2022

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வருடாந்த அறிக்கை

Annual Report

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வரையறுக்கப்பட்ட தொலைக் கல்வி நிலையம்

Distance Learning Centre

State Owned Institute Under
Ministry of Public Administration

DLC
Distance Learning Centre Ltd.
Connecting Minds

GLOBAL
DEVELOPMENT
LEARNING
NETWORK
GDLN

Contents

Chairperson’s Review

CEO'S Report

Gershaun Arulanantham

With the full operation of DLC slowly coming back to pre-COID years, we are continuing to increase our revenue with new clients with long-term training requirements.

One of the highlights of the year was the signing of a contract with the Western Provincial Education Department, with whom DLC has a yearlong training. Further this year saw the growth of the online training with many levels of government officers. The online training too was a factor in increasing DLC's ability to bring interactive digital training through this mode.

Eventhough 2022 too was a difficult year with shortage in marketing staff, DLC is showing healthy signs of turning around financially, with strong performance in the provinces. As a long-term strategy DLC has to invest in a digital platform through which cost effective training could be offered to government officers who are scattered in all parts of Sri Lanka. Therefore 2023 has to be the year in which DLC invests it its digital platform to make this organisation profitable once again.

Gershaun Arulanantham
CEO, DLC

Colombo, Sri Lanka

An overview of DLC

DLC is one of the premier training institutions established by the Government of Sri Lanka in 2002, with an aim of developing the capacities of both government and private sector personnel, keeping the focus on the best practices at a global level. Over the past few years, DLC has been able to cater to those personnel by updating their academic and professional knowledge and skills after taking not only the domestic resources but also with the assistance of Global Development Learning Network of the World Bank Institute. DLC's training function is free from the constraints of traditional thinking and enables them to both develop themselves and optimise the performance.

Throughout the past few years, DLC has been engaging in conducting demand driven programmes, for the needy sectors rather than continuing on the traditional way of imparting knowledge. DLC has looked at today's changing context of the business environment and has developed specific programs using customer oriented approach. With this new direction, DLC was able to deliver value to its clients. As a result of this, even in the face of an exceptionally disruptive year where DLC was able to have its facilities open a few months of the year. Nonetheless, DLC with clear direction from its strategic goals, will continue this trend in performance in the years to come.

Table 1: Following are the revenue categories for Y/A 2022.

Revenue Categories	Rs.
Computer Based Training Facility	982,000.00
Face to Face Training Facility	1,709,300.00
Video Conference Facility	6,000.00
Face to Face Rental Facility	1,161,920.00
Computer Based Rental Facility	224,800.00
Public Seminars	906,000.00
Online Exams	12,888,570.00
Online Programs	6,189,300.00
	24,067,890.00

Table 2 – Net Profit before Tax (Rs)

	2017	2018	2019	2020	2021	**2022**
Total revenue (Including finance income)	69,671,388	67,769,778	73,388,537	24,170,166	24,384,600	**35,591,247**
Total Expenditure	(55,552,355)	(52,651,915)	(57,676,699)	(27,969,575)	(28,247,954)	**(37,819,501)**
Profit Before Income Tax	14,119,033	15,117,863	15,711,838	(3,799,409)	(3,863,354)	**(2,228,253)**

Table 2 – Gross Profit (Rs)

	2017	2018	2019	2020	2021	**2022**
Revenue from core operations	2,953,972	59,779,244	64,674,064	16,262,903	18,486,551	**24,067,890**
Cost of sales	(29,154,623)	(21,572,552)	(23,138,534)	(3,001,550)	(4,032,854)	**(5,735,779)**
Gross Profit	33,799,349	38,206,692	41,535,530	13,261,353	14,453,696	**18,332,111**
Gross profit ratio	54%	64%	64%	81%	78%	**76%**

The importance of Capacity development.

Today, the role of the service sector in Sri Lanka economy has become one of the major contributory factors in economic development and stability of a country, given the growing trend of information and communication technology (ICT), new innovative products, processes, structures, complexities and increased risks associated with globalization. In recent years, while advanced economies continued to update their services deliveries, the developing countries are trying to increase their per capita income and economic growth by various means . Especially, the emergence of Asia as an engine of world economic growth has given rise to increased opportunities in the business environment, especially in the service sector of developing countries and their organisations.

Against this backdrop, the DLC's prime responsibility is to integrate its training function to global level and acquire the modern way of transferring the knowledge and skills to needy sectors. In effect, we have successfully run both Personal Development and Organisational Change, through Young executive development programmes, video conferencing and project management programmes. Since DLC has accessibility to different organizations in different parts of the world in widely differing cultures and languages and in every case those involved could share the knowledge and experiences effectively.

Vision

We want to be the ultimate digital hub for human resources development and organizational transformation

Mission

We will build on a successful internal digital transformation, develop personalised digital services and rise to meet the exponential demand for digital learning and digital transformation of client organizations

Our Values

- Innovative and creative
- Responsive to customer needs
- Driven by sense of urgency
- Accountable and committed
- Believe in competency development

Corporate Information

Distance Learning Centre Ltd. (DLC) was incorporated, under the Companies Act, on 01 Nov 2001 and commenced its operation on 26 March 2002.

The stated capital consists of 14,206,509 ordinary shares of Rs. 10 each and is 100% (14,206,509) owned by Government of Sri Lanka. This is a self-funding enterprise with no recourse to government budget or subsidy.

Further it is part of the Global Development Learning Network (GDLN) of the World Bank Institute, which provides cost effective learning opportunities and capacity building programs through its interactive, multi-channel network, a flexible learning system of multi-site videoconferencing, Internet and other advanced communications technologies.

It also has links with other International Training Institutes and is privileged to offer their courses within Sri Lanka.

DLC is a test site provider for CIMA and ACCA online exams and the only such large secure facility available in Colombo. DLC came to be known as the largest CIMA test centre in South Asia in 2017 and successfully delivers exams to over 2000 candidates each year.

Principal Activities

Global knowledge sharing, e-learning, ICT related training, Education Sector Training and providing Corporate Suite type of facilities for business meetings and videoconferencing facilities for public and private sector clients. DLC also provides secure online testing facility for major international test providers.

Registered Office

28/10, Malalasekara Mawatha, Colombo 7

Auditors

Auditor General, Sri Lanka.

Secretaries

Accounting Systems Secretarial Services (Private) Limited.

Bankers

Bank of Ceylon

Human Resources

Management Team

CEO

Gershaun Arulanantham
ACIM (UK), FIM (SL), MBA (Peradeniya)

IT Manager

Aruna Buddhika
MSc SITM (UK), ACS

Learning Development and Marketing Manager

Keerthi Wijesekara
MCIM (UK), AABE (UK) MBA Uni Sunderland UK,
MSc HRM & Dev. University of Salford UK

Finance and Administrative Manager

Lakshika Kalubowila
BBA (Sp) 2nd Upper (Hons.),
MBA (Colombo), CBA , MAAT

Assistant Sales Manager

Vajira Abeynayake
Advance Diploma in Business Management
(NIBM)

Opperations Support Team

From Left

Suleka Dissanayake (Administrative Assistant)

Nirosha Priyadarshani (Programme Coordinator)

Lakmali Samarasekara (Executive Secretary)

Dhanushka Dushanthi (Programme Coordinator)

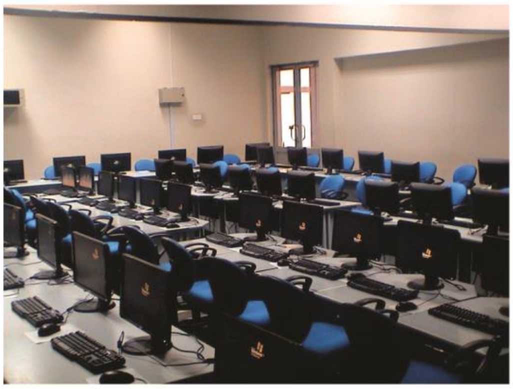
Nayani Kalpage (Finance & Admin. Coordinator)

Romesh Perera (IT Cordinator)

Physical Resources

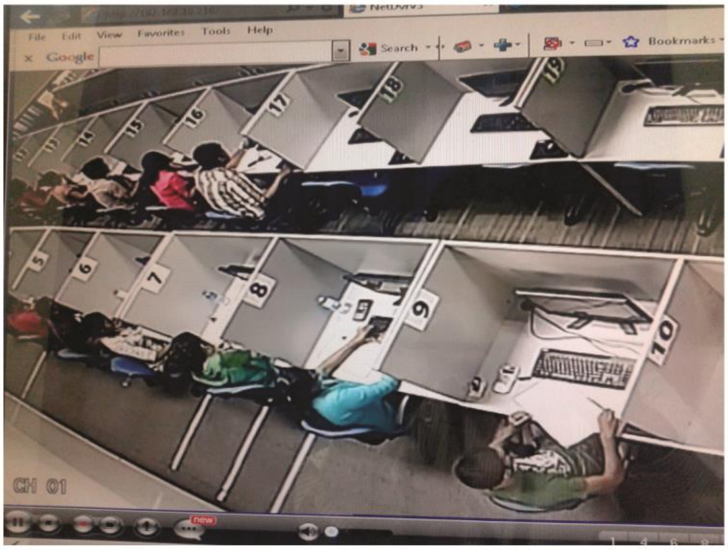
State-of-the-art video conferencing facility

30 active participants with personal microphones and 50 other observers could be accommodated.



Two multi-media rooms equipped with computers

One with 30 and the other with 50 computers



Pearson VUE Testing Center

(90 seat capacity testing center)

Spacious Lobby used as a lecture room when required

Audio conferencing facilities available for all seminar rooms

DLC offers the following through its Video Conferencing (VC) facility

- Courses leading to certificates on themes such as Microfinance, Natural Resource Management and Science and Policy of Climate Change using blended learning methods
- Video conferencing based training exposures that are provided by different resource centers around the world on subjects such as Disaster Nursing and Partograph
- Short seminars and presentations from renowned speakers (authority on subjects) living elsewhere in the world
- Global Experience Sharing Dialogues linking different countries on themes such as Korean Development Experience
- Tailor made training to meet customer requirements such as Web Application Security
- Renting of the facility for business conferences & meetings, academic chats and cross border family events, etc using VC

DLC offers the following through its Multi Media (MM) facility

- Programs for Developing Young Executives, exposing them to global trends
- Computer based exams for recruitment and promotions
- Tailor made foreign and local training programs using e-learning
- Computer training (Computer Essentials, International Computer Driving License, SL Computer Driving License, Advance e-Office Skills etc.)
- Computer based training such as Project Management, Presentation Skills, Publishing Skills, e-learning content development skills, etc
- Renting of the facility for business promotions, soft-ware promotions and computer-based training and computer based/ internet based exams

DLC rents out its facilities and its ICT enabled services for; Video conferencing, blended face-to-face events and exams (both computer based and other exams)

Visit DLC web for more information

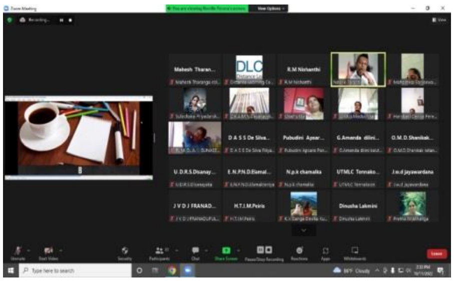
www.dlcsrilanka.org

DLC offers the following in additional services

- Content development and content translations along with Compact Disk (CD) development for e-learning initiatives
- Documentation of proceedings (both digital and printed modes)
- Design exams for screening prospective candidates for recruitment to meet client requirements

Programmes Highlights of 2022

1. Capacity Building Programs for Education Department- Western Province

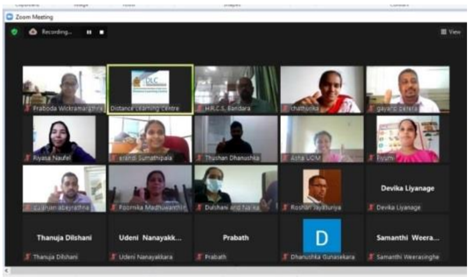



Provincial Education Department of Western Province has entrusted DLC with conducting capacity development programs under various subject areas for the Management Assistants and Development Officers attached to the Department and all Zonal education offices in the Western Province. Over 500 officers will be trained during 2022 comprising of 11 programs that will be run on blended mode.

2. Online Exam

DLC has been in the forefront in conducting online exams for various clients. Some of the clients that DLC caters to are CIMA, ACCA, and CFA. With the secure exam environment that DLC provide to its clients, DLC is a sought after institutes by clients to conduct their exams.

3. Conducting Public Seminars

DLC managed to conduct many public seminars in 2022, including seminars on topics such as Improving Workplace Productivity using ICT, Advanced Excel, Bid Evaluation in Public Procurement, and Successful Bidding in Public Procurement. The seminars were conducted in both online and offline modes.

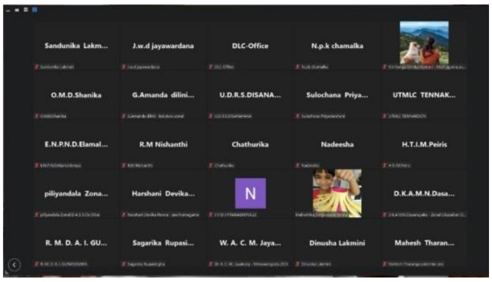
4. **System and Network Administration**

Training program on essentials system and network administration one of the flagship programs of DLC was conducted as a public seminar

5. **Mobile App Development Using Flutter**

The training program on mobile app development was a program developed for the DS Jaffna and was conducted online. The certificate awarding ceremony was conducted in the Jaffna District secretariat with the participation of the District Secretary.

6. **Certificate Course in Public Procurement**



10 Day Certificate program on public procurement was conducted with the participation of over 40 officers. The program was delivered through online platform.

7. **On-Site Training**

DLC has ventured into providing customized training programs at client premises. Many programs were organized under several topics.

Financial growth over the last 5 years

Summary of Results for the year ended 31st December	2022 Rs.Mn	2021 Rs.Mn	2020 Rs.Mn	2019 Rs.Mn	2018 Rs Mn
Turnover	**24.1**	18.4	16.2	64.6	59.8
Other Income	**11.5**	5.9	7.8	8.5	7.8
Total Income	**35.6**	24.3	24.0	73.1	67.6
Total Expenses	**37.8**	28.2	27.9	57.6	52.5
Net Profit for the Year					
Before tax	**-2.2**	-3.9	-3.79	15.7	15.1
Staff Cost	**14.9**	13.6	13.0	13.4	13.0
No. of staff	**11**	11	11	12	12
Financial Position as at 31st December	**2022 Rs Mn**	**2021 Rs.Mn**	**2020 Rs.Mn**	**2019 Rs.Mn**	**2018 Rs Mn**
Stated Capital	**142.6**	142.6	142.6	142.6	142.06
Noncurrent liabilities Government to be repaid under the agreement	**-**	-	-	-	3.2
Current Liabilities	**11.9**	5	3.97	4.2	6.9
Total Equity / Liabilities	**144.4**	128.9	135.2	139.3	130.3
Short Term Investments	**89**	85	78.2	68.9	84.0
Working Capital	**103.5**	66.2	74.8	75.1	88.1
Total Assets	**142.6**	128.9	135.2	139.3	130.3

REPORT OF THE DIRECTORS

DISTANCE LEARNING CENTRE LIMITED – PB 192

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY FOR THE YEAR ENDED 31ST DECEMBER 2022

The Directors have pleasure in submitting their Report together with the Audited Statement of Accounts for the year ended 31st December 2022

1. **PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS**

Principal Business Activities of the Company are organizing and conducting programs, seminars, workshops, conferences and other activities to facilitate Public & Private sector employees to gain access to update information and opportunities for interaction with international experts, especially in the areas of Public Management and Economic Development using the Global Distance Learning Network.

2. **DIRECTORS**

The name of the Directors of held office during the year under review is as follows.

a) Mr.Neel Ranjith Asoka Kalatuwage Don - Director
b) Ms.Michell Alikie Tania Perera - Director
c) Ms.Kasthuri Nnayakkarage Nalani Malkanthi Bandara *(appointed w.e.f. 24.01.2022)*
d) Ms.Geethanganee Damayanthi Pradeepa *(appointed w.e.f.24.01.2022)*
e) Mr.Karunanyaka Thanannhalage Indika Premarathne *(appointed w.e.f.02/03/2022)*
f) Selvanathan Anojan *(appointed as an alternate director to Ms.Michell Alikie Tania Perera w.e.f. 02/03/2022)*

Note:
1) Mr.Udaya Nishantha Mallawarachchi *(resigned w.e.f.02/03/2022)*
2) Ms.Serasinghe Pathiranage Geethanganee Damayanthi Pradeepa *(Appointed on 24/01/2022 and resigned w.e.f. 01/02/2023)*

3. **FINANCIAL STATEMENT**

The Financial Statements of the Company are given in the Annual Report.

4. **AUDITOR'S REPORT**

The Auditor's Report on the Financial Statements is given in the Annual Report.

5. **ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

The accounting policies and notes are given in Annual Report, there were no material changes in the Accounting Policies adopted.

6. **INTERESTS REGISTER**

The Company do maintain an Interest Register in terms of Section 192 of the Companies Act No.07 of 2007.

7. **DIRECTORS' INTEREST IN THE CONTRACT**

There were no related party transactions during the year and the transaction with Key Management Personnel are disclosed as per Note 23 to the financial statements.

8. **DIRECTORS' REMUNERATION AND OTHER BENEFIT**

Board Meeting & Audit Com. Meeting Attendance Fees for the Directors and the Allowance to Chairperson were paid as per Note 08 of the financial statements.

9. **DIRECTORS /RE-ELECTION RETIRE BY ROTATION**

The following Directors who are appointed to the Board during the period under review are eligible for re-election at the conclusion of Annual General Meeting.

a) Ms.Kasthuri Nnayakkarage Nalani Malkanthi Bandara *(appointed w.e.f. 24.01.2022)*
b) Ms.Geethanganee Damayanthi Pradeepa *(appointed w.e.f.24.01.2022)*
c) Mr.Udaya Nishantha Mallawarachchi *(resigned w.e.f.02/03/2022)*
d) Mr.Karunanyaka Thanannhalage Indika Premarathne *(appointed w.e.f.02/03/2022)*
e) Selvanathan Anojan *(appointed as an alternate director to Ms.Michell Alikie Tania Perera w.e.f. 02/03/2022)*

10. **PROPERTY PLANT AND EQUIPMENT**

The movement in property, plant, and equipment during the year is set out in Note 12 of the Financial Statements.

11. **EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

12. **CORPORATE GOVERNANCE**

Board has ensured that the Company has complied with the Corporate Governance Guidelines on Corporate Governance for State Owned Enterprises.

13. **STATUTORY PAYMENTS**

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the Government and the employees have been made on time.

14. **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

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

15. **AUDITORS**

The present Auditors of the Company are the National Audit Office, will be re-appointed as the Auditors to the Company for the ensuing year at the forthcoming Annual General Meeting.

The provision for the Annual Audit fee for Auditor General was Rs 269,100/= for the financial year and the payment to be paid.

16. **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on 29th May 2023 at 2.00 p.m., at No.28/10, Malalasekera Mawatha, Colombo 7.

BY ORDER OF THE BOARD OF DIRECTORS OF
DISTANCE LEARNING CENTRE LIMITED
ACCOUNTING SYSTEMS SECRETARIAL SERVICES (PRIVATE) LIMITED
SECRETARIES

……………………….. ………………………..
CHAIRPERSON DIRECTOR

………………………..
SECRETARIES

Date: 23rd May 2023

EXTERNAL AUDITOR'S REPORT

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. PAF/B/DLC/01/2022/01 | ඔබේ අංකය / உமது இல. / Your No. | දිනය / திகதி / Date 10 May 2023

Chairman

Distance Learning Centre Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Distance Learning Centre Limited for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

The above report is sent herewith.

W.P.C. Wickramaratne

Auditor General

Copies 01. Secretary, Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government.

02. Secretary, Ministry of Finance, Economic Stabilization and National Policies.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 | +94 11 2 88 72 23 | ag@auditorgeneral.gov.lk | www.naosl.gov.lk

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No.	PAF/B/DLC/01/2022/01	ඔබේ අංකය / உமது இல. / Your No.		දිනය / திகதி / Date	10 May 2023

Chairman
Distance Learning Centre Limited

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Distance Learning Centre Limited for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Distance Learning Centre Limited ("Company") for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs).

1.2 Basis for opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. No. 306/72, Polduwa Road, Battaramulla, Sri Lanka.
+94 11 2 88 70 28 - 34 +94 11 2 88 72 23 ag@auditorgeneral.gov.lk www.naosl.gov.lk

1.3 Other information included in the Company's 2022 Annual Report.

The other information comprises the information included in the Company's 2022 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Company's 2022 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 and Companies Act, No. 7 of 2007 include specific provisions for following requirements.

2.1.1 I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Company as per the requirement of section 163(2) of the Companies Act, No. 7 of 2007 and section 12 (a) of the National Audit Act, No. 19 of 2018.

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.1 To state that any member of the governing body of the Company has any direct or indirect interest in any contract entered into by the Company which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.

2.2.2 To state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 .

2.2.3 To state that the Company has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 To state that the resources of the Company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

2.3 Other Matters

(a) Although the income expected to be earned from the training programmes and other activities planned to be implemented according to the action plan of the year under review was Rs.58,111,029, only Rs.24,067,890 or 41 per cent had been earned. Even though new programmes, regional training and in-house training programmes should have been implemented during the year under review, those had not been done .

(b) Annual Assets verification report had not been submitted for the year under review.

W.P.C. Wickramaratne
Auditor General

State Owned Institute Under
Ministry of Public Administration

AUDITED FINANCIAL STATEMENT 2022

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 Rs.	2021 Rs.
Revenue	04	24,067,890	18,486,551
Cost of Sales	05	(5,735,779)	(4,032,854)
Gross Profit		18,332,111	14,453,696
Other Income	06	1,896	18,843
Distribution Expenses	07	(129,919)	(156,769)
Administrative Expenses	08	(31,924,728)	(24,077,354)
Net Financial Income	09	11,523,357	5,898,049
Profit / (Loss) before Income Tax		(2,197,283)	(3,863,535)
Income Tax Saving / Payment	10	(2,053,051)	(4,242,261)
Profit / (Loss) for the year		(4,250,333)	(8,105,796)
Earning Per Share	11	(0.30)	(0.57)

Notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

STATEMENT OF FINANCIAL POSITION

AS AT	Note	31.12.2022 Rs.	31.12.2021 Restated Rs.
ASSETS			
Non- Current Assets			
Property, Plant & Equipment	12	10,714,416	1,645,846
Financial Investments	13	-	28,936,610
Lease Rental	14	16,550,585	18,205,644
Deferred Tax Asset	15	1,640,109	3,693,160
Total Non Current Assets		28,905,111	52,481,261
Current Assets			
Trade & Other Receivables	16	9,560,046	8,653,517
Other Financial Assets	13	89,256,969	55,377,594
Current Tax Recoverable	17	4,620,752	4,620,751
Cash & Cash Equivalents	18	12,081,578	7,844,528
Total Current Assets		115,519,345	76,496,390
Total Assets		144,424,456	128,977,651
EQUITY AND LIABILITIES			
Equity			
Stated Capital	19	142,065,090	142,065,090
Accumulated Profit / (Loss)		(26,382,989)	(22,132,656)
Asset Revaluation		12,225,904	-
Total Equity		127,908,006	119,932,434
Non-Current Liabilities			
Employee Benefits	20	4,587,720	3,964,345
Total Non Current Liabilities		4,587,720	3,964,345
Current Liabilities			
Trade & Other Payables	21	3,619,861	3,348,003
Advances Received	22	6,888,000	312,000
Income tax Payable		1,420,869	1,420,869
Total Current Liabilities		11,928,730	5,080,872
Total Equity and Liabilities		144,424,456	128,977,651

These Financial Statements have been presented in compliance with the requirements of the Companies Act No. 07 of 2007.

Finance Manager **Chief Executive Officer**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.
Approved and signed for and on behalf of the Board of Directors of Distance Learning Centre Limited.

Director **Director** **Director**

000002

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2022

	Stated Capital Rs.	Accumulated Profit / (Loss) Rs.	Revaluation Reserve Rs.	Total Equity Rs.
Balance as at 1st January 2021	142,065,090	(14,206,542)	-	127,858,548
Prior Year Adjustment	-	179,683	-	179,683
Total Comprehensive Income for the year	-	(8,105,796)	-	(8,105,796)
Balance as at 31st December 2021	142,065,090	(22,132,656)	-	119,932,434
Balance as at 1st January 2022	**142,065,090**	**(22,132,656)**	**-**	**119,932,434**
Asset Revaluation	**-**	**-**	**12,225,904**	**12,225,904**
Total Comprehensive Income for the year	**-**	**(4,250,333)**	**-**	**(4,250,333)**
Balance as at 31st December 2022	**142,065,090**	**(26,382,989)**	**12,225,904**	**127,908,005**

Notes to the Financial Statements form an integral part of these Financial Statements
Figures in brackets indicate deductions

Being corrected Opening Balance difference in Fixed Deposit	**205,891**
Being corrected Opening Balance difference in Fixed Assets	**(26,208)**
	179,683

DISTANCE LEARNING CENTRE LIMITED

NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022 Rs.	2021 Rs.
Cash Flows from Operating Activities		
Profit / (Loss) before Income Tax Expenses	**(2,197,283)**	(3,863,535)
Adjustment for		
Depreciation on Property, Plant and Equipment	**3,188,666**	1,438,769
Provision for Gratuity	**623,375**	526,700
Lease Rental Amortization	**1,655,059**	1,655,059
Interest Income	**(11,552,432)**	(5,920,289)
Operating Profit before Working Capital Changes	**(8,282,615)**	(6,163,296)
(Increase) / Decrease in Trade & Other Receivables	**(906,529)**	(1,968,182)
Increase / (Decrease) in Trade & Other Payables	**271,858**	(62,325)
Increase / (Decrease) in Advances Received	**6,576,000**	(255,190)
	(2,341,286)	(8,448,993)
Cash Generated from Operations		
ESC Paid	**-**	-
WHT Paid	**-**	-
Interest Paid for Government Loan	**-**	-
Income Tax	-	-
Net Cash from / (Used in) Operating Activities	**(2,341,286)**	(8,448,993)
Cash Flows from Investing Activities		
Acquisition of Property, Plant & Equipment	**(31,331)**	(121,765)
Investment in Fixed Deposits	**(46,553)**	-
Interest Received	**6,656,219**	101,667
Net Cash used in Investing Activities	**6,578,336**	(20,098)
Cash Flows from Financing Activities		
Loans Repaid during the year	**-**	-
Net Cash used in Financing Activities	**-**	-
Net Increase in Cash & Cash Equivalents	**4,237,050**	(8,469,092)
Cash & Cash Equivalents at the beginning of the year	**7,844,528**	16,313,620
Cash & Cash Equivalents at the end of the year (Note A)	**12,081,578**	7,844,528

NOTE A - CASH & CASH EQUIVALENTS	**As at 31.12.2022**	As at 31.12.2021
Cash at Bank - BOC : Ac. No. 0002323189	**349,770**	225,315
Cash in Hand	**25,000**	25,000
Fund Management Account	**3,706,808**	7,594,213
Call Deposit	**8,000,000**	-
	12,081,578	7,844,528

Notes to the Financial Statements form an integral part of these Financial Statements

Figures in brackets indicate deductions

DISTANCE LEARNING CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 2022

1. Reporting Entity

Distance Learning Centre Limited is a Public Limited Company incorporated and domiciled in Sri Lanka. The registered office of the company and the principal place of business are located at No. 28/10, Malalasekara Mawatha, Colombo 07.

The principal activity of the company is to organize and conduct programs, seminars, workshops, conferences and other activities to facilitate Public & Private sector employees to gain access to update information and opportunities for interaction with international experts especially in the areas of Public Management and Economic Development using the Global Distance Learning Network.

2. Basis of Preparation

2.1 Statement of Compliance

The Financial Statements of the Company comprise the statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, together with the Notes to the Financial Statements and Significant Accounting Policies which have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs) promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 7 of 2007.

Financial Statements prepared in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs)

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis and accounting policies are applied consistently with no adjustments being made for inflationary factors affecting the financial statements. The Directors have made an assessment of the company's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of activities.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees which is the Company's functional currency.

2.4 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standard for Small and Medium sized Entities (SLFRS For SMEs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets , liabilities , income and expenses. Judgments and estimates are based on historical experience and other factors including expectations that are believed to be reasonable under the circumstances. Hence actual results may differ from these judgments and estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements for the purpose of the transition to SLFRS for SMEs, unless otherwise indicated. The accounting policies have been applied consistently by the entity.

3.1. Foreign Currency Transactions

In preparing the Financial Statements of the Company, transactions in currencies other than the entity‟s functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the closing rate. Non –monetary items measured at fair value are translated at the rates prevailing on the date when the fair value was determined. Non –monetary items measured at historical cost are translated at the rates prevailing on the dates of transactions. Exchange difference arising on the settlements of monetary items and on the translation of monetary items is included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences which are recognized in other comprehensive income.

3.2. Assets and the bases of their valuation

Assets classified as Current Assets in the Statement of Financial Position are cash, bank balances and those which are expected to be realized in cash, during the normal operating cycle of the Company, business, or within one year from the reporting date, whichever is shorter. Assets other than Current Assets are those which the Company intends to hold beyond a period of one year from the reporting date.

3.2.1 Property, Plant & Equipment

3.2.1.1 Recognition and Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property .plant and equipment, and are recognized net within other income in profit or loss.

3.2.1.2 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative period are as follows.

Assets Category	Useful Life (Years)	Depreciation Rate (%)
Bridge & Teaching Equipment	5	20
Computer Equipment	4	25
Office Equipment	5	20
Furniture and Fittings	5	20

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation method, useful lives and residual value are reviewed at each financial year end and adjusted if appropriate.

3.3 Liabilities and Provisions

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the Statement of Financial Position date. Non-current liabilities are those balances that fall due for payment after one year from the Statement of

Financial Position date. All known liabilities have been accounted for in preparing this financial Statements.

A provision is recognized if, as a result of a past event the company has a present legal or constructive obligation that can be estimated reliably and its probable that an outflow of economic benefits will be required to settle the obligation.

3.3.1 Employee Benefits

3.3.1.1 Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

A Defined Contribution Plan is a post-employment Benefit Plan under which an entity pays a fixed contribution into separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Defined Contribution pension plans are recognized as an Employee Benefit expense in profit or loss in the periods during which services are rendered by employees.

The company contributes 12% of gross emoluments of the employees to Employees" Provident Fund.(EPF) All of the employees are eligible for Employees Trust Fund to which the company contributes 3% of gross emoluments of such employees.

3.3.1.2 Defined Benefit Plan – Retirement Gratuity

A defined Benefit Plan is a post –Employment Benefit plan other than a Defined Contribution Plan. Under defined benefit plans, the entity's obligation is to provide the agreed benefit to the current and former employees.

The company's net obligation in respect of defined benefit pension plan is calculated without an actuarial valuation, at half month's salary for each year of service from the date of commencement of service using the simplification permitted in section 28 to the SLFRS for SMEs – "Employee Benefit" such as; ignoring future services of current employees, ignoring estimated future salary increases and ignoring possible in- service mortality of current employees between the reporting date and the date employees are expected to begin receiving post employment benefits.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with Section 28 to the SLFRS for SMEs-„ Employee Benefits". However, under the payment of Gratuity Act No.12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years of continued service and also when the number of employees is less than 15, payment of gratuity has not been made mandatory for such employees. The liability is externally funded.

3.3.2 Capital commitments and contingencies

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

3.4 Statement of comprehensive income

For the purpose of presentation of the statement of comprehensive income the directors are of the opinion that function of expenses method presents fairly the elements of the company's performance, and hence such presentation method is adopted in line with the provisions of section 3 to the SLFRS for SMEs – "Financial statements presentation".

3.4.1 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue and the associate cost already incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration revised or revisable, net of trade discounts and revenue related taxes. The following specific criteria are used for the purpose of recognition of revenue.

3.4.1.1 Rendering of Services

Revenue from transactions involving the rendering of the services is recognized by reference to the stage of completion of the transaction at the end of the reporting period. When services are performed by an indeterminate number of acts over a specified period of times, the company recognizes revenue on the straight line basis over the specified period and when a specific act is much more significant than any other act, the company postpones recognition of revenue until the significant act is executed.

3.4.1.2 Interest Income

Interest income is recognized as the interest accrued (taking into Account the effective yield on the Assets) unless collectability is in doubt.

3.4.1.3 Other Income

All other income is recognized on accrual basis.

3.4.2 Expenditure Recognition

3.4.2.1 Operating Expenses

All expenses incurred in day to day operations of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Statement of Comprehensive Income in arriving at the Profit / (Loss) for the year. Provision has also been made for impairment of trade receivables, all known liabilities and depreciation on property, plant and equipment.

3.4.2.2 Finance Cost

Finance cost comprise of interest expenses on Government Loans and Bank Overdrafts. All of the borrowing costs are recognized in profit or loss using the effective interest method.

3.4.2.3 Tax Expenses

Income Tax expenses comprising of current and deferred tax. Income tax expense is recognized in Statement of Comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.4.2.3.1 Current Taxes

Current tax expense for the current and comparative periods are measured at the amount paid or expected to be payable to the Commissioner General of Inland Revenue on Taxable Income for the respective year of assessment computed in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 as amended by subsequent legislation enacted or substantively enacted by the reporting date.

3.4.2.3.2 Deferred Taxation

Deferred taxation is recognized using the Balance Sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes to the extent that they are expected to be reversed in the future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

3.5 Statement of Cash Flows

The Statement of Cash Flows has been prepared using the "Indirect Method" Interest paid is classified as operating cash flows while interest received is classified as investing Cash Flows for the purpose of presentation of the Statement of Cash Flows

3.6 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

3.7 Earnings Per Share

The Company presents Basic Earnings per Share (EPS) data for its ordinary Shares Basic EPS is calculated by dividing the Profit or Loss attributable to ordinary share holders of the company by the weighted average number of ordinary shares outstanding during the period

3.8 Events occurring after the reporting period

Events after the reporting period are those events favorable and unfavorable occur between the end of the reporting period and the date when the Financial Statements are authorized for issue. The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS - 2022

NOTE 04 - REVENUE

	2022	2021
	Rs.	Rs.
Computer Based Training Facility	982,000	180,000
Face to Face Training Facility	1,709,300	441,000
Video Conference Facility	6,000	6,000
Face to Face Rental Facility	1,161,920	-
Computer Based Rental Facility	224,800	937,380
Public Seminars	906,000	-
Online Exams	12,888,570	9,232,671
Online Programs	6,189,300	7,689,500
	24,067,890	18,486,551

NOTE 05 - COST OF SALES

	Rs.	Rs.
Computer Based Training Facility	580,473	119,465
Face to Face Training Facility	895,608	219,453
Video Conference Facility	-	-
Face to Face Rental Facility	589,023	-
Computer Based Rental Facility	127,991	502,702
Public Seminars	422,070	-
Online Exams	1,213,968	1,399,405
Online Programs	1,906,646	1,791,829
	5,735,779	4,032,854

NOTE 06 - OTHER INCOME

	Rs.	Rs.
Miscellaneous Income	1,896	18,843
	1,896	18,843

NOTE 07 - DISTRIBUTION EXPENSES

	Rs.	Rs.
Sales Promotion Cost	79,670	69,019
TBSI *-Sales Managers	-	-
TBSI -CEO	-	-
Traveling expenses -Visit Exam Centers	50,249	7,750
Content Development Expenses	-	80,000
	129,919	156,769

** TBSI = Target Based Sales Incentive*

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 08 - ADMINISTRATION EXPENSES

	2022 Rs.	2021 Rs.
Salaries	**12,727,986**	11,415,492
EPF Expenses	**1,534,566**	1,409,459
ETF Expenses	**385,062**	352,365
Overtime Expenses	**220,842**	83,009
Training and Development Fees	**31,000**	15,000
Provision for Gratuity	**623,375**	526,700
Uniform cost to Admin Assistant	**22,000**	16,185
Board Meeting Attendance Fees	**321,000**	-
Audit Com. Meeting Attendance Fees	**159,000**	-
Board Meeting & Audit Meeting Refreshment	**66,153**	-
Allowance to Chairperson	**412,500**	-
Telephone	**256,764**	231,073
Electricity	**2,734,953**	2,167,188
Internet Charges	**153,695**	197,484
E-mail set up Fee	**185,424**	133,152
Travelling Cost	**89,141**	16,790
Fuel - Company Bike	**35,720**	17,000
Fuel Allowance for CEO	**556,950**	306,000
Vehicle Allowance for CEO	**500,000**	600,000
Printing and Stationery Cost	**217,376**	61,840
Newspapers and Magazines Expenses	**21,230**	11,200
Maintenance of Equipment (Note 8.1)	**1,221,322**	1,011,653
Maintenance of Building (Note 8.2)	**356,905**	24,515
Elevator maintenance charges	**414,752**	395,000
Maintenance of Motor Bike	**83,827**	54,840
Health Insurance	**475,080**	387,205
Motor Bicycle Insurance	**17,143**	11,265
Fire Insurance	**72,243**	62,621
Depreciation	**3,188,666**	1,438,769
Lease Rental Amortization	**1,655,059**	1,655,059
Cleaning Charges	**897,944**	794,360
Audit Fees	**649,065**	221,950
Tax Return Filling Fee	**76,590**	55,000

Secretarial Fees	**277,570**	60,403
Bank Charges	**11,480**	8,840
Tea Expenses for Staff	**240,061**	74,865
Annual Report Translation, Formating & Printing Fees	**277,550**	53,970
Photo Copy Machine Rental	**78,450**	43,921
Translation fee	**91,728**	27,500
Water Bottles	**45,912**	16,200
Minor Repairs	**1,995**	39,850
Health & Safety Maintenance Cost	**4,365**	64,830
Internet allowance for the staff	**32,000**	8,000
Refreshment for Meetings	**32,685**	6,800
Staff recruitment expenses	**25,000**	-
Diesal For Generator (Note 8.1.1)	**438,600**	-
Procurement Committee Meeting	**4,000**	-
	31,924,728	24,077,354

NOTE 08.1	**2022**	2021
Rental charges for Water Purifier	**43,258**	39,000
Rental charges for UPS	**418,504**	456,011
Chemical cost for Cooling Tower	**58,096**	41,258
Diesel for Generator (Note 8.1.1)	**-**	127,000
Maintenance cost for Air Conditioner	**122,023**	185,870
Computer, Laptop & Printer Repair charges	**94,730**	89,000
Finger Print Machine Annual Agreement charges	**28,000**	17,500
Other maintenance cost	**27,270**	56,015
Generator maintenance Agreement	**168,890**	-
Scrap battery	**110,450**	-
SSD Card & Hard Disk	**150,100**	-
	1,221,322	1,011,653

NOTE 08.2	
DLC Maintenance Work	**356,905**
	356,905

NOTE 08.1.1 Diesel Cost For Generator is being separately showing under administration expenses in 2022.

NOTE 09. NET FINANCIAL INCOME

	Rs.	Rs.
Finance Income		
Fixed Deposit Interest Income	**10,769,556**	5,670,290
Interest on Fund Management Account	**782,876**	249,998
	11,552,432	5,920,289
Less: Finance Cost		
Exchange Rate Difference	**29,075**	22,240
Government Loan Interest	**-**	-
	29,075	22,240
	11,523,357	5,898,049

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 10. INCOME TAX EXPENSES

NOTE 10.1. Current Taxes

The Company in terms of the Inland Revenue Act No 24 of 2017 as amended by the subsequent Amendment Acts, Profits & Income is liable at the rate of 24% for the 1st Period & 30% for the 2nd Period.

	2022 Rs.	2021 Rs.
Taxation on Current year Profits(Note 10.2)		1,420,869
Over / Under Provision for Tax		
Deferred Tax Asset reversed / (recognized) during the year	**(2,053,051)**	2,821,392
	(2,053,051)	4,242,261

NOTE 10.2 - Reconciliation between Accounting Profit and Taxable Profit

	2022	2021
Accounting Profit before Income Tax Expenses	**(2,197,283)**	(3,848,049)
Aggregate Disallowed Items	**5,467,100**	3,620,528
Aggregate Allowed Items	**(2,825,893)**	(2,819,627)
Interest Income	**(11,552,432)**	(5,920,288)
Taxable Profit / (Loss) from Business	**(11,108,508)**	(8,967,436)
Tax Loss Utilized during the year		-
Taxable Income	**11,552,432**	5,920,288
Income Tax at 24% on Business Income		-
Income Tax at 30% on Investment Income	**-**	1,420,869
Taxation on Current year Profit	**-**	1,420,869

NOTE 10.3 Reconciliation of Tax Loss

	2022	2021
Tax Loss B/F	**76,237,224**	89,682,448
Tax Loss utilized during the year		
Deducted against Business Income		-
Deducted against Investment Income		-
Tax Loss C/F	**76,237,224**	89,682,448

NOTE 11. EARNINGS /(LOSS) PER SHARE

The calculation of earning / (Loss) per share is based on the Profit / (Loss) after tax for the year attributable to Ordinary Shareholders divided by the weighted average number of ordinary shares outstanding during the year end is calculated as follows,

	2022	2021
Profit / (Loss) attributable to ordinary shareholders	**Rs.**	Rs.
Profit after Tax attributable to the Ordinary Shareholders (Rs.)	**(4,250,333)**	(8,105,796)
Number of Ordinary Shares		
Weighted Average Number of Ordinary Shares outstanding during the year	**14,206,509**	14,206,509
Earning / (Loss) per share (Rs.)	**(0.30)**	(0.57)

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

NOTE 12.1 COST	Free Hold					
	Furniture & Fittings	Office Equipments	Computer Equipment	Motor Vehicles	Bridge & Teaching Equipments	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st January 2022	3,360,250	982,500	8,969,000	300,000	260,001	13,871,751
Additions during the year	-	31,331	-	-	-	31,331
Disposal / (Transfer)during the year	-	-	-	-	-	-
Balance as at 31st December 2022	**3,360,250**	**1,013,831**	**8,969,000**	**300,000**	**260,001**	**13,903,082**
NOTE 12.2 ACCUMULATED DEPRECIATION / AMORTIZATION						
Balance as at 01st January 2022	-	-	-	-	-	-
Charge for the year	672,050	197,616	2,207,000	60,000	52,000	3,188,666
Disposal / (Transfer)during the year	-	-	-	-	-	-
Balance as at 31st December 2022	**672,050**	**197,616**	**2,207,000**	**60,000**	**52,000**	**3,188,666**
As at 31st December 2021	14,910	270,891	1,360,044	1	1	1,645,846
As at 31st December 2022	**2,688,200**	**816,215**	**6,762,000**	**240,000**	**208,001**	**10,714,416**

NOTE 12.3 NOTES ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

As of 01.01.2022, DLC's total cost of assets was Rs.59,741,042. A cost of Rs.28,586,090 was identified to be disposed of, which has a book value of Rs.42,961.00 through the Asset revaluation committee.

A cost of Rs.31,154,952 assets which have a book value of Rs.1,645,847 as of 01.01.2022 were revalued to Rs.13,871,751. The revaluation reserve was Rs.12,225,904. The effective date of revaluation is 01.01.2022

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 13 - OTHER FINANCIAL ASSETS

NOTE 13.1 - Long Term Investments

	Rs.	Rs.
Fixed Deposits (Note No. 13.2.1)		28,936,610
	-	28,936,610

NOTE 13.2 - Short Term Investments

Short Term Investments (Note No. 13.2.1)	**89,256,969**	55,377,594
	89,256,969	55,377,594

NOTE 13.2.1

The Long term investment & short term investment balances of 2020 has been corrected due to a classification error.

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 14. LEASE RENTAL

The company has signed a lease agreement with Sri Lanka Institute of Development Authority (SLIDA) where the lessor has agreed to lease the building constructed by the company. This cost is treated as an advance on rent for a period of 30 years commencing from 1st of January 2003 to 31st December 2032 and the lease advance payment is charged to Statement of Comprehensive Income over 30 years. However the lease agreement has not been registered with the Land Registry.

	2022	2021
	Rs.	Rs.
Rental Paid in Advance	**49,651,765**	49,651,765
Add: Adjustment for Lease Asset Cost		
	49,651,765	49,651,765
Less: Total Amount written of as lease rent	**(31,446,121)**	(29,791,062)
Current Year Lease Amortization	**(1,655,059)**	(1,655,059)
Adjustment for Lease Asset Accumulated Amortization		
	16,550,585	18,205,644

NOTE 15. DEFERRED TAXATION

	Rs.	Rs.
At the beginning of the year	**3,693,160**	6,514,552
(Charge) / Reversal for the year	(2,053,051)	(2,821,392)
At the end of the year	**1,640,109**	3,693,160

Deferred Tax is provided using the balance sheet liability method providing for temporary differences as between the Company value of assets and liabilities for the financial reporting purpose and the amount used for taxation purpose at Weighted average rate based on Educational service at 14% and interest income at 24%.

Deferred Tax Assets as at the year end is made up as follows,

	2022		2021	
	Temporary Difference	**Tax Effect**	Temporary Difference	Tax Effect
	Rs.	**Rs.**	Rs.	Rs.
Tax Loss B/F	**11,435,584**	**2,916,073.81**	17,933,392	2,944,524
Property, Plant & Equipment	**(9,591,502)**	**(2,445,833)**	595,162	97,720.94
Retirement Benefit Obligation	**4,587,720**	**1,169,868.60**	3,964,345	650,914.78
	6,431,802	**1,640,109.43**	22,492,899	3,693,160

Deferred Tax Assets has been recognized in respect of the tax loss brought forward to current financial year.

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 16. TRADE & OTHER RECEIVABLES

	2022	2021
	Rs.	Rs.
Trade Receivables	**868,820**	5,474,867
Advances and Prepayments (Note No 16.1)	**676,000**	423,000
Interest Receivables	**8,015,226**	2,755,650
	9,560,046	8,653,517

NOTE 16.1 Advances and Prepayments

Salary Advances given to employees	**560,000**	324,000
Festival Advance Account	**81,000**	99,000
Other Advance	**35,000**	-
	676,000	423,000

NOTE 17. CURRENT TAX RECOVERABLE

	Rs.	Rs.
WHT Receivable on Interest Income	**759,039**	759,039
Income Tax - Self Assessment Payment	**484,223**	484,223
ESC Receivable	**512,981**	512,980
Tax Receivable Balance (Note 17.1)	**2,864,509**	2,864,509
	4,620,752	4,620,751

NOTE 17.1 DLC has received refund notice for Rs.2,864,509/-

NOTE 18. CASH & CASH EQUIVALENTS

	Rs.	Rs.
Favorable Balances		
Cash in Hand	**25,000**	25,000
Cash at Bank - BOC : Ac. No. 0002323189	**349,770**	225,315
Fund Management Account	**3,706,808**	7,594,213
Call Deposit	**8,000,000**	-
	12,081,578	7,844,528

NOTE 19. STATED CAPITAL

	Rs.	Rs.
Issued & Fully paid (14,206,509 Ordinary Shares)	**142,065,090**	142,065,090
	142,065,090	142,065,090

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 20. EMPLOYEE BENEFITS

	2022	2021
	Rs.	Rs.
Balance at the beginning of the year	**3,964,345**	3,437,645
Provision made/ (Reversal made) during the year	**623,375**	526,700
Balance at the end of the year	**4,587,720**	3,964,345

NOTE 21. TRADE & OTHER PAYABLES

	Rs.	Rs.
Trade Payables	**-**	6,000
Accrued Expenses (Note 21.1)	**3,619,861**	3,342,003
	3,619,861	3,348,003

DISTANCE LEARNING CENTRE LIMITED
NO 28/10, MALALASEKARA MAWATHA, COLOMBO 07

NOTES TO THE FINANCIAL STATEMENTS – 2022

NOTE 21.1 - ACCRUED EXPENSES AS AT 31ST DECEMBER

	2022 Rs.	2021 Rs.
Cost of ACCA	-	16,612
Overtime	20,840	10,956
Newspapers	3,710	1,060
Electricity	268,492	217,674
Water	4,935	9,000
Cleaning Charges	77,850	67,950
Telephone	23,641	18,946
Internet Charges	67,398	61,714
Printing & Stationery	210	1,640
EPF	201,892	303,408
ETF	30,284	45,511
PAYE (Note 21.1.1)	5,016	2,148
Stamp Fees	825	825
Special Payment / Bonus according to Board approved formula (Note 21.1.2)	1,175,000	1,175,000
Audit Fees (Note 21.1.3)	965,359	571,950
Salaries	-	250,000
Photo Copy Machine Rental	6,016	15,115
Maintenance of Equipment	159,385	76,002
Maintenance of Building	28,000	-
Translation Fees	21,281	-
Allowance to Chairmen	37,500	-
Income tax Return Filling fee	175,000	105,000
Maintenance of Motor Vehicles	-	150
Tea expenses	11,892	6,468
Refrenishment - Official	560	
Secretarial Fee	116,586	-
Computer Based Training-DLCCost	130,300	-
Online Program Cost	16,240	380,645
Sales Promotion Cost	-	2,500
Travelling	3,600	1,730
Face to face Programme Cost	64,800	-
Face to Face Rental Cost	3,250	-
	3,619,861	3,342,003

NOTE 21.1.1 PAYEE

PAYEE is deducted from the employees salary and remitted to Inland Revenue Department.

NOTE 21.1.2 BONUS

Provision for bonus / Special payment has been made according to the Board approved formula from 2017 to 2019.

NOTE 21.1.3 AUDIT FEE

Provisions for Audit fee as follows,	
Financial Year 2020	**231,600**
Financial Year 2021	**266,340**
Provision For Financial Year 2022	**300,000**
Internal Auditor Payment December 2022	**17,419**
Provision for Internal Auditor 2019	**150,000**
	965,359

NOTE 22- ADVANCE RECEIVED

	2022 Rs.	2021 Rs.
Advance Recieived for Public seminar	28,000	12,000
Advance Received for Western Province Program	6,860,000	-
Advance Received for Uva Provincial Prgram	-	300,000
	6,888,000	312,000

NOTE 23. RELATED PARTY TRANSACTION

There were no related party transactions during the year.

NOTE 23.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard (LKAS 24) "Related Party Disclosures" Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. The board of Directors have been identified as Key Management Personnel of the company.

DISTANCE LEARNING CENTRE LIMITED
TIN : 134008989 0000
YEAR OF ASSESSMENT 2022-23
COMPUTATION OF INCOME TAX PAYABLE

(EXPRESSED IN SRI LANKAN RUPEES)

COMPUTATION OF TAXABLE INCOME			NOTES		
Assessable Income from Business			Schedule A		-
Assessable Income from Investment					
	Fixed Deposit Interest Income			10,769,556	
	Interest on Fund Management Account			782,876	
Less	Loss Claimed			(11,552,432)	-
TAXABLE INCOME					**-**
INCOME TAX PAYABLE					
A. Tax on Taxable Income					
	Tax on Income 1st Period	@ 24%			
	Balance tax on taxable income 2st Period	@ 30%		-	-
				-	**-**
Less : Tax Credits					
Balance Income Tax Payable / or (Income Tax Refund Due)					**-**

Income tax over paid brought forward from year of assessment 2018/19	955,207
Income tax over paid brought forward from year of assessment 2019/20	292,899
	1,248,106

Schedule A

DISTANCE LEARNING CENTRE LIMITED

TIN : 134008989 0000

YEAR OF ASSESSMENT 2022-23

CALCULATION OF ASSESSABLE INCOME FROM BUSINESS

(EXPRESSED IN SRI LANKAN RUPEES)

		NOTES		
Profit/(Loss) Before Tax as per Financial Statements				(2,197,283)
Less	**Exempt Amounts, Final withholding payments & Other Sources**			
	Fixed Deposit Interest Income		10,769,556	
	Interest on Fund Management Account		782,876	(11,552,432)
				(13,749,715)
Add	**Deductions not Allowed**			
	Gratuity Provision	*1*	623,375	
	Accounting depreciation on PPE		3,188,666	
	Amortization		1,655,059	5,467,100
				(8,282,615)
Less	**Deductions Allowed**			
	Gratuity paid		-	
	Lease rental paid		1,655,059	
	Capital allowances on depreciable assets	*3*	1,170,834	(2,825,893)
				(11,108,508)
Less	Loss Claimed			-
ASSESSABLE INCOME FROM BUSINESS / (BUSINESS LOSS)				**(11,108,508)**

DISTANCE LEARNING CENTRE LIMITED

NOTICE is hereby given that the Annual General Meeting of the shareholders of Distance Learning Centre Limited will be held on Tuesday the 29th day of May 2023 at 2.00 p.m. at the Registered Office, 4th Floor, No.28/10, Malalasekera Mawatha, Colombo - 07.

A G E N D A

1). Read the notice of convening the meeting.

2). To receive and consider the Annual Report of the Board of Directors on the Affairs of the Company and the Statement of Accounts for the year ended 31st December 2022 with the Report of the Auditors thereon.

3). Re-election of Ms.Kasthuri Nanayakkarage Nalani Malkanthi Bandara in terms of Article 95 of the Articles of Association.

4). Re-election of Mr.Karunanayake Thanannhalage Indika Premaratne in terms of Article 95 of the Articles of Association.

5). Re-election of Mr.Selvanathan Anojan in terms of Article 95 of the Articles of Association.

6). To re-appoint Auditors of the Company for the ensuing year

BY ORDER OF THE BOARD
DISTANCE LEARNING CENTRE LIMITED

COMPANY SECRETARIES

Date: 23rd day of May 2023

DISTANCE LEARNING CENTRE LIMITED

FORM OF PROXY

I/We*.. of
.... being a Shareholder /Shareholders* of Distance Learning Centre Limited hereby appoint ....
.... of
.... or failing him/her*

Mr.Kalatuwage Don Neel Ranjith Asoka	of Colombo or failing him
Mr.Karunanayaka Thanannahalage Indika Premaratne	of Colombo or failing him
Ms.Kasthuri Nanayakkarage Nalani Malkanthi Bandara	of Colombo or failing her
Ms.Michelle Alikie Tania Perera	of Colombo or failing her
Mr.Selvanathan Anojan (Alternate Director to Michelle Alikie Tania Perera)	of Colombo

as my/our* Proxy to vote for me/us* on my/our* behalf at the Annual General Meeting of the Company, to be held on the 29th day of May 2023 at 2 .00 p.m., and at any adjournment thereof and at every poll which may be taken in consequence thereon.

....
Signature of Shareholder

Signed this..............................day of.........................2023

Instructions as to the completion of the Proxy Form

1. A member is entitled to appoint a proxy to attend and vote in his/her/their place.
2. A proxy holder need not be a member of the Company.
3. A member wishing to vote by proxy at the meeting may use the form enclosed and interpolate the 'right to speak'.
4. To be valid, the completed form of proxy must be lodged at the registered office of the Company not less than 48 hours before the meeting.
5. In the case of a Company / Corporation, the proxy must be under it's Common Seal, which should be affixed and attested in the manner prescribed by its Articles.