Terms and conditions / orders

Observations

Paragraph 6.6 in the operation manual for state entrepreneurs of the state business circular No. 01/2021 dated 16th of November 2021.

Even though the annual report draft and financial statements should be presented to the auditor general within 60 days after the end of the accounting year which was the 28th of February, the financial reports of the year in review were presented delayed on the 19th of April 2023.

- 2.2.3 Action has been taken not in concurrence with the powers, activities and functions of the center as per the requirement of section 12 (g) of the National Audit Act No. 19 of 2018.

2.2.4 Not carried out the procurements and utilized resources of the institutions thriftily, efficiently and productively in terms of the applicable terms and conditions within the period as per the requirement of section 12 (h) of the National Audit Act No. 19 of 2018.

2.3 Other matters

- (a) 189 new designs were introduced to artists according to the financial and physical progress given on December 2022 despite the target being to introduce 500 new designs according to the annual plan of the institution. That was a low percentage as 38 percent.
- (b) Even though the centre had spent Rs.36,507,029 from an amount of Rs.51,313,305 received under the united nations development program, that is 71 percent of the project amount within the period from 2015 to 2019, a project report to investigate whether that amount was utilized productively with the objective of promoting the artists or reports that investigated the performance and progress of each program were not submitted for audit. Moreover, Rs.10,584,174 of the amount received from this project which is 20 percent of the total receipts were used for tasks contradicting the objectives of this project.
- (c) Even though 03 laptops of worth Rs.735,000 and 02 hard discs of worth Rs.42,000 were purchased in the year 2021 in order to establish an information technology unit, that unit was not established till the date of audit.
- (d) Bamboo steamer machine of worth Rs.255,000 purchased in 2021 for the bamboo and cane division and a camera, 2 tabs and 2 laptops of total worth Rs.387,639 were inactive since 2 years while a gas oven worth Rs.148,200 and a wood oven of unrecognized construction cost were inactive for a period of about 19 years.
- (e) 09 balances of total worth Rs.344,261 mentioned under trade and other balances due were not recovered even though it has exceeded 03 years.

(Signed)

W.P.C. Wikramarathna

Auditor General

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Annexure	01

BAMBOO & CANE PRODUCTS



LACQUER PRODUCTS



RED CLAY PRODUCTS



RUSH AND REED PRODUCTS



TEXTILE PRODCUTS



WOOD PRODUCTS

