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ஆண்டறிக்கை
Annual Report 2018

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சிரம வாசனா நிதியம்

Shrama Vasana Fund

Content	Page

Final Accounts of Shrama Vasana Fund for the Year 2018

Mission & Vision...

Vision

"Satisfied Work Force"

Mission

"Providing welfare to the labour community and creating a rich work environment by filling the shortcomings of existing mechanisms in a disaster"

Administrative Structure.....

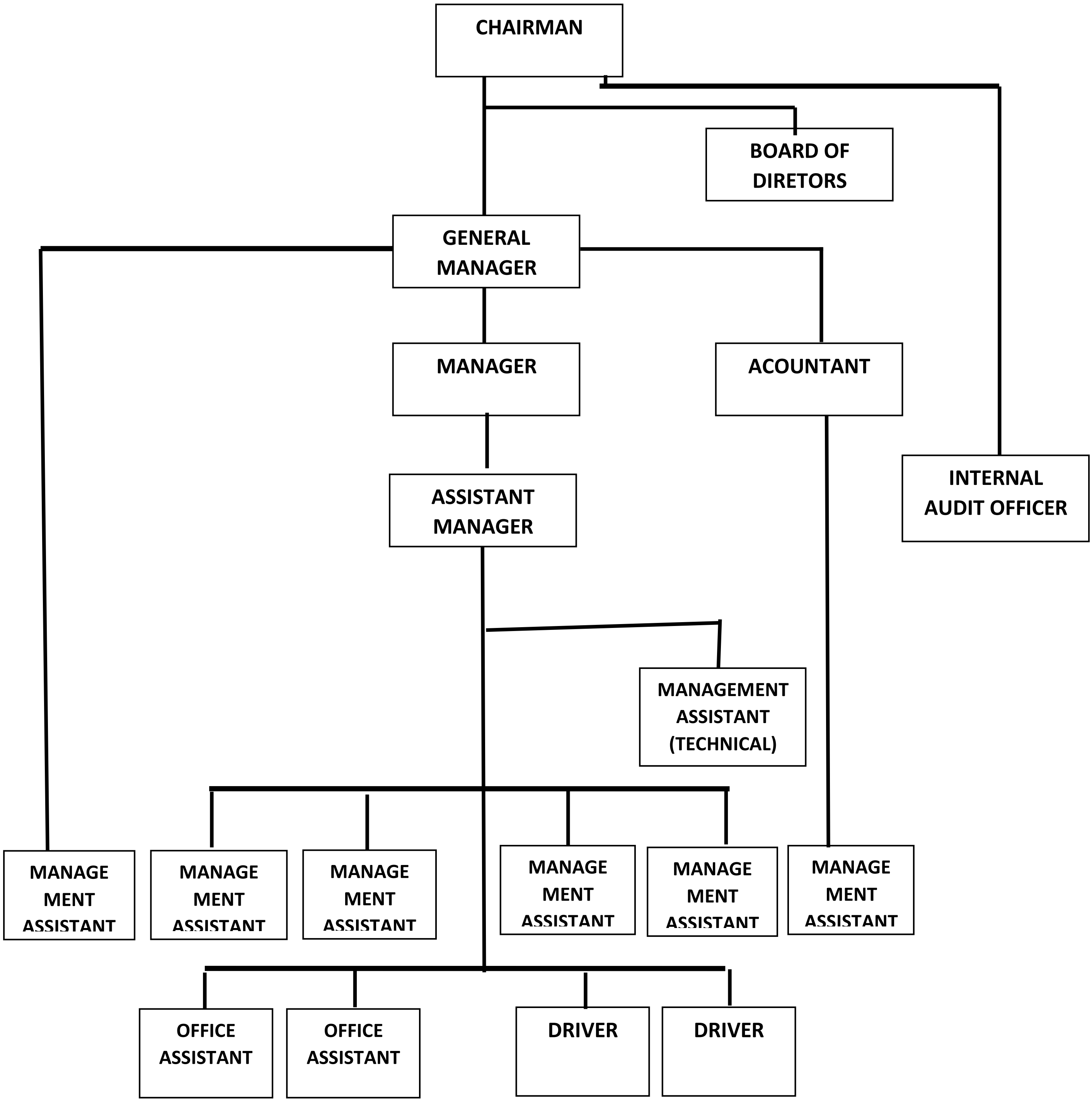
The Shrama Vasana Fund has been established under the Shrama Vasana Act No. 12 of 1998 and chaired by the Secretary to the Ministry of Labour.

According to the Shrama Vasana Fund Act, the entire responsibility of administration process of fund has been entrusted to the Board of Directors and the fund management and all the related matters has been entrusted to the Board of Directors.

Board of Directors - 2018 - Shrama Vasana Fund

Name	Position
S. A. N. Saranatissa	Chairman
A. Wimalaweera	Member
M. J. R. Puviraj	Member
W. P. Amarasinghe	Member
S. N. Sooriyakumara	Member
S. B. U. S. Maithreepala	Member
D. R. Jayalath	General Manager / Shrama Vasana Fund

Organizational structure as at 31.12.2018



Shrama Vasana Fund and Objectives of the Fund

Shrama Vasana Fund

The Shrama Vasana Fund established under the Act No. 12 of 1998 is an institution established for labour welfare under the Ministry of Labour and Trade Union Relations. The Shrama Vasana Fund has been implemented various welfare programmes under 6 objectives from its initial stage and thereby arrangements have been made in order to upgrade the Sri Lankan employees.

The contribution of National Lotteries Board as the major income source for the Shrama Vasana Fund has been timely increased due to the sales of lottery "Jathika Sampatha" and the related services to be provided for labour welfare have also been increased thereby. The Shrama Vasana Fund has been established covering private sector employees and not covered the persons those who are self-employed. Various programmes are implemented in different boundaries based on the financial capacity of the Shrama Vasana Fund. In line with increasing financial capacity, further expansion beyond such boundaries is being carried out annually.

In particular, as an ISO 9001-2015 international quality assurance company, Shrama Vasana Fund has always been committed to providing an efficient and productive service to its clients with updating the knowledge, attitudes and skills of employees.

Objectives of the Shrama Vasana Fund

(a) To promote the welfare of the employees

(b) To provide financial aid and other assistance to employees when a place of work is closed down without prior notice

(c) To provide medical and other facilities to employees in times of emergency

(d) To provide temporary assistance to employees when inquiries are instituted against them

(e) To provide financial assistance and other benefits to employees or their dependents in times of distress

(f) To give awards to persons who have rendered out excellent services to employee welfare

Contributions towards Shrama Vasana Fund

(a) All such sums of money as may be voted by Parliament for the purpose of carrying out the objects of the Fund

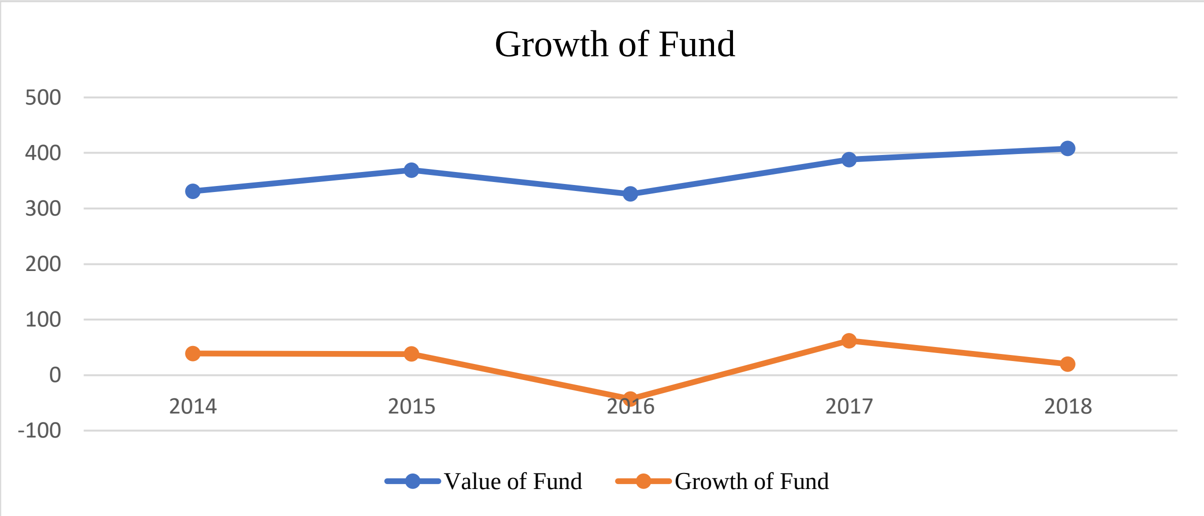
(b) All sums of money received as grants, gifts or donations from local or foreign sources

(c) All sums of money received as income from investments made by the Fund

(d) All sums of money derived by the Fund in the exercise of its powers, and discharge of its functions, under this Act, including the proceeds of the lotteries referred to in section 13.

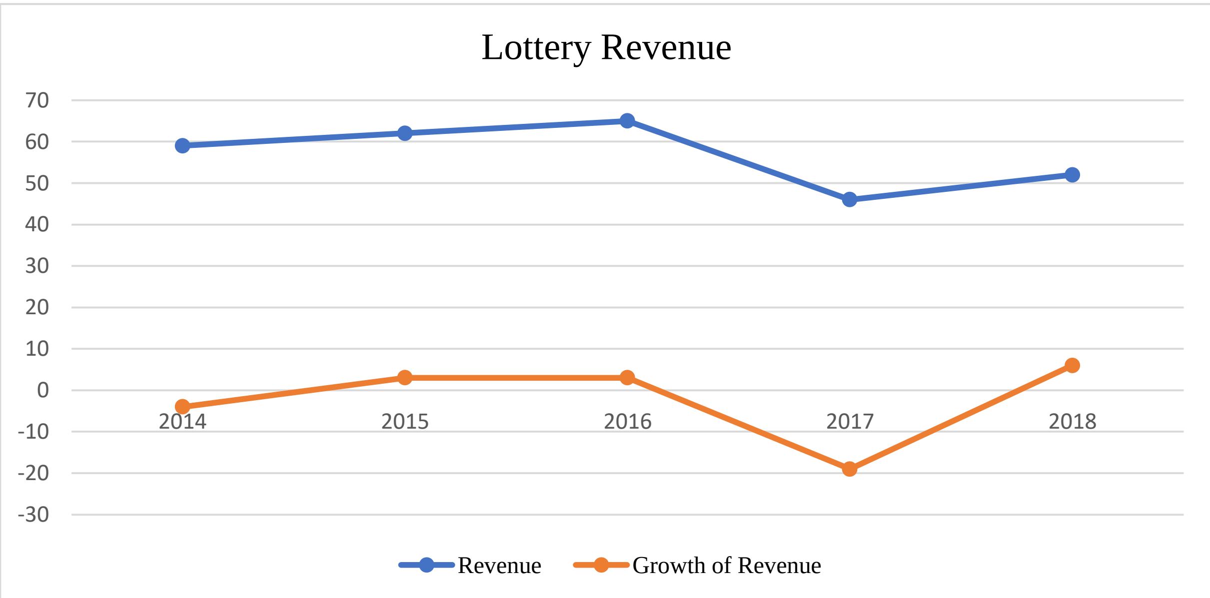
The Growth of Shrama Vasana Fund (Rs. Mn.)

	2014	2015	2016	2017	2018
Value of Fund	331	369	326	388	408
Growth of Fund	39	38	-43	62	20



Lottery Revenue (Rs. Mn.)

	2014	2015	2016	2017	2018
Revenue	59	62	65	46	52
Growth of Revenue	-4	3	3	-19	6



Review of the Programmes of Shrama Vasana Fund in the Year 2018

As a result of current peaceful situation in Sri Lanka due to the current political stability, expansion of the inter relationships between Sri Lanka and the international community with the end of the internal conflict in Sri Lanka, huge amount of foreign investments has been increased in Sri Lanka.

It has resulted for opening of new factories in Sri Lanka and the expansion of the existing industries due to such reasons and thereby the Sri Lanka's active work force has recently become approximately 09 million.

Targeting the said increased work force, the Shrama Vasana Fund is being increased the number of programmes annually implemented with the various objectives and thereby is being worked towards increasing the welfare of employees.

The Shrama Vasana Fund has shown an improvement in its objectives and consequential functions during the year 2018 compared to previous years and this has led the staff of Fund referred to the training programmes which suits with the present scenario and development of them.

Following activities implemented by Shrama Vasana Fund for the year 2018 are significant.

Labour Community Awareness Programmes

- Awareness Programme on Occupational Safety and Health with the objective of creating a safe and efficient work force under the Labour Community Awareness Programmes were implemented in the year 2018 covering all districts of Sri Lanka.

  Further, Attitude Development Programmes with the objective of enhancing the knowledge, attitudes, leadership skills of the employees and creating a better working environment and in particular the Awareness Programmes on Labour Laws and Regulations were implemented.

❖ Shrama Vasana Awareness Programme - on 19 January 2018 - at Vocational Training Authority, Maravila

❖ Awareness Programme - on 12 June 2018 - Investment Promotion Zone - Ekala

Conduct Medical Clinics for Welfare of Employees

- Measures have been taken to conduct Eye Camps for the employees who had vision issues and provide them with spectacles in order to promote the welfare of the employees.

❖ Distribution of Spectacles - on 05 March 2018 - Parakaduwa Rubber Factory, Ratnapura

❖ Eye Medical Camp - on 11 July 2018 - Kalutara

Empowerment of Labour Families

- Conduct Empowerment Programmes for empowering labour families and uplifting the economic standard of said families.

❖ Empowerment Programme - on 26 April 2018 - Kurunegala

❖ Empowerment Programme - on 13 July 2018 - Anuradhapura

Provide School Books for Children of Labour Families

- With the objective of improving the living standard of working people who suffer from economic hardship, distribution of school equipment and books for the children of their school has been implemented.

❖ Distribution of School Equipment - on 19 March 2018 - Thavalama National School, Galle

❖ Distribution of School Equipment Programme - on 07 September 2018 - Jaffna

Awarding Shrama Vasana Scholarships

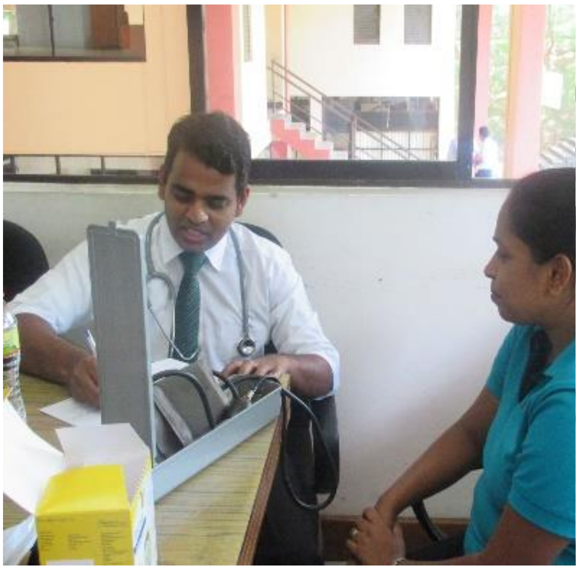
- Shrama Vasana scholarships are given annually to the children of the employees who have died or who have been rendered disabled due to professional accidents, under provision of financial and other relief to the employees and their dependents in the event of an emergency.

❖ Shrama Vasana Scholarships Programme - on 28 March 2018 - Shrama Vasana Fund

Alms giving held in parallel to the awarding of scholarships to the children of parents who died due to occupational accidents - on 28 March 2018

Medical Clinics for Employees

❖ Medical clinic and awareness programme on non-communicable diseases - on 29 March 2018 - Export Processing Zone, Kundasale.



Various Welfare Programmes

In addition to the programmes mentioned above, the programmes implemented by Shrama Vasana Fund for the year 2018 are mentioned below.

- ❖ Awareness Programme - 29 January 2018 - Labour Office, Anuradapura.
- ❖ Awareness Programme - 08 March 2018 - Labour Office, Kuliyapitiya
- ❖ Awareness Programme - 12 March 2018 - Thalawakale Plantation, Hatton
- ❖ Awareness Programme - 12 March 2018 - Galpadithanna Rubber Factory, Ratnapura
- ❖ Awareness Programme - 13 March 2018 - Madolseema Plantation, Hatton
- ❖ Awareness Programme - 26 March 2018 - Auditorium, Department of Labour, Narahenpita
- ❖ Awareness Programme - 10 May 2018 - Ma's Food Lanka Ltd, Jaffna
- ❖ Awareness Programme - 10 May 2018 - Thawam Engineering Institution, Jaffna
- ❖ Awareness Programme - 11 May 2018 - Mas Active Kreeda Institution, kilinochhci
- ❖ Awareness Programme - 11 May 2018 - Puthuwasam Garment Institution, Mulaitivu
- ❖ Awareness Programme - 16 May 2018 - Rassagala Tea Factory, Balangoda
- ❖ Awareness Programme - 16 May 2018 - Madakanda Tea Factory, Balangoda
- ❖ Awareness Programme - 07 June 2018 - Ceylon Transport Board – Anuradhapura
- ❖ Awareness Programme - 02 July 2018 - Gampaha
- ❖ Awareness Programme - 04 July 2018 - Rakwana
- ❖ Awareness Programme - 26 November 2018 - Co-operative Society Hall, Kotapola
- ❖ Awareness Programme - 23 July 2018 - Rathmalana
- ❖ Awareness Programme - 30 August 2018 - State Timber Corporation, Badulla
- ❖ Awareness Programme - 30 August 2018 - Lucky Land Tea Factory, Badulla
- ❖ Awareness Programme - 31 August 2018 - Hopton Tea Factory, Passara

- ❖ Awareness Programme - 31 August 2018 - Vewassa Tea Factory and Yuri Tea Factory, Passara
- ❖ Awareness Programme - 05 September 2018 - Ampara
- ❖ Awareness Programme - 08 August 2018 - Hela Casual Institution, Matale
- ❖ Awareness Programme - 09 August 2018 - Hydramani Ltd, Kahathuduwa
- ❖ Awareness Programme - 09 October 2018 - Maliban Dairy & Agri Products (Pvt) Ltd and Crystal Martin Ltd, Dabulla
- ❖ Awareness Programme - Western Zone II - 12 October - K & D Manufacturing Ltd and Hydramani GMT Factory
- ❖ Awareness Programme - 22 September 2018 – Golden Buds Tea Factory, Badulla
- ❖ Awareness Programme - 29 November 2018 - Investment Zone, Biyagama
- ❖ Awareness Programme - 30 November 2018 - Concourd Apparel, Tabuththegama
- ❖ Awareness Programme - 30 November 2018 - Vin Plastic Ltd, Kurunegala
- ❖ Awareness Programme - 18 October 2018 - Hambantota International Ports Group Ltd, Mirijjawila and Triples Supply (Pvt) Ltd, Hambantota.
- ❖ Awareness Programme - 28 December 2018 - Hadigalla Tea Factory, Molkava
- ❖ Eye Medical Camp - 09 August 2018 - Hatton
- ❖ Eye Medical Camp - 30 August 2018 - Anuradhapura
- ❖ Eye Medical Camp - 05 September 2018 - Baticaloa
- ❖ Eye Medical Camp - 26 July 2018 - Kilinochchi
- ❖ Eye Medical Camp - 14 September 2018 - Walimada
- ❖ Eye Medical Camp -15 September 2018 - Haputale
- ❖ Eye Medical Camp - 13 October 2018 - Co-operative Hall, Deniyaya
- ❖ Eye Medical Camp - 23 October 2018 - District Factory Inspection Engineer Office, Kurunegala
- ❖ Distribution of School Equipment Programme - 10 March 2018 - Millavana Maha Vidyalaya, Matale
- ❖ Distribution of School Equipment Programme - 07 March 2018 - Labour Office, Kalutara

- ❖ Distribution of School Equipment Programme in line with the National Programme to Celebrate World Kidney Day - 08 March 2018 Army Camp, Buttala
- ❖ Distribution of School Equipment Programme - 09 April 2018 - Tamil Maha Vidyalaya, Pussella
- ❖ Seminar for Grade 05 Scholarship Examination - 09 June 2018 - Anamaduwa
- ❖ Seminar for Grade 05 Scholarship Examination - 23 June 2018 - Puttalam
- ❖ Seminar for Grade 05 Scholarship Examination - 23 June 2018 - Puttalam
- ❖ Seminar for Grade 05 Scholarship Examination - 23 June 2018 - Hambantota
- ❖ Seminar for Grade 05 Scholarship Examination - 07 July 2018 - Anuradhapura
- ❖ Seminar for Grade 05 Scholarship Examination - 27 July 2018 - Walimada (Sinhala Medium)
- ❖ Seminar for Grade 05 Scholarship Examination - 27 July 2018 - Passara (Tamil Medium)
- ❖ Scholarship Programme and Launching of Web Site - 25 September 2018, Labour Secretariat, Narahenpita
- ❖ Empowerment Programme - 07 September 2018 - Jaffna
- ❖ Empowerment Programme in line with Mobile Service - 22 September 2018 - Badulla
- ❖ Distribution of School Equipment Programme in line with Mobile Service - 22 September 2018 - Badulla
- ❖ Empowerment Programme - 29 September 2018 - Ratnapura
- ❖ Attitude Development Programme for Officers of Shrama Vasana Fund - 28 December 2018 - Laksiri Hotel, Mathugama.

Shrama Vasana Fund

2018
Final Accounts

Ministry of Labourand Trade Union Relations

Final Account 2018

"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

Shrama Vasana Fund

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Shrama Vasana Fund
Statement of Financial Position
as at December 31st ,2018

		Rs. 2018	Rs. 2017
Assets			
Current Assets			
Cash and Cash Equivalents		1,731,446.25	557,562.28
Inventories	**Note 04**	2,439,264.83	3,420,376.93
Deposit in Postal Machine		13,535.00	24,695.00
Pre-payment Insuarance		-	296,043.94
Investment in Fixed Deposit		107,000,000.00	-
Receivables	**Note 03**	306,420,669.22	298,007,797.69
		417,604,915.30	302,306,475.84
Non-Current Assets			
Investment in Fixed Deposit		-	103,000,000.00
Investment in ISO & Web site ,Web Base System		2,745,258.00	2,060,258.00
Research & Development		-	295,175.00
Software Development		-	549,000.00
Staff Training		-	225,490.00
Intangible asset	**Note 02**	23,269.18	33,000.00
Plant Machinary & Equipment	**Note 01**	11,068,431.62	11,578,761.63
		13,836,958.80	117,741,684.63
Total Assets		431,441,874.10	420,048,160.47
Liabilities			
Current Liabilities			
Payables	**Note 06**	1,172,392.18	2,764,013.25
Provission	**Note 07**	1,333,116.00	5,924,524.38
Total liabitilies		2,505,508.18	8,688,537.63
Net Assets		428,936,365.92	411,359,622.84
Accumulated Surpuls	**Note 05**	428,936,365.92	411,359,622.84
Total net Assets		428,936,365.92	411,359,622.84

The Accounting Policies and notes on pages 06 to 10 from an integral part of this financial statement.The Board of Directors of an entity is responsible for the preparation and presentation of these Financial Statements in accordance with the Sri lanka public sector Accounting Standards(SLPSAs).These financial statements were approved by the Board of Directors and signed on their behalf.

R.P.R.Rajapaksha	H.M.P.C.Kumarihami	D.R.Jayalath	M.Lakmini Jayamali
Chairman	Director	General Manager	Accountant
ShramaVasana Fund	ShramaVasana Fund	ShramaVasana Fund	ShramaVasana Fund

Final Account 2018

"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

R. P. R. Rajapaksa
Secretary
Ministry of Labour and Trade Union Relations
Labour Secretariat
Narahenpita, Colombo 05.

D. R. Jayalath
Shrama Vasana Fund
Ministry of
Labour & Labour Relations

M. LAKMINI JAYAMAL
Accountant
Shrama Vasana Fund
Ministry of
Labour & Labour Relations

Shrama Vasana Fund
Statement of Financial Performance
As at December 31st ,2018

		Rs. 2018	Rs. 2017
Revenue			
Income	**Note 09**	63,241,723.15	57,959,053.10
Total Revenue		63,241,723.15	57,959,053.10
Expenses			
Administration Expences	**Note 10**	13,931,486.84	12,609,705.20
Depreciation	**Note 11**	2,000,515.06	2,015,263.64
Expenditure for objective of fund	**Note 12**	28,071,637.74	30,178,504.91
		44,003,639.64	44,803,473.75
Surplus for Year		19,238,083.51	13,155,579.35

Shrama Vasana Fund

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Shrama Vasana Fund
Statement of Changes in Funds
For the Year Ended December 31, 2018

	Accumulated Fund	Total
Balance as at 31st December 2016	398,204,043.49	398,204,043.49
Surplus for the year	13,155,579.35	13,155,579.35
Balance as at 31st December 2017	411,359,622.84	411,359,622.84
Prior year adjestment	(1,661,340.43)	(1,661,340.43)
Surplus for the year	19,238,083.51	19,238,083.51
Balance as at 31st December 2018	**428,936,365.92**	**428,936,365.92**

Final Account 2018

"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

Shrama Vasana Fund 5

Shrama Vasana Fund
Cash flow Statement
For the Year Ended December 31, 2018

		Rs. 2018	Rs. 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for year	*Note 13*	17,576,743.08	13,155,579.35
Non-cash movements			
Depreciation		2,000,515.06	2,015,263.64
Revalue loss/Profit		(157,154.23)	-
Increment of other payables		(1,591,621.07)	1,456,781.71
Increment of Provission		(4,591,408.38)	5,924,524.38
Investment Interest		(11,104,892.32)	(11,778,989.61)
Distress Loan Interest		(34,996.90)	(16,697.32)
Repo investment interest		(110,766.23)	(90,136.99)
Other income		(224,347.70)	(34,690.00)
(Increase)/Decrease of other receivables		(8,412,871.53)	28,488,837.81
(Increase)/Decrease in Inventories		981,112.10	(1,340,843.77)
Net cash flows from operating activities		(5,669,688.12)	37,779,629.20
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchasing of Plant,Machinary & equipment		(1,323,300.00)	(1,106,259.57)
Investment Interest		11,104,892.32	11,778,989.61
Distress Loan Interest		34,996.90	16,697.32
Repo investment interest		110,766.23	90,136.99
Other income		224,347.70	34,690.00
Deposit Postal Machine & Insurance		307,203.94	(108,752.96)
Investment of Web Base & ISO		(685,000.00)	(1,214,629.00)
Research & Development		295,175.00	(295,175.00)
Software Development		549,000.00	(549,000.00)
Staff Trainng		225,490.00	(225,490.00)
Investment Fixed Deposit		(4,000,000.00)	(51,000,000.00)
Net cash flows from investing activities		6,843,572.09	(42,578,792.61)
Net increase/(decrease)in cash and cash equivalents		1,173,883.97	(4,799,163.41)
Cash and cash Equivalants at beginning of period		557,562.28	5,356,725.69
Cash and cash Equivalants at end of period		1,731,446.25	557,562.28

Final Account 2018

"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

SHRAMA VASANA FUND
Statement of Accounting Policies

1. Significant Accounting Policies

1.1 General Policies

1.1.1 Reporting Entity

SHRAMA VASANA FUND is incorporated by Shrama Vasana Fund Act, No.12 Of 1998.

1.1.2 Date of Authorization for issue
The Financial Statements were authorized for issue by the Board of Directors on 27th February 2019.

1.1.4 Basis of Preparation

a) Statement of Compliance

The financial statement comply with Sri Lanka Public Sector Accounting Standards for the accrual basis of Accounting.

b) Basic of Measurement
The Financial statements have been prepared on historical cost basis adjusted for revaluations of assets. Inventories has been measurement on weight average cost.

c) Use of Estimates and Judgements
The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Note 01
Plant machinary & Equipment
01-1

Cost	Restated balance as at 01.01.2018	Additions	Disposal/write off/Adjestment	Balance as at 31.12.2018
Vechicle	9,396,860.00		14,360.00	9,382,500.00
Machinary & Equipment	765,693.95		253,313.95	512,380.00
Audio & Video Visual	995,653.00		301,269.00	694,384.00
Air Conditioners	1,279,824.99			1,279,824.99
Computers	2,621,401.50	1,300,800.00	1,266,404.00	2,655,797.50
Furniture and Fittings	1,527,445.87			1,527,445.87
Office Equipment	344,020.57		6,795.00	337,225.57
	16,930,899.88	1,300,800.00	1,842,141.95	16,389,557.93

01-02

Depreciation	Restated balance as at 01.01.2018	Charge for the period	Disposal/write off/Adjestment	Balance as at 31.12.2018
Vechicle	921,620.00	923,900.00	14,360.00	1,831,160.00
Machinary & Equipment	478,500.60	84,304.00	253,313.95	309,490.65
Audio & Video Visual	331,845.91	145,121.34	267,497.00	209,470.25
Air Conditioners	999,960.19	255,965.00	-	1,255,925.19
Computers	1,837,284.09	403,440.23	1,274,337.00	966,387.32
Furniture and Fittings	436,677.41	152,444.59	-	589,122.00
Office Equipment	134,550.05	26,101.54	1,080.69	159,570.90
	5,140,438.25	1,991,276.70	1,810,588.64	5,321,126.31

Note 02

Intangible Asset	Cost as at 01.01.2018	Additions	Balance as at 31.12.2018
Soft Ware	33,000.00	22,500.00	55,500.00
	33,000.00	22,500.00	55,500.00

Amortisation	as at 01.12.2018	Charge for the period	Balance as at 31.12.2018
Soft Ware	22,992.46	9,238.36	32,230.82

Note 03
Other Receivables

Treasary Operation Department	301,884,780.18
Festival Advance	11,750.00
Distress Loan	1,022,050.00
Interest on Fixed Deposit Investment	3,499,089.04
Refundable deposit	3,000.00
	306,420,669.22

Final Account 2018

"Shrama Vasana Fund"No 97, Jawaththa Road, Colombo 05

Note 04

Inventories

Stationary	560,090.67
Programe Item	1,879,174.16
	2,439,264.83

Inventories has been measurement on Weighted Average Cost

Note 05

Cumulative Fund as at 01.01.2018	409,698,282.41
Surplus for the year 2018	19,238,083.51
Cumulative Fund as at 31.12.2018	428,936,365.92

Note 06

Other payable

Welfare programe payable	477,072.00
Empowenment Pro.Payable	22,202.00
Health camp Payable	19,000.00
Scholersip pro.Payable	283,353.21
Telephone Payable	26,345.30
Advertising & Promotion Payable	12,075.00
Other Payable	48,550.42
Stationary Payable	4,000.00
Retaintion 5%	62,165.00
water & electricity Payable	15,053.45
Over Time Payble	16,275.80
Audit Fee Payable	186,300.00
	1,172,392.18

Note 07

Provission

Provision for Legal Aid	335,000.00
Staff Gratuity Provission	608,116.00
Provision for web base system	390,000.00
	1,333,116.00

Note 08

Fixed Assets has been depreciated on Straight line basis
Following Rates are used.

Vehicle	10%
Machinary & Equipment	20%
Air Conditioners	20%
Audio & Video Visual	25%
Computers	25%
Furniture and Fittings	10%
Office Equipment	7.5%
Soft ware	20%

Depreciable value of final assets have been depreciated up to scrap value Rs.1

Note 09
Income

Shrama vasana Lottery Income	51,766,720.00
Fixed Deposit Investment Income	11,104,892.32
Distress Loan Interest Income	34,996.90
Repo Investment Income	110,766.23
Other Income	224,347.70
	63,241,723.15

Note 10
Administrative Expenditure

Salary & wages	5,201,661.76
E.P.F.	1,431,472.15
E.T.F.	214,720.82
Cost of Living Allowance	1,394,690.32
Other Allowance	222,040.00
Chairman Allowance	209,274.00
Practical trainee Allowance	235,000.00
Directors Allowance	518,000.00
Board Secreatary Allowance	6,000.00
Allowance for Internal Auditor	60,000.00
Professional Allowance	132,000.00
Staff Gratuity	608,116.00
Overtime & Holiday pay	463,726.59
Domestic Travelling & Sub	143,973.50
Transport Charges	26,425.00
Fuel	67,426.00
Stationery & Others	471,405.85
Postal Expenses	50,974.99
Telephone Expenses	273,991.76
Entertainment Expenses	84,975.50
Refreshment & Other	192,933.00
Sundry	25,354.00
Others	46,392.19
Audit Expenses	245,000.00
Water & Electricity	102,467.16
Other Service	432,658.89
Maintance & Repair expence	477,463.00
Staff Welfare	295,594.36
Training of Staff	297,750.00
	13,931,486.84

Note 11
Depreciation

Depreciation on Vehicle	923,900.00
Depreciation on Computers	403,440.23
Depreciation on Air Conditioners	255,965.00
Depreciation on Audio & Video Visual	145,121.34
Depreciation on Furniture and Fittings	152,444.59
Depreciation on Office Equipment	26,101.54
Depreciation on Machinary & Equipment	84,304.00
Amortisation on Soft ware	9,238.36
	2,000,515.06

Note 12
Expenditure to achive targets of the fund

Health camp Programme	4,965,408.89
Empowerment programme	2,284,659.66
Awarness Programme	1,168,907.00
Welfare programme	7,874,648.37
Artificial Legs & Limbs Programe	2,479,803.00
Technical education programme	10,000.00
Medical Assistance Programme	212,147.50
Legal Aid Programme	311,923.52
Legal assistance for appeals	90,000.00
Scholarship programme	3,891,722.49
Award Ceremony Programme	1,696,079.71
Lottery Sale Public Awarness	2,723,050.20
Productivity impro.appraisal	363,287.40
	28,071,637.74

Note 13

Surplus for year 2018	19,238,083.51
Prior year adjestment	(1,661,340.43)
Surplus for year 2018 (Cash Flow)	17,576,743.08

Note 14
Comparative Information
Prior years figures have been restated where necessary to confirm to the current year's presentation.

Note 15
Directors Interests in Contracts
No Director of the Board has any material direct or indirect interest in the contracts of the Board.

Note 16
Directors Responsibility
The Directors take responsibility for the Preparation and Presentation of Financial Statements.

Shrama Vasana Fund
Comparison of Budget 2018
For the year December 31,2018

	Actual Amount	Budget Amount
Administrative Expenditure		
Salary & wages	5,201,661.76	7,000,000.00
E.P.F.12%	1,431,472.15	
E.T.F.	214,720.82	
Salary Allowance	222,040.00	3,500,000.00
Practical trainee Allowance	235,000.00	
Cost of Living Allowance	1,394,690.32	
Chairman Allowance	209,274.00	
Director board Allowance	518,000.00	
Board Secreatary Allowance	6,000.00	
Allowance for Internal Auditor	60,000.00	
Professional Allowance	132,000.00	
Bonus	-	
Staff Welfare & staff Loan	295,594.36	300,000.00
Overtime & Holiday pay	463,726.59	500,000.00
Staff Gratuity	608,116.00	650,000.00
Maintance & Repair expence	477,463.00	950,000.00
Postal & Communication	273,991.76	300,000.00
Water & Electricity	102,467.16	200,000.00
Transport Charges	26,425.00	400,000.00
Other Service	677,658.89	700,000.00
Others	315,654.18	500,000.00
Domestic Travelling & Sub	143,973.50	200,000.00
Stationery & Others	471,405.85	500,000.00
Training of Staff	297,750.00	500,000.00
	13,481,335.34	**15,700,000.00**
Expenditure to achive targets of the fund		
Promote the welfare of employees		
Health camp Programme	4,965,408.89	5,000,000.00
Empowerment programme	2,284,659.66	2,500,000.00
Awarness Programme	1,168,907.00	1,290,000.00
Welfare programme	7,874,648.37	8,040,000.00
Artificial Legs & Limbs Programe	2,479,803.00	3,500,000.00
Technical education programme	10,000.00	360,000.00
Medical Assistance Programme	212,147.50	250,000.00
Legal Aid Programme	311,923.52	1,000,000.00
Legal assistance for appeals	90,000.00	250,000.00
Scholarship programme	3,891,722.49	6,000,000.00
Award Ceremony Programme	1,696,079.71	2,300,000.00
Lottery Sale Public Awarness	2,723,050.20	3,200,000.00
Productivity impro.appraisal	363,287.40	800,000.00
	28,071,637.74	34,490,000.00
Plant machinary & Equipment		
Computers	748,000.00	820,000.00
	748,000.00	820,000.00
Other Capital Expenditure		
Investment in ISO & Web Base System	685,000.00	900,000.00
Software Development	22,500.00	30,000.00
	707,500.00	930,000.00

As at 31st December 2018

Trail Balance	Dr.	Cr.
Bank	1,731,446.25	
Fixed Deposit Investment	107,000,000.00	
Inventories-	2,439,264.83	
Stationary		
Programe Item		
Deposit Insuarance		
Investment of ISO Certificate	762,608.00	
Investment of Web base system	1,982,650.00	
Deposit postal Machine	13,535.00	
T.O.D.Receivable	301,884,780.18	
Fixed Deposit Interest receivable	3,499,089.04	
Refundable Deposit	3,000.00	
Distress Loan	1,022,050.00	
Festival Advance	11,750.00	
Vehicle	9,382,500.00	
Furniture & Fittings	1,527,445.87	
Intangible asset-Accounting package	55,500.00	
Audio & Video Visual	694,384.00	
Machinary & Equipments	512,380.00	
Airconditioners	1,279,824.99	
Computers	2,655,797.50	
Office Equipment	337,225.57	
Accumulated Depreciation		
-Vehicle		1,831,160.00
-Office Equipment		159,570.90
-Computers		966,387.32
-Airconditioners		1,255,925.19
-Machinary & Equipments		309,490.65
-Audio & Video Visual		209,470.25
-Furniture & Fittings		589,122.00
Acc.Amortisation on Soft ware		32,230.82
Welfare Payable		477,072.00
Health camp Payable		19,000.00
Empowenment Payable		22,202.00
Stationaries Payable		4,000.00
Advertising & Promotion Payable		12,075.00
Other Payable		48,550.42
Scholership Programe Payable		283,353.21
Staff Gratutity Provission		608,116.00
Water & Electricity Payable		15,053.45
Audit Fee Payable		186,300.00
Overtime & Holiday Pay Payable		16,275.80
Telephone Payable		26,345.30
Legal aid Payable		335,000.00
Retaintion 5%		62,165.00
Provission for web base system		390,000.00
Cummulated Fund		409,698,282.41
Shrama Vasana Lotary Income		51,766,720.00
Assets Maintance & Repair	27,925.40	
Bank Charges	1,760.19	
Audit fee	245,000.00	
Telephone Charges	273,991.76	
Postage	50,974.99	

Water & Electricity Charges	102,467.16	
Office Maintance & Repair	13,505.00	
Depreciation -Vehicle	923,900.00	
-Office Equipment	26,101.54	
-Computers	403,440.23	
-Airconditioners	255,965.00	
-Machinary & Equipments	84,304.00	
-Audio & Video Visual	145,121.34	
-Furniture & Fittings	152,444.59	
Amortisation on Soft ware	9,238.36	
Transport	26,425.00	
Fuel	67,426.00	
Other Service	432,658.89	
Vehicle Maintance & Repair	436,032.60	
Practical Trainee Allowance	235,000.00	
Allowance for Directors	518,000.00	
Allowance for Chairman	209,274.00	
Allowance for Board Secretary	6,000.00	
Allowance for Internal Auditor	60,000.00	
Professional Allowance	132,000.00	
Staff Salaries	5,201,661.76	
E.P.F.	1,431,472.15	
E.T.F.	214,720.82	
Staff Gratutity	608,116.00	
Cost of Living Allowance	1,394,690.32	
Other Allowance	222,040.00	
Staff welfare	295,594.36	
Overtime & Holiday pay	463,726.59	
others	44,632.00	
Sundry Expence	25,354.00	
Refreshment & Other	192,933.00	
Entertainment	84,975.50	
Stationaries	471,405.85	
Domestic Travelling & Sub	143,973.50	
Productivity impro.appraisal	363,287.40	
Artificial Legs & limbs	2,479,803.00	
Health camp Expences	4,965,408.89	
Empowerment Expence	2,284,659.66	
Worker Awareness	1,168,907.00	
Welfare Programe Expence	7,874,648.37	
Medical Assistant Programme	212,147.50	
Techinical Education Programe Expence	10,000.00	
Legal aid Pograme Expence	311,923.52	
Legal assistance for appeals	90,000.00	
Scholership Programe Expence	3,891,722.49	
Lottery sale Public Awarness /TV	2,723,050.20	
Award Ceremony	1,696,079.71	
Training of Staff	297,750.00	
Other Income		224,347.70
Interest of Diss.Loan		34,996.90
Repo Investment Interest		110,766.23
Fixed Deposit Interest Income		11,104,892.32
	480,798,870.87	480,798,870.87

NATIONAL AUDIT OFFICE

My. No : LEW/A/SVF/1/18

Date : 31 May 2019

Chairman

Shrama Vasana Fund

Auditor General's Report on the Financial Statements of the Shrama Vasana Fund for Year Ended 31 December 2018 in Terms of Section 12 of the National Audit Act No. 19 of 2018

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Following report is herewith submitted.

W. P. C. Wickramarathna

Auditor General

Copy : 1. Secretary, Ministry of Labour and Trade Union Relations

2. Secretary, Ministry of Finance

NATIONAL AUDIT OFFICE

My. No : LEW/A/SVF/1/18

Date : 31 May 2019

Chairman

Shrama Vasana Fund

Auditor General's Report on the Financial Statements of the Shrama Vasana Fund for Year Ended 31 December 2018 in Terms of Section 12 of the National Audit Act No. 19 of 2018

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1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the Shrama Vasana Fund for the year ended 31 December 2018, comprising the comprehensive financial performance statement as at 31 December 2018 and the statement of financial performance, statement of changes in equity, cash flow statement and 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 the Finance Act, No. 38 of 1971 and the National Audit Act, No 12 of 2018. My report to be tabled in Parliament in real time, in terms of Article 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the section for the basis of qualified opinion of my report, the financial statements give a true and fair view of the financial position of the corporation as at 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 The Basis for the Qualified Opinion

(a) Quantitative Accounting Errors

The following observations are made.

(i) In terms of section 5 (1) of the Gratuity Act No. 12 of 1983, it is stated that gratuity shall be paid to the employees who have more than five years of service within 30 days from the termination of service. Even though it has been mentioned the allowances to be paid in respect of gratuity payments in the section III of the Department circular No. V/123 of the Commissioner of Labour, the Fund had only considered the basic salary when adjusting the gratuity allocations for 04 employees for the year 2018, and it has been resulted for underrepresent gratuity allocations valued Rs. 140,400.

(ii) According to the financial statement, purchases of computer for the year under review amounted to Rs. 1,300,800, however the audit has been observed that purchases for the year only amounted to Rs. 751,800.

(b) **Deviations from Accounting Standards**

(i) **Sri Lanka Public Sector Accounting Standard No. 07**

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- In terms of Section 49 of the Sri Lanka Public Sector Accounting Standards No. 07, even though it has been stated that the asset class belonging to the same assets should be revalued when an item of property, plant and equipment is valued, however on the contrary, the Fund has revalued assets for 211,700 in the year 2018.

- It has been revalued 14 items under 3 asset classes as at 30 November 2018, resulting a profit of Rs. 211,700. Even though the revalued profits should be credited to the Accumulated Fund, it has been accounted in the Profit and Losses Account as other incomes. Accordingly, the Fund had not been acted in terms of Section 55 of the SLPSAS 07.

(ii) **Sri Lanka Public Sector Accounting Standard No. 02**

- Even though the surplus for the year under review has been Rs. 19,238,084, however, when preparing the cash flow statement, the surplus of the year has been amounted to Rs. 17,576,743.

- Even though the interest income of the fixed deposit for the year under review has been Rs. 14,704,198, the interest of fixed deposits under the investment activities in the cash flow statement has been stated as Rs. 11,104,892.

- Even though value of Rs. 685,000 for the development of the web site of the institution has been presented as cash payable in the cash flows under investment activities, non-cash allocations amounted Rs. 350,000 has been included in the same amount.

- Even though amount of Rs. 295,175, Rs. 549,000 and Rs. 225,490 have been stated as cash receivable for expenditure of research and development, software development and staff training, said amounts have not been paid in cash in the year under review.

(iii) **Sri Lanka Public Sector Accounting Standard No. 03**

Adjustments made to the current year accounts related with previous years regarding the transactions and events amounted to Rs. 1,661,340 have not been disclosed in the cash statements, in terms of the guidelines set out in Sections 47, 50, 54 (a), (b) and (c) of SLPSAS 03.

(iv) **Sri Lanka Public Sector Accounting Standard No. 08**

Even though a complaint filed in the Labour Court against the Fund by two officers dismissed in the year 2016 has been heard in the year under review, it has not been disclosed regarding same in the financial statements in terms of Section 100 of the Sri Lanka Accounting Standard No. 08.

(c) **Lack of Evidence for Audit**

The following observations are made.

(i) As per the report of the Board of Directors No. 7/6/2017 dated 14.09.2017, scholarships which had been approved at a cost of Rs 1,691,750 have been awarded to 50 students whose parents died due to occupational accidents, however evidence have not been presented to ensure said details.

(ii) Written confirmations have not been submitted on providing spectacles among 421 selected beneficiaries at the eye clinic held in the Central Province on 09 August 2018.

(iii) Formal confirmations related with the amount of 1,948,409 spent in the year under review for the purpose of fulfilling the objectives of Act have not been submitted to the audit.

I have been audited in terms of Sri Lanka Auditing Standards (SLAS). My responsibility under the same audit standards have been further described in the section of 'Auditor's Responsibility related with Audits of Financial Statements' in this report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibility of Management and Partied Involved for the Financial Statements

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Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

In preparing financial statements, it is the responsibility of the management to determine the continuity of the corporation, and it is also the responsibility of management to maintain the accounting on the basis of continuity of the corporation unless the management wishes to liquidate the corporation or cease operations when there is no other option and to disclose the matters relating to the continuance of the corporation.

The governing parties are responsible for the process of financial reporting of the corporation.

Subject to sub section 16 (1) of the National Audit Act No. 19 of 2018, the corporation should maintain proper books and records of its income, expenses, assets and liabilities in order to prepare annual and periodic financial statements.

1.4 Auditor's Responsibility related with Audits of Financial Statements

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Overall, my objective is to provide a reasonable certification that the financial statements are free from frauds and material misstatements whether due to fraud or error and to issue an audit report with my opinion. Even though fair certification is a high-level guarantee, it does not always ensure that disclose adequate misstatements while auditing in terms of the Sri Lanka Audit Standards. Frauds and errors are likely to result in substantial misstatements, either individually or collectively, and are expected to affect the economic decisions made by users based on same financial statements.

I have been audited in terms of Sri Lanka Auditing Standards with professional judgment and professional compliance. Furthermore,

- My opinion is based on obtaining adequate and appropriate audit evidence to avoid risks of fraud or errors, by planning audit procedures that are appropriate in the circumstances, when identifying and assessing the risks of material misstatement that could be occurred in financial statements due to fraud or error. The impact of fraud is stronger than the impact of material misstatement and misconduct, forgery, intentional avoidance or internal controls avoidance could be led to fraud.

- Even though understanding on the internal control of the corporation has been obtained to design audit procedures that are appropriate in the circumstances, however does not intend to state opinion on the effectiveness of internal control.

- The fairness of accounting policies and accounting estimates applied and the appropriateness of related disclosures made by management have been evaluated.

- The relevance of using the basis of continuance of institution for accounting has been determined based on the audit evidence obtained as to whether there is sufficient uncertainty about the existence of the corporation due to the incidence or circumstances. If I have concluded that there is sufficient uncertainty, then it should be focused in my audit report on the disclosures in the financial statements and if such disclosures are inadequate, my opinion has to be modified. My conclusions are based on audit evidence obtained up to the date of the auditor's report. However, continuity of the corporation could be ended on future incidence or circumstances.

- The presentation, structure and content of the financial statements that include disclosures have been evaluated and has been evaluated that the transactions and incidence based for the same are appropriately and reasonably included in financial statements

The governing parties have been made aware on key audit findings, key internal control deficiencies and other issues that identified during my audit.

2. Report on Other Legal and Regulatory Requirements

The National Audit Act No. 19 of 2018 contains special provisions relating to the following requirements.

- In accordance with the requirements of Section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the details and explanations required for the audit, except for the effects of the matters described in the section for the basis of qualified opinion of my report and as shown by my inquiry, the corporation has been maintained proper financial records.
- In accordance with the requirements of Section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018, the financial statements of the corporation are consistent with the previous year.

Nothing came to my attention as much as the following statement with the measures followed and the evidence obtained and the limitation made to substantial matters.

- In accordance with the requirements of Section 12 (d) of the National Audit Act No. 19 of 2018, any member of the Governing Body of the Corporation has directly or otherwise connected with the Corporation in any contract or proceeding outside the ordinary course of business.
- In accordance with the requirements of Section 12 (f) of the National Audit Act No. 19 of 2018, the company has acted non- compliance with any applicable written law or any other general or special provisions issued by the Board of Governors of the Corporation.

- In accordance with the requirements of Section 12 (g) of the National Audit Act No. 19 of 2018, the corporation has acted non-compliance with the powers, duties and functions of the corporation.
- In accordance with the requirements of Section 12 (h) of the National Audit Act No. 19 of 2018, the resources of the Fund have not been procured and utilized in a timely manner, efficiently and effectively in accordance with relevant regulations.

3. Other Audit Observations

3.1 Human Resource Management

Even though the Fund has been prepared a Human Resource Development Plan, said Human Resource Development Plan has not been prepared in terms of paragraph 2 and 3 of the Public Administration Circular No. 02/2018 dated 24 January 2018, and skill requirements of staff have not been identified in terms of paragraph 3 of said circular.

3.2 Financial Management

Even though the Fund has a cash balance of Rs. 103 million in fixed deposits and bank balance of Rs. 557,562 as at 01 January 2018, expenditure of year has been valued to Rs. 58,900,000 for the year under review and Rs. 30 million has been obtained by the Treasury for the year under review. However, the amount has been invested in fixed deposits instead of utilizing same in the welfare programmes of the employees and their dependents. Rs. 20 million of said Rs. 30 million has been invested in People's Bank at interest rates of 11 percent and 10.5 percent.

W. P. C. Wickramarathna
Auditor General