"THE BEST DESTINATION TO TURN YOUR PASSION INTO SUCCESS"

NATIONAL INSTITUTE OF BUSINESS MANAGEMENT

ANNUAL REPORT 2019

CONTENTS

ORGANIZATION OVERVIEW

INTRODUCTION TO NIBM

The National Institute of Business Management (NIBM) is the premier business school in Sri Lanka. We keep abreast of global trends and constantly upgrade our products to suit today's needs. Over the years, we have developed our identity while proving to be a leader in management training and education. We have empowered thousands to create better futures for themselves.

NIBM was established in 1968 Under the purview of the Ministry of Industries and Scientific Affairs in collaboration with the United Nations Development Programme (UNDP), as an agency for the implementation of the International Labour Organisation (ILO). It was subsequently incorporated as the National Institute of Business Management by an Act of Parliament (The National Institute of Business Management Law No 23 of 1976). Certain amendments to this Act were brought in under Act No. 28 of 1991.

NIBM functions as a statutory body under the Ministry of Skills Development & Vocational Training, as an educational institution in the government sector. We are a self – sustained, internationally accepted, and UGC approved higher and professional institute. From 2009 onwards, we have won the Merit Award at the National Quality Awards, and we are an ISO – 9001-2008 standards certified entity

MESSAGE OF THE CHAIRMAN

The year under review; 2019 was a one with many challenges and achievements for NIBM. A journey of 51 years as one of the premier higher and professional education providers in Sri Lanka, NIBM has been able to serve the nation by developing the next generation of business leaders, innovative thinkers and entrepreneurs. The long journey of NIBM has been marked with growth and expansion for NIBM at regular intervals and the year 2019 has been another milestone in that journey.

By way of introducing new programmes of study, the institute has been able to expand its scope academically and now caters to a wider student population which comprises of both the school leavers and professionals. While taking the right decisions to upgrade the facilities to provide a better learning environment for the students, the management has provided the right training and development opportunities for both academic and non-academic staff to improve and upgrade their skills, and capacities to provide a quality service to the students.

With the right affiliations and partnerships with some of the best universities, institutions and higher education providers of world NIBM has been able to bring the best practices of the higher education sector to Sri Lanka. As a selfsustained yet fully government owned entity, the institute has set an example to other institutions of the country. With the achievements of the year 2019 the institution looks forward for the forthcoming year 2020 and beyond as a future to bring more innovation and growth.

I consider it as a privilege to take this opportunity to express my sincere appreciation to the Director General & Governing Council for providing the strong leadership to steer the institute in the right direction in the year 2019 and beyond. The decisions taken in year will be helpful for the institute to grow for many years to come. All the achievements of 2019 would not have been possible without the commitment and support of both the academic and the non-academic staff, so let me take this opportunity to honour their service to both the institution and the nation. As a pioneer and an icon in the higher and professional education sector in Sri Lanka NIBM will continue its service to the nation.

Mr. Rohan Prithiviraj Perera

Chairman

National Institute of Business Management

MESSAGE OF THE DIRECTOR GENERAL

The National Institute of Business Management (NIBN) over the last five decades has come a long way to make its brand image an icon in the professional & higher education sector in Sri Lanka. As it enters it 51st year the institute can now look back with pride over the achievements that it has made, and the services it provided to the nation. The future of the institute looks promising as it has planned for further expansion into different areas both physically & in terms of the academic programmes offered.

In terms of the student enrolments & revenue generation the performance of NIBM has been consistent and the year under review was not an exception. The institute has been able to show year on year growth in the number of the students enrolled for the programmes ranging from foundation through diploma to degree level. As a self-sustained government entity, the institute recorded increase in the revenue generated compared to the previous year. The growth indicated in both aspects have been due to the stringent quality standards the institute has maintained throughout.

NIBM's focus on student life is one of the most important aspects which has enabled it to achieve continuous growth. Student welfare is considered as one of the key responsibilities and the institute has been able to provide medical facilities, free internet and wi-fi, and many other to ensure that learning at NIBM is an enjoyable experience. In the year under review these facilities were broadened & upgraded to match the standards of international universities and higher education institutes. Both the academic and the non-academic staff have shown their continuous commitment to students and their development not only academically but to develop socially responsible sensitive citizens to the nation.

The different student associations, clubs and societies of NIBM provide the opportunity for the students to develop their creativity, personality, communication skills and other soft skills. It is the firm belief of NIBM that higher education should create a well-balanced personality in students who are capable of leading and engage in team work when required.

As the premier professional and higher education provider in Sri Lanka NIBM strongly believes in the training and development of its own staff to develop their competencies and improve their skills. For this end the institute has provided both local and foreign training to academic and non-academic staff on regular basis and the year 2019 was of no difference. The international affiliations with world renowned universities provided opportunity for the academic staff to obtain training and development of international standard. The non-academic staff were provided with both local and foreign training opportunities to acquire the world standard best practices and management skills of the higher education industry.

The five decades of the institute's history is marked with innovative changes brought into the higher education sector in Sri Lanka where it has introduced some of the latest courses of study for both the professionals and the school leavers. Capitalizing on the brand image that the institute has developed as the pioneer in Business Management and IT education institute in Sri Lanka, NIBM has over the last years introduced a vast array of new degree and diploma courses to keep abreast with the changing professional and higher education landscape globally. The establishment of the National Innovation Centre in year 2017 to offer degree programmes in design, humanities, psychology & English training has opened a new chapter in NIBM's history as a higher and professional education provider.

The year 2019 has been a one where the National Institute of Business Management continued in its path of growth and expansion providing international standard education to the professionals and the youth of Sri Lanka. The right international affiliations have brought strength to its reputation. With the renewed vision NIBM believes in creating job creators by inculcating entrepreneurial skills in the students. The students passing out from NIBM with Diploma or Degree qualifications are well accepted by the industry to be the leaders of future.

Let me take this opportunity to express my sincere gratitude to the Chairman and the Governing Council for always showing the right direction in this long journey of achievements. I would also like to thank all the Directors, Heads of Regional Campuses and Divisions, academic and non-academic staff for their unwavering support given in the year 2019 to make it another year of success and growth for NIBM.

Dr. D M A Kulasooriya

Director General

National Institute of Business Management

ABOUT US

VISION
"To be the Best Business Education Institute in Sri Lanka"

MISSION
"We are in the business of developing competencies in people and organizations through training and consultancy"

GOALS
- Provide quality Business Management education and instructions in associated disciplines for those who seek professional knowledge and qualifications
- Develop competencies of Managers and Supervisory staff of organizations both in the public and private sectors through well-structured training programs.
- Train and educate working professionals for creative and effective participation in management.
- Facilitate the improvement of productivity in organizations through education and training programs.
- Provide Management Consultancy and Advisory Services to government, public and private sector organizations in establishing performance standards and optimizing the human resource contribution towards organizational growth.

OBJECTIVES
- Development of Managers and Supervisory staff of industrial and commercial undertakings both in the public and private sectors.
- Training and educating professionals for creative participation in management.
- Provision of specialist services in management, establishing performance standards and improving productivity.
- Performing other activities for optimizing the human contribution for performance development.
- Undertaking research and gathering data on aspects of management and relevant socio-economic phenomena for better appreciation of the environment.
- Providing management information services to outside organizations and training of personnel in the IT field.
- Offering consultancy services to the corporate sector to improve their systems, procedures and processes, assist in their planning process and generally help in their efforts to meet the threats posed by the changing corporate environmental factors.
- Facilitating the improvement of productivity in organizations through education and training programs.

ABOUT US

We Provide to,

- **OUR CUSTOMERS**
  Individuals :
  Job oriented well recognized qualifications and support to build their competencies
  Organizations :
  Strengthening capacity aimed at organizational effectiveness.
- **Our Staff**
  Professional freedom, performance-based rewards, cordial working environment, and the opportunity to learn and grow with the Institute.
- **Our Visiting Faculty**
  Recognition, above average rewards and the opportunity for networking.
- **Our Partners**
  World class delivery facilities and expertise.
- **Our Society**
  Dissemination of knowledge and enhancement of Productivity.

THE GOVERNING COUNCIL

1 **Mr. R. Prithiviraj Perera**
Chairman,
National Institute of Business Management,
No. 120/5, Wijerama Mw,
Colombo 07.

2 **Dr. D.M.A. Kulasooriya**
Director General,
National Instituet of Business Management,
No. 120/5, Wijerama Mw,
Colombo 07.

3 **Professor Rohan Samarajiva**
President,
Information and Communication Technology
Agencey of Sri Lanka,
No. 160/24, Kirimandala Mw,
Colombo 05.

4 **Mr. Sarath Kahapolaarachchi**
President,
Federation of Chambers of Commerce &
Industry of Sri Lanka
"Federation House"
696/3/4, Havelock Road, Colombo 06.

5 **Mr. Sujeewa Samaraweera**
President,
National Chamber of Commerce,
No. 450, D. R. Wijewardane Mawatha,
Colombo 10.

6 **Mr. S.S. Mudalige**
Additional Director General,
Department of National Planning
The Secretariat,
Colombo 01.

7 **Professor Ajantha Dharmasiri**
Director,
Postgraduate Institute of Management,
No.28,
Lesley Ranagala Mawatha,
Colombo 08.

8 **Ms. K.V.S. de Silva**
Chief Accountant,
Ministry of Skills Development and
Vocational Training,
“Nipunatha Piyasa”, 354/2, Elvitigala Mw,
Colombo 05.

9 **Mr. S.J.A. Handagama**
Asst. Governor
Central Bank,
30, Janadhipathi Mawatha,
Colombo 01.

INTRODUCTION

National Institute of Business Management (NIBM) is the premier Business School in Sri Lanka. We keep abreast of global trends and constantly upgrade our products to suit today's needs. Over the years we have developed our identity while proving to be a leader in management training and education. We have empowered thousands to carve better futures for themselves.

The NIBM has been functioning for 51 years having established in 1968 under the purview of the Ministry of Industries and Scientific Affairs in collaboration with the United Nations Development Program as an agency for the implementation of the programs of the ILO. It was subsequently incorporated as the National Institute of Business Management by an Act of Parliament (The National Institute of Business Management Law No 23 of 1976). Certain amendments to this Act were brought in under Act No. 28 of 1991.

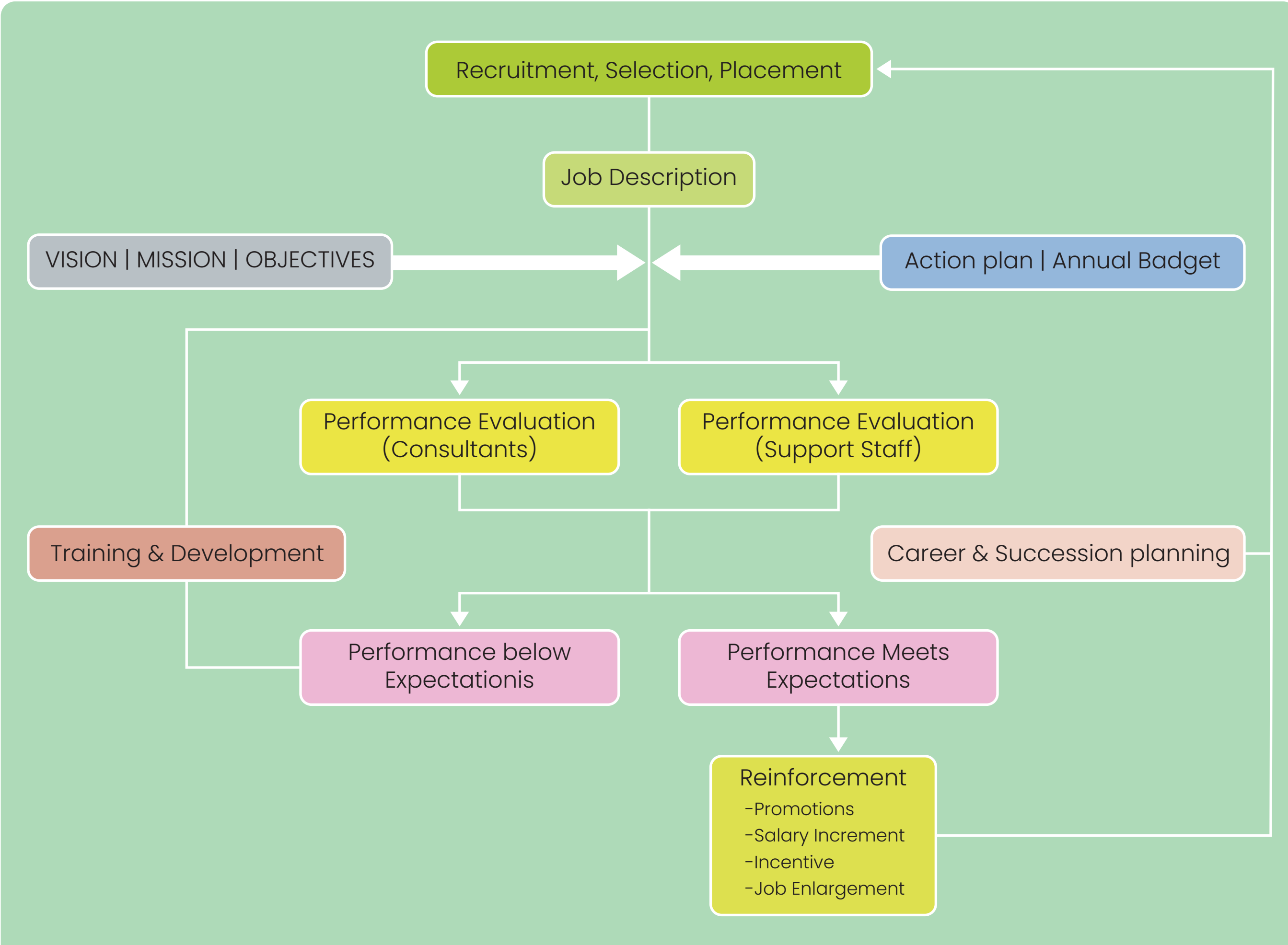
NIBM functioning as a statutory body under the Ministry of Skills Development & Vocational Training is an educational institution in the government sector. We are a self – sustained, internationally accepted, UGC approved degree awarding institute. From 2009 onwards we won the Merit Award at the presentation of National Quality Awards and in addition, ISO – 9001-2008 standards certificate has also been awarded to NIBM.

HUMAN RESOURCE MANAGEMENT

The NIBM has identified that management of workforce is vitally important to realize its organizational objectives and deliver values to students and the staff. In order to ensure that our employees are fully involved and engaged in fulfilling their institutional responsibilities, we have developed a model that integrates the following components.

- Recruitment, Selection & Placement
- Strategic Direction (long term)
- Performance Targets (short term)
- Performance Evaluation
- Training and Development
- Rewards Management
- Career Advancement

How these components integrate with each other to produce high employee commitment towards the work they perform and towards the organization is illustrated in the following NIBM Human Resource Management Model.



Model 1 : Human Resource Management Model

We have two major employee categories i.e. the academic staff directly involved in the value creation process; mining knowledge transfer, competency development and consultancy and the non-academic staff whose support is essential to run the institute. Performance evaluation and rewarding plan of these two categories differ from each other. However, performance evaluation and rewarding for both categories arise from and are linked to the achievement of the NIBM goals and objectives.

As shown in the model, our employees have job descriptions arising from a job analysis based on organization requirements. Employees are provided with strategic direction through Vision, Mission and Objectives which are parts of the NIBM's long term and medium term plans. Achieving the action plan that has been derived from objectives as well as achieving targets set in the annual budget is the responsibility of individual employees.

Performance measurements related to employee responsibilities are done on individual basis annually through Performance Evaluation sheets. The content and depth of analysis of Performance Evaluation sheets of Consultants and Directors slightly differ from the rest of the staff to capture more information and penetration. If the performance of an employee meets expectations set in job descriptions and annual budget, the achievements are rewarded through incentives, promotion, salary increments and job enlargement.

If performance is below expectation, the employee is sent through a training and development process that supports to acquire skills and competencies required to perform the job furthermore. Training and development is provided to enhance employee attitudes and behavior.

We encourage our employees to participate in the programs conducted at the NIBM as well as external programs to earn better qualifications and competencies. When an employee acquires higher qualifications he / she can apply for a higher position.

We endeavor to enhance employee satisfaction by providing them with material benefits and right emotional support as identified below.

Financial benefits: incentives, increments, reimbursement of medical expenses
Non-financial benefits: promotions, overseas training
Development of working environment / facilities
Career advancement and opportunities for growth
Job enlargement and enrichment
Support of supervisors, peers and subordinates

Our employee satisfaction survey captures their rating in these areas and areas with low rating are seen as opportunities for improvement.

The entire workforce at the NIBM is working towards the common goal of improving student / client and organization satisfaction in the long run and achieving the budgeted revenue in the short run. Higher financial achievements give them better rewards. This is possible through collective effort and cooperation of all layers of the NIBM workforce from consultant to laborer. According to our working arrangements each employee has a unique role to play which ultimately supports NIBM effectiveness. Communication between different layers occurs through memos, circulars, notices, meetings, verbal instructions and feedbacks, phone calls, and e-mails. Communication with the centers located in NIC Kandy, Kurunegala, Galle and Matara are also carried out through the same methods as appropriate.

Human Recourses of National Institute of Business Management

	Approved Cadre	2014	2015	2016	2017	2018	2019
Academic Staff	50	48	49	51	61	53	75
Executive Staff	53	18	22	23	25	25	26
Assistant Staff	119	97	108	106	103	106	101
Total	**222**	**163**	**179**	**180**	**189**	**184**	**202**

Table 02 - Composition of the Human Resources of the Institute

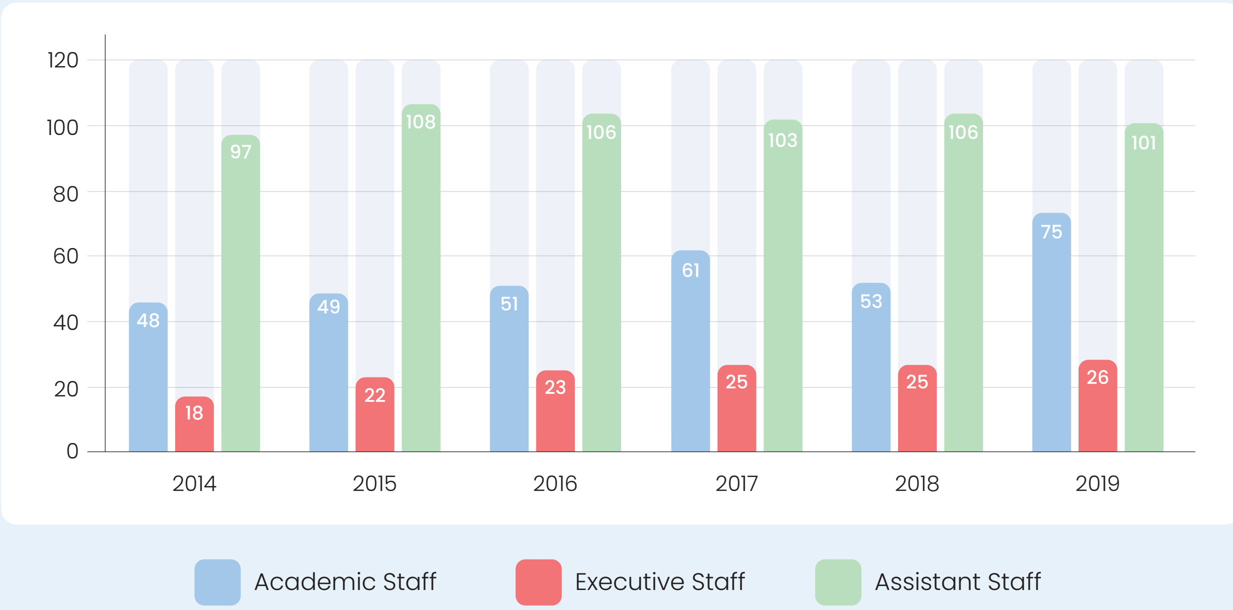


Fig. 02 - Composition of the Human Resources of the Institute

Human Resource Development

The overall human resource development of NIBM is based on the human resource management model followed and adhered by the institution where training and development is considered in the core to facilitate towards the generation of a high-performance culture at work that is been strengthened through the institutional value system. Formal training and development apportioning of shared responsibility is concerned to enable the movement forward in the form of providing of opportunities for all employees been considered as a part of the organizational membership for continuous learning and development. The overall human resource management model followed by the institution integrated with the training and development is as follows.

The overall human resource development plan of NIBM is focused on:

- Creating a learning culture where lifelong learning is encouraged, and continuous self-development is supported and valued
- Encouraging high organizational performance through a diverse and a well-balanced organizational talent pool
- Improving the professionalism of the staff
- Improving the state of employee productivity and job satisfaction
- Maintaining the main operational functions and the lively spirit of the institution

The objectives of the plan are to:

- Facilitate the attainment of the institutional vision and mission while upholding the corporate values among its members
- Encourage to increase the employee knowledge, skills, and attitudes in consideration of the changing environmental functions to make full utilization of the existing and potential workforce of the organization with financial & nonfinancial benefits
- Ensure that employees are periodically appraised to determine their performance in delivery of the service, to meet with customer requirements.
- Provide continuous development opportunities to all employees irrespective of any discrimination

The following principles are in core with the institutional master plan:

- Industry orientation
- Leadership development
- Building up stability
- Improvement of quality
- Adaptation to new technology and change
- Sustainable innovation practice

An employee is provided the entitlement in undertaking any academic, professional or any other self-development or self enhancement training programs and is also permitted to take up any development opportunities whenever possible under the recommendation of the relevant Head of the Division. The formal performance evaluation and reward system for employees are linked to the achievement of the NIBM goals and objectives whereby the performance measurements related to employee responsibilities are done on an individual basis annually using performance evaluation sheets. The content and depth of analysis of performance evaluation sheets of Consultants and Directors slightly differ from the rest of the staff to capture more information and penetration. If the performance of an employee meets expectations set in job descriptions and annual budget, the achievements are rewarded through incentives, promotion, salary increments and job enlargement.

KPIs Evaluation is been used in assessing and supporting towards the training need assessments as a source of guided information. The KPIs adhered by the institution is been revised based on the strategic plan in order to suit the business environment of NIBM. KPIs to be measured quarterly and employee's monthly incentive is decided annually. If performance is below expectation, the employee is sent through a training and development process that supports to acquire skills and competencies required to perform the job furthermore. Training and development is provided to enhance employee attitudes and behavior while encouraging employees to participate in the programs conducted at NIBM as well as in external programs to earn better qualifications and competencies.

When an employee acquires higher qualifications, he / she can apply for a higher position.
Members of the academic and non-academic staff of NIBM have been referred to both training at NIBM and to external training programs that are categorized under three main areas including the following

1. Foreign training programs
2. Local training programs
3. Internal training programs

Budgeted investment amount on Training & Development in the next three years as follows

(Rs. Million)

Year	2020	2021	2022
Academics Staff Training	14.5	15	15.5
Non -Academic Staff Training	3.5	3.5	4

NIBM believes human resource development as a continuous process of apportioning of shared responsibility to enable the movement forward and the provision of opportunities for learning and development where employees are encouraged to develop their contribution both in the context of their particular job roles and the processes they work for. For this purpose, they are directed to new training and development programs while the Institute is continuously endeavoring to improve the professionalism of the staff.

In ensuring this the institution has carried out a detailed employees competence analysis for improvement of the levels of credibility of the employees to improve employee productivity and job satisfaction with the use of following techniques.

- Job Rotation
- Relocation of employees
- Job Enlargement
- Job Enrichment

The institutional policy concerns on the following main focused areas for human resource development based on the priority of consideration:

I. Growth needs of NIBM and its members
II. Improving employee's motivation
III. Building a productive working environment
IV. Sustainable development of the work force

The following areas are concerned to assess the training eligibility and the finalization decision is vested among the relevant authorized heads of the division under the governing code subjected to the financial and previously stipulated regulations and guidelines.

- Should be an employee in the permanent cadre
- Training program should be relevant to the job role
- Should recommend by the head of the division

Formal academic training provided to all employees depends on the formal training need assessment done on a timely basis and is generally applied to all employees irrespective of their carder positions as stipulated by the governing code. The formal training need assessment is considered under three main areas that include:

I. Evaluation of competencies for each job
II. Group training by management
III. Request made by employee

NIBM believes that compensation is a driver for motivation for continuous learning and development that endeavors to enhance employee satisfaction by providing them with material benefits and right emotional support and the overall compensation package is categorized under following categories.

- Financial benefits: incentives, increments, reimbursement of medical expenses
- Non-financial benefits: promotions, overseas training
- Development of working environment / facilities
- Career advancement and opportunities for growth
- Job enlargement and enrichment
- Support of supervisors, peers, and subordinates

This compensation plan is embedded with the employee satisfaction survey which is carried out in every year and in that it captures their rating in these areas and areas with low rating are seen as opportunities for improvement. The entire workforce of NIBM is working towards the common goal of improving student / client and organization satisfaction in the long run and achieving the budgeted revenue in the short run and thereby higher financial achievements are given in the form of better rewards to motivate the need of continuous development. This is possible through collective effort and cooperation of all layers of NIBM workforce from consultant to laborer. According to the institutional working arrangements each employee has a unique role to play which ultimately supports NIBM effectiveness. Communication between different layers occurs through memos, circulars, notices, meetings, verbal instructions and feedbacks, phone calls, and e-mails. Communication with the centers located in Kandy, Kurunegala, Galle, Matara and NIC are also carried out through the same methods as appropriate.

Assessment of Workforce Engagement

Institute assess workforce engagement through following methods.

- Employee satisfaction survey
- Absenteeism
- Employee turnover

NIBM measures workforce engagement through the results of employee satisfaction survey conducted with the use of a structured questionnaire and the survey is conducted twice a year where the results are used to further improve the total HR system. Other methods of assessing employee engagement are indirect method such as absenteeism and turnover.

Human Resources Training

Members of the academic and non-academic staff of NIBM have been referred to both training at NIBM and to external training programs. The details of such programs are given below.

Participation in Foreign Training programs – 2019

	Name of the Participant	Title of the Training	Date
1	Mr. K.D.S.N. Wijayasiri *Head Linguistics* Mr. K.P. Cyril Gunaratne *Head, Kurunegala Regional Centre*	Managerial Competency Development Program in Collaboration with the University of Puthra Malaysia	07 days 10-16 March 2019
2	Mr. P.S.C. Rodrigo – Addl. *Director HRM & Admin* Mr. A.M.P.N. Ranjith *HR & Administrative Officer*	Melbourne Educational Tour - 2019 organized by Postgraduate Division NSBM	06- 11th March 2019
3	Dr. D.M.A. Kulasooriya *Director General*	Meeting with the Academic Partnership Unit in Coventry University, UK	05-10th March 2019
4	Dr. K.D.B.H. Subasinghe, *Head - Computer Science* Ms. H.A.E.A. Harischandra, *Consultant / Lecturer* Ms. R.A.M. Chathurani *Consultant / Lecturer* Ms. N.M.R.P.M. Maithripala *Consultant / Lecturer*	Annual Toastmaster Conference	23rd -26th May 2019
5	Mr. K.D.S.N. Wijayasiri *Head Linguistics*	Course approval event organized by the Coventry Univeristy, UK	28th May to 1st June 2019
6	Ms. K G I Dilrukshi *Programme Coordinator* Mrs. G D T Perera - *Personal Assistant* Ms. C.Yasara Suwarnasiri *Management Asst.*	Organization Performance through experience learning Methodology with Peace of Mind in Bangalore & Mysore	6th - 12th July 2019
7	Mr. Milan Maduranga *Consultant / Lecturer*	Executive and Academic Training Workshop in Sweden - Managing Challengers Opportunities in Digital Age; sharing Swedish Excellence	14th - 20th September 2019

Participation in Local Training programs – 2019

	Name of the Participant	Title of the Training	Date
1	Mr. M.P.T.Samarasekara *Assistant Electrician* Mr. J.A.S.Tharanga *Equipment Operator*	Workshop on Maintenance of Industrial Plant & Machineries National Engineering Research & Development Centre of Sri Lanka (NERDC)	02nd & 3rd March 2019
2	Ms.Chamudi Jayasinghe Ms. Rasika Lakmali Ms.Dinushani Rathnayaka Ms.Sachini Lakshika Ms.Ashanthi Shamali Mr.Pasindu Weerasekara Ms.Nimesha Amarasooriya	ISO 9001:2015 Internal Auditor Training Programme SGS Lanka (Pvt) Ltd	15th & 16th May 2019
3	Mr.Nipuna Chamara Madusanka	Video Editing Workshop at Camera.LK Academy	25th May 2019
4	Ms.Krishmalee Perera *Internal Auditor*	Effective Internal Auditing at SDFL Auditorium	23rd - 24th May 2019
5	Mr.Maduranga Seneviratne Ms.Hashini Guruge Ms.Sachini Perera Ms.Yamuna Thilini Ms.Madusha Sandeepani Ms.Piumi Udara Mr.S.V. Gamini Ms.Krishmalee Perera Ms.S.Suganthy Ms.C. Samaradiwakara Ms.K.R.S.Rajapaksha Ms.Jayani Nisansala Mr.Mevin Fernando Mr.Hiran Nanayakkara Ms.Nadeesha Kathriarachchi Ms.Yasara Swarnasiri Ms.Roshein Fernandopulle Ms.Nimesha Amarasekara Ms.Neranjala Pathirana Mr.Mangala Wickramasinghe Ms.Dinushani Rathnayaka Ms.Nimesha Aloysius	ISO 9001:2015 Staff Awareness Programme at NIBM	07th June 2019

6	Mr.T.G.B.Sanjeewa Mr.P.A.Samarasinghe Mr.W.A.G.Samanala Mr.N.G.P.S.Perera Mr.G.A.Nuwan Mr.K.A.P.Kumara Mr.S.N.Hettiarachchi	Scientifically economical and Safe Driving at CETRAC	29th June 2019
7	Mr.D.S.S.Jayasinghe *Electrician*	Operation & Maintenance of Generate at CETRAC	22nd - 23rd Aug 2019
8	Ms.Krishmalee Perera *Internal Auditor* Mr.K.S.S.G.A.D.M. Seneviratne *Assistant Director- Finance*	One day seminar on Managing, Reducing, Eliminating, Delays, Disputes, Issues, Claims, Corruption Clauses, Unlawful Clauses, Impracticable Specification in Government & Private Sector Contracts At Center of Housing Planning Building (CHPB)	27th August 2019
9	Mr. K.S.S.G.A.D.M. Seneviratne *Assistant Director- Finance* Mr. Oshan Wickramasinghe *Maintenance Officer* Ms. K.V.S.A. Perera - *Book Keeper*	One day Seminar on CIDA/SBD/02 in Works Contract at Pre-Contract & Post Contract Stage at Center of Housing Planning Building (CHPB)	22nd August 2019
10	Ms. R.M.E.A. Rathnayake *Software Engineer* Ms. P.S.P.M. Dayananda *System Developer*	Annual International Conference	02nd Sep 2019
11	Mr. M.P.T.Samarasekara *Assistant Electrician* Mr. M.L. Dekumpitiya *Laborer*	One day Seminar on Installation and Maintenance Aspect of Elevators & Escalators at Center of Housing Planning Building (CHPB)	10th Sep 2019
12	Mr.G.J.Senevi Perera *Laborer*	One day Seminar on Plumbing Systems of High-Rise Building. at Center of Housing Planning Building (CHPB)	15-Oct-2019

13	Ms.G.C.Wickramasinghe Dr.K.D.B.H.Subasinghe Mr.R.G.Manchanayake Ms.R.L.De.Zoysa Mr.T.S.P.Weerasinghe Mr.O.K.G.C.Weerasekara Mr.K.V.Narangoda Mr.K.A.M.Maduranga Mr.A.M.K.C.Bandara Ms.H.H.Chandrasekara Ms.R.H.N.S.Jathissa Ms.W.M.L.N.Wanninayake Ms.P.E.N.Perera Ms.A.Kurukulasooriya Ms.G.M.P.Sandaruwani Ms.C.D.Muthugamage Ms.N.N.Gunasekara Ms.J.D.D.Samindika Ms.P.R.R.W.M.I.K.Abhayasinghe Ms.A.M.S.K.Wijewardhana	National IT Conference 2019 at CSSL	08th- 10th Oct 2019
14	Mr.Oshan Wickramasinghe	Training Programme on "Consultant Development on Water Auditing and Water Footprint Assessment at Renuka City Hotel	29th, 30th & 31st Oct 2019
15	Executive Staff	Motivational Training Programme at Grand Oriental Hotel	25th Oct 2019
16	Ms. R.M. Sandeepani *Management Assistant*	ANDHRM (E) at NIBM	24th Nov 2019
17	Ms.G.D.Yuwani Umeshika Ms.J.D.S.A.Jayasundara Ms.K.V.S.A.Perera Ms.H.H.Gurugamage	Microsoft Power BI - Dashboard at CA	17th Dec 2019

Number of employees who participated in the Training Programmes

	2018	2019
Local training programs	65	77
Foreign training programs	21	14
Total	86	91

Table 01- No of employees who participated in the programs

Recruitments of the Institute During 2019

	Name	Position	Date of Recruitment
1	K J P Dilani Gunasekera	Consultant/Lecturer	2019-01-01
2	N Malshani Aloysius	Consultant/Lecturer	2019-01-01
3	G PSandaruwani Mala	Consultant/Lecturer	2019-01-16
4	Thurairasa Balakumar	Consultant/Lecturer	2019-01-01
5	A Piumi Udara	Management Assistant	2019-01-16
6	H H Gurugamage	Management Assistant	2019-02-05
7	L R D Muthuranga	Office Aid	2019-02-06
8	S A Y Thilini Kumari	Management Assistant	2019-02-11
9	P K A Madupreethi perera	Internal Auditor	2019-02-25
10	A M K Chamika Bandara	Consultant/Lecturer	2019-03-01
11	S Maduwantha Liyanage	Management Assistant	2019-07-01
12	G D Yuwani Umeshika	Management Assistant	2019-07-22
13	G J Senevi Perera	Labourer	2019-08-01
14	K M O E Wickramasinghe	Maintenance Officer	2019-08-15
15	T Shanaka De Silva	Consultant/Lecturer	2019-09-02
16	K Harindie Chandrasekara	Consultant/Lecturer	2019-08-15
17	T B Rajakaruna Ekanayake	Consultant/Lecturer	2019-09-03
18	W M S Piyumindi Wijekoon	Consultant/Lecturer	2019-09-15
19	P M Hashantha Perera	Consultant/Lecturer	2019-08-15
20	H K S Hansani Kaushalya	Consultant/Lecturer	2019-09-16
21	I V Harsha Wiratunga	Head (Kandy Centre)	2019-08-15
22	N N Pathegama Kuruppu	Consultant/Lecturer	2019-08-15
23	S Marceline Jayawardene	Senior Consultant/Lecturer	2019-09-17
24	R M Durani Onne Gothami	Consultant/Lecturer	2019-09-16
25	H M S K Bandara Herath	Consultant/Lecturer	2019-09-03
26	K K W S Rathnakumara	Consultant/Lecturer	2019-08-15
27	U L Bhagya Nipuni Silva	Consultant/Lecturer	2019-08-26
28	D C Vimarsha Fernando	Consultant/Lecturer	2019-08-15
29	D Lakmali Jathunarachchi	System Developer	2019-09-02
30	P S P Maheeshani Dayananda	Web Developer	2019-09-02
31	P W M Lahiru Fernando	Management Assistant	2019-09-02
32	G L Sahan Sandeepa	Office Aid	2019-09-05
33	J Patabendige Nishadi	Consultant/Lecturer	2019-09-16
34	H M Tharindi Kaushalya	Management Assistant	2019-09-26
35	H M D Shanika Abeywardhana	Consultant/Lecturer	2019-09-30

Retirements of the Institute During 2019

	Name	Position	Date of Retirement
1	Mrs. Sirima Ukwatta	Staff Assistant	2019.06.30
2	Mr. H H L Amarasinghe	Head (Kandy Regional Centre)	2019.06.26
3	Mr. Sumanadasa Perera	Office Aid	2019.07.03
4	Mr. Tikiri Banda	Staffa Assistant	2019.07.30
5	Mr. A.C.T Alwi	Office Aid	2019.11.03
6	Mr. Janaka Ariyarathne	Procurement Officer	2019.11.30
7	Mr. Chanuka Wattegama	Senior Consultant/ Lecturer	2019.02.28
8	Mrs. Thilini S Ediriweera	Consultant/Lecturer	2019.03.15
9	Mrs. Dumithra Ranasinghe	Consultant/Lecturer	2019.03.05
10	Ms. Dilakshi Prasadi	Management Assistant	2019.02.10
11	Mrs. Gayanthi Mendis	Consultant/Lecturer	2019.03.28
12	Ms. Sujani Anupama	Consultant/Lecturer	2019.03.04
13	Mr. Lakmal Priyankara	Management Assistant	2019.07.31
14	Ms. Thusari Gunasinghe	Consultant/Lecturer	2019.07.31
15	Mrs. Nimesha amarsooriya	Consultant/Lecturer	2019.10.16
16	Mr. Thakshila weliange	Consultant/Lecturer	2019.10.16

Two main employee associations have been formed. They have been formed because they contribute mutually to maintain the main functions of the institution and the lively spirit of the institution by interacting and building a spirit of cooperation and commonality of purpose. The associations are:

- Sports & Welfare Association
- Death Donation Society

Medical Insurance

In the interest of good health and employee welfare, NIBM has arranged an annually renewable Medical Insurance Scheme through the Ceylinco Insurance Company. Under this scheme, in addition to bills for hospitalization, all normal medical bills and hospital bills of NIBM staff are reimbursed. In case of critical illnesses there is a cover up to one million for peoples only per year. This is a very important service rendered by the Institute for the benefit of the employees.

METHODOLOGIES ADOPTED TO FACE THE COMPETITIVE MARKET

In order to make professionals, graduates and diploma holders equipped with capabilities and skills suitable for the present local and international market courses are conducted at the Institute in a systematic and organized manner with modern requirements in mind. The methodologies adopted during 2018 to achieve these objectives are given below:

- The Institute is open on Saturdays, Sundays and on Public Holidays (from 8.30 am to 4.30 pm) for the provision of all services.
- Arrangements have been made to register applicants over the telephone and the internet.
- Prospective candidates can get relevant information and get registered by means of the web-site of the Institute. Website is www.nibm.lk
- There are facilities to remit course fees by cash, chequs as well as credit cards. Courses are designed before the commencement of the academic year, so that the public and private sectors can choose the suitable training courses for their staff well in advance.
- Particulars pertaining to the role of the Institute, its programs of work and the services will be made available to public and private Institutes by the circulation of letters, printed materials and the internet.
- Certificates will be issued on the same day the workshop is completed if the duration of the workshop is less than 7 days.
- In respect of other courses, the certificates will be issued within a month from the date of the completion of the course.
- Services of the Institute are brought to the notice of the people in an attractive manner through exhibitions, workshops, press notices and television advertisements.
- Courses which were held only in Colombo are now held in Kandy, Kurunegala, Galle and Matara.
- Consultancy, Productivity and Management Development services are adaptable to the needs of public and private Institutions.
- The Diploma Awards Ceremony & the Degree Convocation are held annually in a ceremonial manner at the BMICH.

ACHIEVEMENTS OF THE 2019

NIBM again strives to win the Gold award for the best University and Education Institute category from bestweb.lk 2019 and the Bronze award for the its overall performance with www.nibm.lk.This opportunity has paved the way for NIBM to prove that their website ranks among the best in the country (With a.lk domain)

"Packet Riders 2019" Inter-University Cyber Security was organized by the CISCO Netcad Council Sri Lanka. with this year title of "Cisco Networking Academy Cyber Warriors-Sri Lanka" on the 12th of July 2019. More than 150 under graduates from National and private Universities participated in this competition. NIBM Students won 2nd place.

The NIBM Toastmaster Club was awarded the most prestigious Toastmasters international "The Rising Star" award in appreciation of achieving the Distinguished Club status in months of Club formation.

Awarding of Diploma Certificate for over 2070 students.

School of Computing held a mini multimedia exhibition. "NIBM Design Show 2019".It was organized by BA(Hons) Creative Multimedia batch.

School of Computing organized "Cyber Fest 2019". under this several competitions were held for NIBM and university students.

NIBM Cyber Ghost 2019 is a CTF-Hackathon to create opportunities for individuals to participate in and gain exposure in the field of cyber security. NIBM Cyber Ghost 2019 is the 2nd CTF-Hackathon organized by School of Computing of NIBM.

School of Computing organized ICT competition and IOT competition for school children.

School of Computing conducted "Smart life with IOT 2019" workshops for school children in Colombo, Kalutara and Rathnapura districts.

National Institute of Business Management (NIBM) becomes the Platinum Sponsor of Sri Lanka's largest ICT Conference "NITC 2019" scheduled to be held from 8th to 10th October 2019 at Shangri-La Hotel, Colombo, Sri Lanka. NITC 2019, under the theme "EMBRACE DIGITAL", organized by the Computer Society of Sri Lanka (CSSL) for the 37th consecutive year.

School of computing has organized software competition for NIBM Students. The award ceremony will be held on 24th October 2019.

Started new degree programmes with the Coventry University. Such as: Quantity Surveying, Logistics, Manufacturing Engineering, Data Analytics, BA(Hons)English & TESOL, Bsc Psychology & Counseling.

Signing of the MOU between NIBM and Ceylon-German Technical Training Institute.

"Youth Rave 2019"- This is significant opportunity to school leavers higher education pathway to perform exceptionally in any given industry.

"NIC Design Fest 2019" was organized by School of Design on the 06th & 07th September. (Education Fair, music and dance fiesta, witness the talent of our students as they proudly showcase their creativity in the fashion show)

Providing of local & foreign training opportunities for academic and non-academic to strengthening of educational.

Commencing new training programmes with the participation of Government & private sector professionals.

Started new blended learning programmes & Micro- learning methodology

DIVISIONAL STRUCTURE

The institute has structured its operational activities into two divisions in order to effectively cater to its valued clientele drawn from the Public and Private sectors of Sri Lanka and also to develop a work force equipped with skills and capabilities of national and international standards. The major divisions are:

SCHOOL OF BUSINESS (SOB)

The School of Business provides Higher Diploma and Diploma courses on a variety of subjects for the public and private sectors.

- General Management programs
- Human Resource Management
- Business Management
- Productivity and Quality Improvement Programs
- Consultancy Services
- Language Programs
- Computer Application programs
- Tailor-made Training programs

Its prime objective is to facilitate and improve the productivity and Management practices in business organizations as well as individuals. This division offers a wide range of products in the fields of training, education and consultancy services. Its services are available to a cross section of society ranging from school leaver to top professional. These education and training opportunities are recommended for both organizations and interested individuals in Public and Private Sectors.

Over the decades, NIBM has been in the forefront of introducing Productivity and Quality Management Systems to both public and private sector organizations in Sri Lanka. Recently the Division launched a world recognized productivity and quality improvement system called the Lean Manufacturing and Six Sigma Systems. A large number of industries in Sri Lanka have already embarked on improving quality and productivity using the Lean and Six Sigma Systems.

The Division maintains a high degree of professionalism in conducting its consultancy work. Our Consultants advice will be from an independent view based on an objective analysis of all pertinent facts and opinions. The team of NIBM Consultants comprising of both internal and external professionals possess the necessary technical and managerial skills and a wealth of experience and exposure to best practices to handle any consultancy project.

Management Programs

During the period of January to December 2019 the School of Business conducted 122 programs. These programs consist of 15 Degree Programs, 05 Higher Diploma programs, 27 Advanced Diploma Programs, 03 Diploma programs, 22 Advanced Certificate programs, 22 Certificate programs, 07 Foundation programs, 06 Short Duration Programs, 02 In-House Programs and 13 Consultancy Assignment.

The following table gives a summary of the programs conducted by the School of Business during the year 2018 and 2019.

S/N	Category	2018		2019	
		No. of Courses	No. of Participants	No. of Courses	No. of Participants
1	Degree Programs	9	163	15	334
2	Higher Diploma Programs	3	183	5	180
3	Advanced Diploma Programs	21	883	27	1056
4	Diploma Programs	4	107	3	72
5	Advanced Certificate Programs	22	707	22	651
6	Certificate Programs	11	334	22	521
7	Foundation Programs	9	165	7	139
8	Short duration Programs	11	294	6	91
9	In house Programs	1	25	2	116
10	Consultancy	20	564	13	781
	Total	111	3425	122	3941

Table 04 - Programs Conducted by the School of Business.

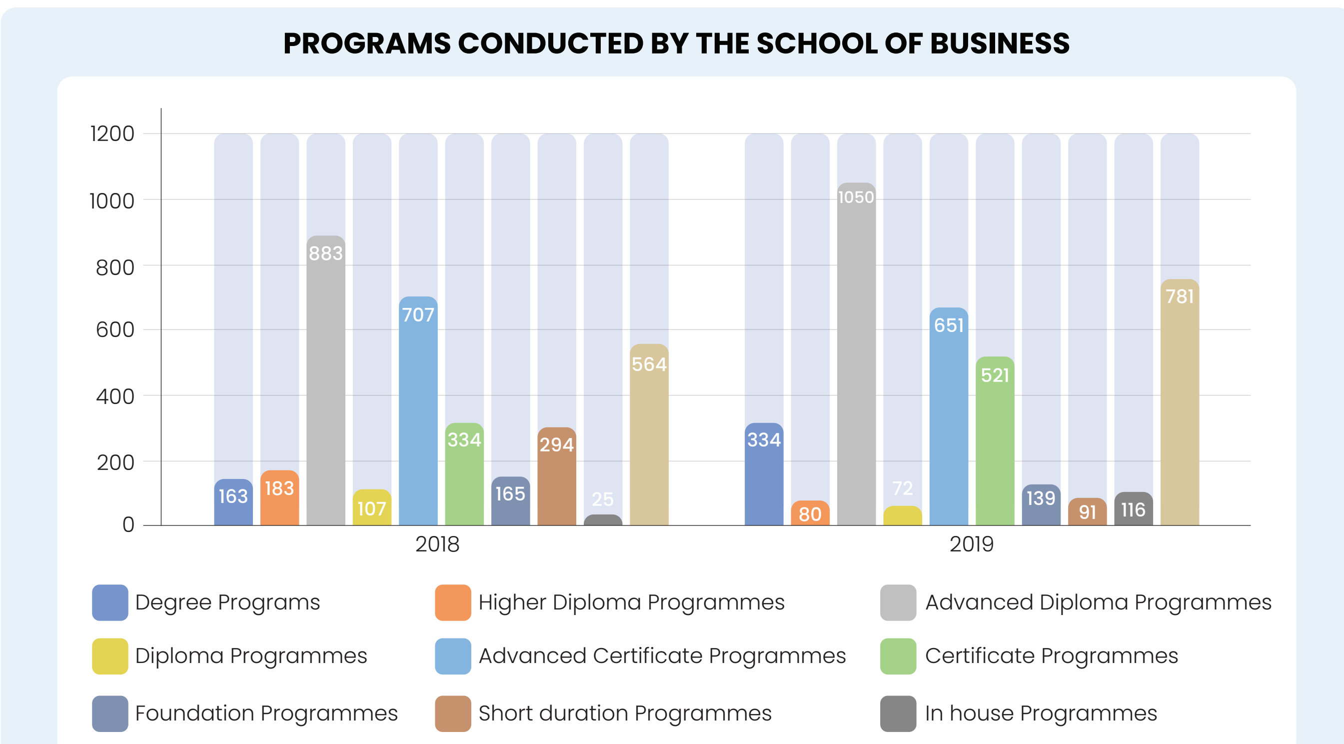


Fig. 04 – Programs Conducted by the School of Business

Participation in the School of Business Programs

During the year 2019 a total of 3941 participated in the programs of the School of Business. There are 334 students in Degree Programs, 180 in Higher Diploma Programs, 1056 in Advanced Diploma Programs, 72 in Diploma Programs, 651 in Advanced Certificate Courses, 521 in Certificate Courses, 139 in Foundation Courses, 91 in short duration 116 In house programs and 781 in Consultancy Programs.

Development Efforts of the School of Business

Various attempts have been made to develop the training programs catering to the demand and needs of the private sector clients. Accordingly, several new training programs were introduced during this year. From all these programs, the courses introduced by the School of Business are important. During this year, several Programs on English Language Training were implemented. Several measures that are taken by the School of Business to develop new programs are given below.

- Established and developed the customer evaluation system
- Maintenance of an updated data bank for customers and enhancing of the prestige of the institution in them
- Introduction of new advertising techniques
- Promotion of programs that fulfill the needs of the customers
- Focusing special attention on internal training programs

English Language Unit

The English Language Unit was established in November 2006 with one full time consultant. The unit is now functioning with three full time consultants under the Director, School of Business. NIBM has earned a reputation for building competencies in English Language skills for all types of learners and has successfully conducted English Language programs as well as in-house English Language programs for employees of both private and government sectors.

In response to the ever-growing demand for quality English programs, the English Unit has designed several programs from Certificate level up to Diploma level to enable participants to become proficient in the use of the English Language. These programs are ideal for those who seek to improve their English Language competencies as a solid foundation to a successful career. The English Unit commands the services of experienced and well qualified resource persons who have wide experience in handling all types of second language learners. Their guidance is vital to build the confidence of learners in using English as a medium of communication. The new English Language Unit serves the industry and the country as a training provider in English competencies and has plans for expansion in conducting language development programs in other local and foreign languages.

Income Generation

During the year 2019 the School of Business earned an income of Rs. 388 million. The table and diagram below indicates that there has been a considerable increase in the income of the School of Business, when compared to the previous years.

Rs. Million

	2015	2016	2017	2018	2019
Income generated by the School of Business	272	271	285	274	388

Table 05 - Income generated by the School of Business

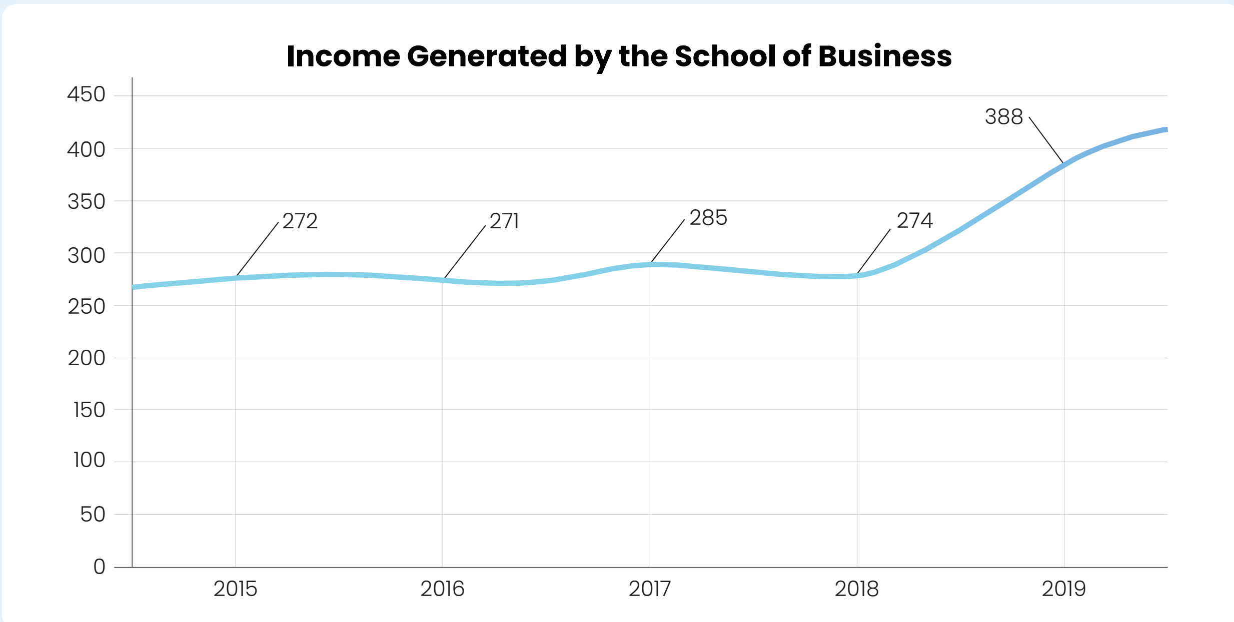


Fig. 05 - Income Generated by the School of Business

SCHOOL OF COMPUTING (SOC)

NIBM is the pioneer computer-training institute providing qualifications and training in the field of Information Technology. The Division conducts computer programs to equip participants with skills required to obtain employment, and gain recognized qualifications. Course modules are constantly updated to cater to novel requirements.
The Division offers Higher Diploma, Diploma Programs and several Certificate Level programs. The main computer programs consist of a one-year Diploma in Computer Systems Design, a two-year program leading to a Higher Diploma in Computer Based Information Systems. These well-structured computer training programs have gained wide acceptance among students and are recognized by employers both locally and abroad.

Since May 2006 SOC Division became a certified Test Centre for International Computer Driving License (ICDL) Training. SOC Division received ISO 9001:2000 certification confirming the high quality of education and services provided by the Division from 2008 onwards.

Other activities of the School of Computing

Several programs were conducted by the Division during the year 2019 namely 08 Degree Programs, 08 Higher Diploma Programs, 17 Diploma Programs, 02 Advanced Certificate Programs, 28 Certificate Programs and 04 Consultancy Programs.

Programs conducted by the School of Computing

S/N	Category	2018		2019	
		Nos. of Course	No. of Participants	Nos. of Course	Nos. of Participant
1.	Degree Program	6	106	8	193
2	Higher Diploma Courses	6	207	8	224
3	Diploma Courses	20	559	17	640
4	Advanced Certificate Courses	1	27	2	46
5	Certificate Courses	32	1136	28	1077
6	Consultancy	9	304	4	58
	Total	74	2339	67	2238

Table 06 - Programs Conducted by the School of Computing

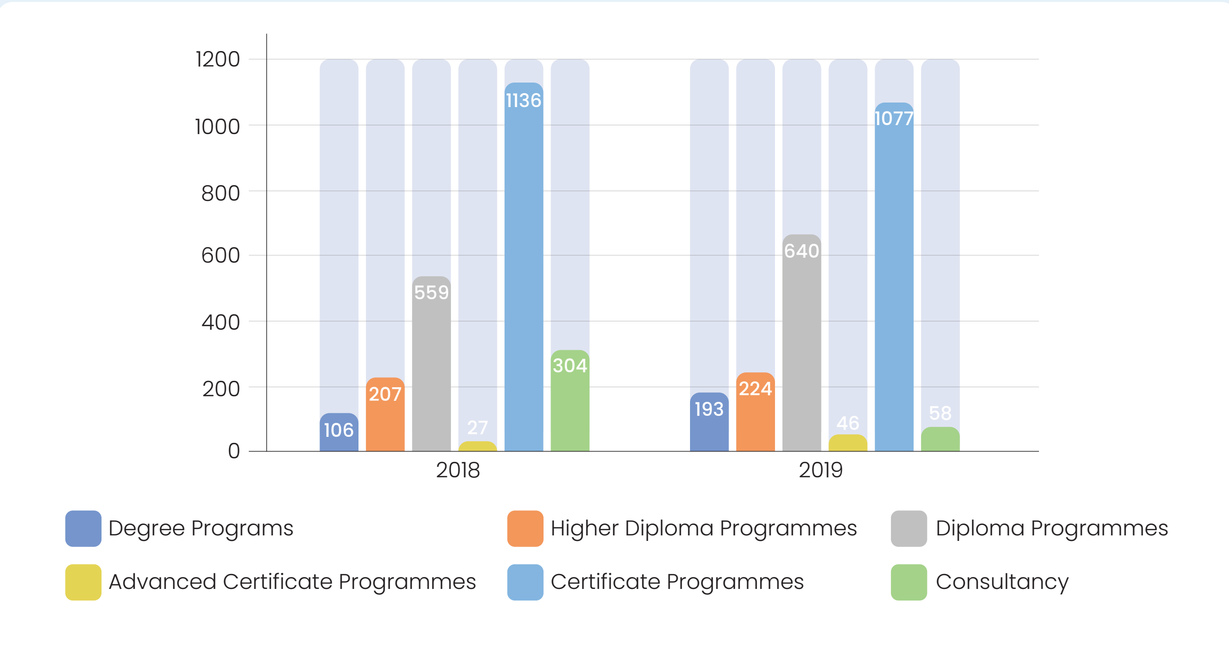


Fig. 06 – Programs Conducted by the School of Computing

During the year 2019 a total of 2238 Students participated in the programs of the Management Information System Division. There are 193 Students in Degree Programs 224 students in Higher Diploma Programs, 640 in Diploma Programs 46 in Advance Diploma Programs, 1077 in Certificate Courses and 58 in Consultancy Programs.

Income Generation

The income generated by the School of Computing during 2019 is Rs. 345 million. The following Table 07 shows that the income generated during 2015-2019 period.

Rs. Million

	2015	2016	2017	2018	2019
Income generated by the School of Computing	172	164	172	241	345

Table 07 - Income generated by the School of Computing

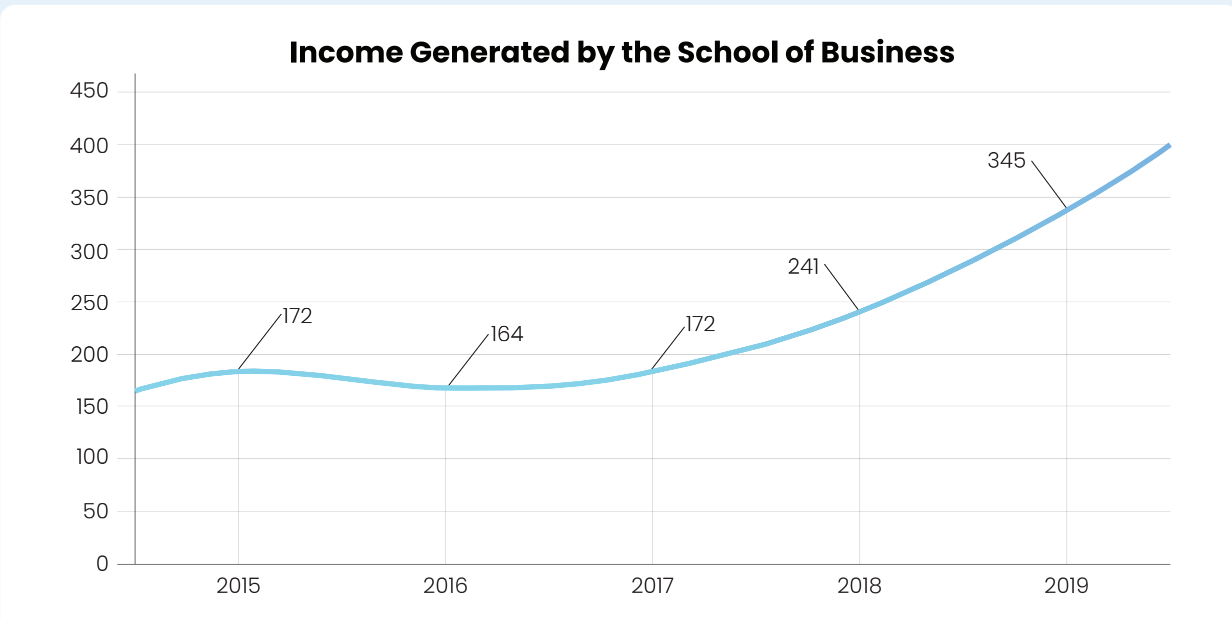


Fig. 07 : Income generated by the School of Computing (from 2015 – 2019)

NATIONAL INNOVATION CENTRE (NIC)

The NIBM-Limkokwing National Innovation Centre (NIC) is NIBM's unique contribution to the nation in its Golden Jubilee year. NIBM joined hands with Limkokwing University of Creative Technology in Malaysia to establish this first such venture for creative technologies to be established in Sri Lanka. It is established as a part of the Sri Lankan government's continuous efforts to propel Sri Lanka into a digital nation in 23 Century. NIBM's vision in setting up National Innovation Center is four fold.

Firstly, NIBM expects students to take care of their future. "DESIGN YOUR OWN FUTURE", they are being told. "You have only one life. Why let others take decisions for you? Take your own. Experiment. Be bold. Face challenges. You will be what you want to be. You don't like working for others? That is good, but your own master. Start your own business. Be an entrepreneur. You should be a job creator, not a job seeker". (That is how they are trained. That is why NIBM trains them in management skills at National Innovation Centre.)

Secondly NIBM trains the students to be international citizens. "BUILD YOUR INTERNATIONAL NETWORK". At NIBM-Limkokwing NIC they are mixed with students from 150 countries. Part of their studies will be in a foreign soil. They meet not just new faces, but new cultures and new ideas. They will have friends from five continents. They will broaden their horizons. That's what NIBM expects the students to be - true international citizens who feel ease at anywhere from Paris to Melbourne.
NIBM also builds the BEST ROUTE TO HIGH INCOME CAREERS. NIBM students' knowledge will be their pathway to the new world. At NIBM-Limkokwing NIC they are trained to develop their full potential to be a star in the international business sphere. They receive a World Recognized Certificate. They can take it as their passport to the world of true professionals.

Finally, NIBM offers INDUSTRY RELEVANT HIGHER EDUCATION. NIBM-Limkokwing NIC, with its close relationship with the industry will train the students to start working, be it their favorite multinational or may be even their own startup. They will have a skill set they can sell. They will be true professionals, creative and entrepreneurial. They will speak the language of the business. They will understand the industry needs.

The direct beneficiaries of this venture are the young men and women of Sri Lanka who want to be trained to meet the international standards but simultaneously at an affordable cost. In addition, this initiative will also provide entrepreneurial skills for youth to start and run their own businesses. It aims to create a large number of job opportunities within a short period of time, in industries such as Graphic Designers, Interior Designers, Fashion Designers, Writers/Authors, Artists, Art Directors, Multimedia Artists, Media Editors, Photographers, Commercial/Industrial Designers, Multimedia Engineers, Film Directors, Journalists and Creative IT professionals.

National Innovation Centre was ceremonially inaugurated by His Excellency, the President on October 20, 2017 upon the invitation of the Minister of Skills Development and Vocational Training and, Deputy Minister of Skills Development and Vocational Training. Speaking at the event the minister highlighted the role NIC should play in creating more employment opportunities for the nation.

As a game-changer in Sri Lanka's creative institution sector, NIC presents a range of programs from Multimedia, Fashion, Design, Interior Architecture, Communication, Journalism, Sound and Music and Information Technology, which will empower a new generation of graduates who will lead the creative industries.

REGIONAL CAMPUSES

Taking Management training to the provinces National Institute of Business Management has set up four Regional Campus by the year 2019.

KURUNEGALA REGIONAL CENTER

The courses conducted by the Kurunegala Regional Center which was opened in 1986 offers a variety of courses including are Full time Diploma Course and Higher Diploma Courses on Development of Computerized Systems, Diploma and Certificate courses on computer Application, Diploma courses on Human Resource Management and Business Management, Foundation courses, Diploma, Advanced Certificate and Certificate courses on English Language. In order to conduct these programs in a systematic manner, a new building was constructed and opened on 31st October 2008. The total cost of the project was Rs. 141 million. It is a four-storied building with the following facilities:

- Fully equipped lecture halls.
- Computer research labs with all the necessary equipment.
- A modern auditorium
- Library facilities
- Internet and Broad Band facilities
- Welfare and cafeteria facilities
- Two apartments with all the facilities
- Vehicle parking facilities

Following courses were conducted at Kurunegala Regional Centre during 2018 and 2019.

S/N	Category	2018		2019	
		No. of Courses	No. of Participants	No. of Courses	No. of Participants
1	Higher Diploma Programs	6	80	4	104
2	Diploma Programmes	12	305	12	296
3	Advanced Certificate Programs	9	215	6	148
4	Certificate Programmes	13	391	14	484
5	Foundation Programs	5	66	1	20
6	In House Programs	3	106	1	10
	Total	**48**	**1163**	**38**	**1062**

Table 08 – Programs Conducted at the Kurunegala Center

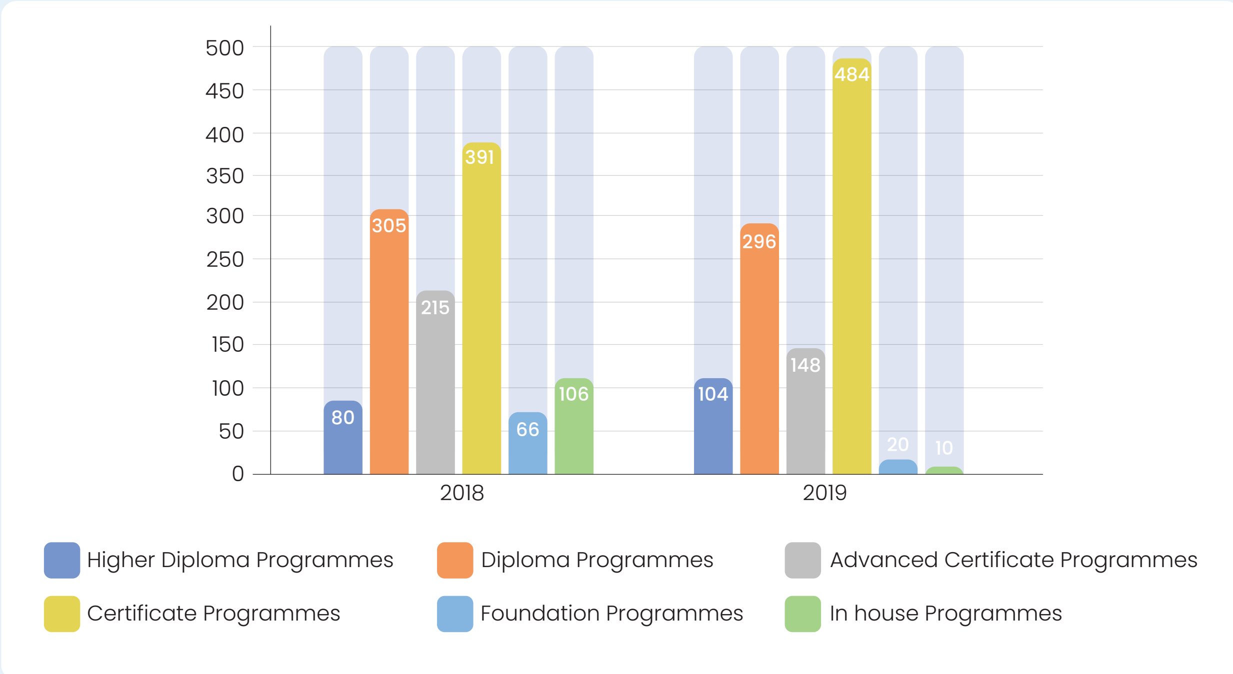


Fig. 08 - Programs conducted at the Kurunegala Center.

Income Generation

The Management Development Division and the School of Computing of the Kurunegala Regional Center earned an income of Rs. 96 million in 2019. The table below shows that the income of the Kurunegala Center has considerably increased

Rs. Million

	2015	2016	2017	2018	2019
Income generated by the Kurunegala	78	79	82	87	96

Table 09 - Income generated by the Kurunegala Regional Center

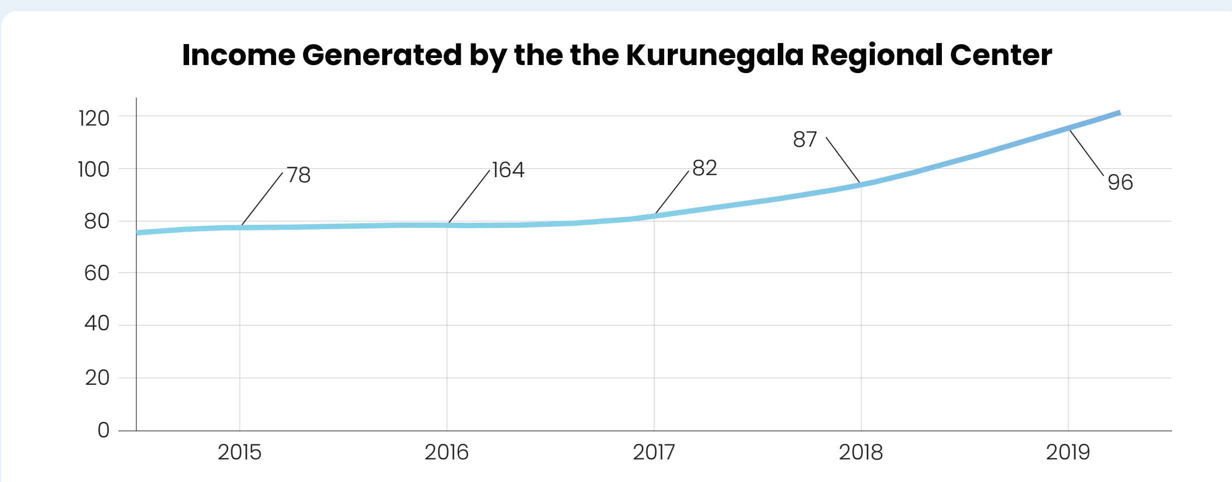


Fig. 09 - Income Generated by the Kurunegala Center (From 2015 – 2019)

KANDY REGIONAL CENTER

The Kandy Regional Center (Located in the Asgiriya Road) was opened in 1996 to cater to the increasing demand for Computer and Management Development studies in the Central Province. The center was later shifted to a more spacious four storied building equipped with modern facilities located in the Asgiriya Road, Kandy. This center where facilities and the environment are more suitable for studies, is expected to yield better results. Several programs on Management and Information Technology are conducted at this center. Courses conducted at the Kandy Regional Center during 2018 and 2019. are summarized below.

S/N	Category	2018		2019	
		No. of Courses	No. of Participants	No. of Courses	No. of Participants
1	Higher Diploma Programs	7	133	8	150
2	Diploma Programs	14	316	17	344
3	Advanced Certificate Programs	9	180	8	163
4	Certificate Programs	14	339	18	335
5	Foundation Programs	4	62	3	35
6	In-house Programs	4	93	4	48
	Total	**52**	**1123**	**58**	**1075**

Table 10 – Programs Conducted at the Kandy Center (year 2018 – 2019)

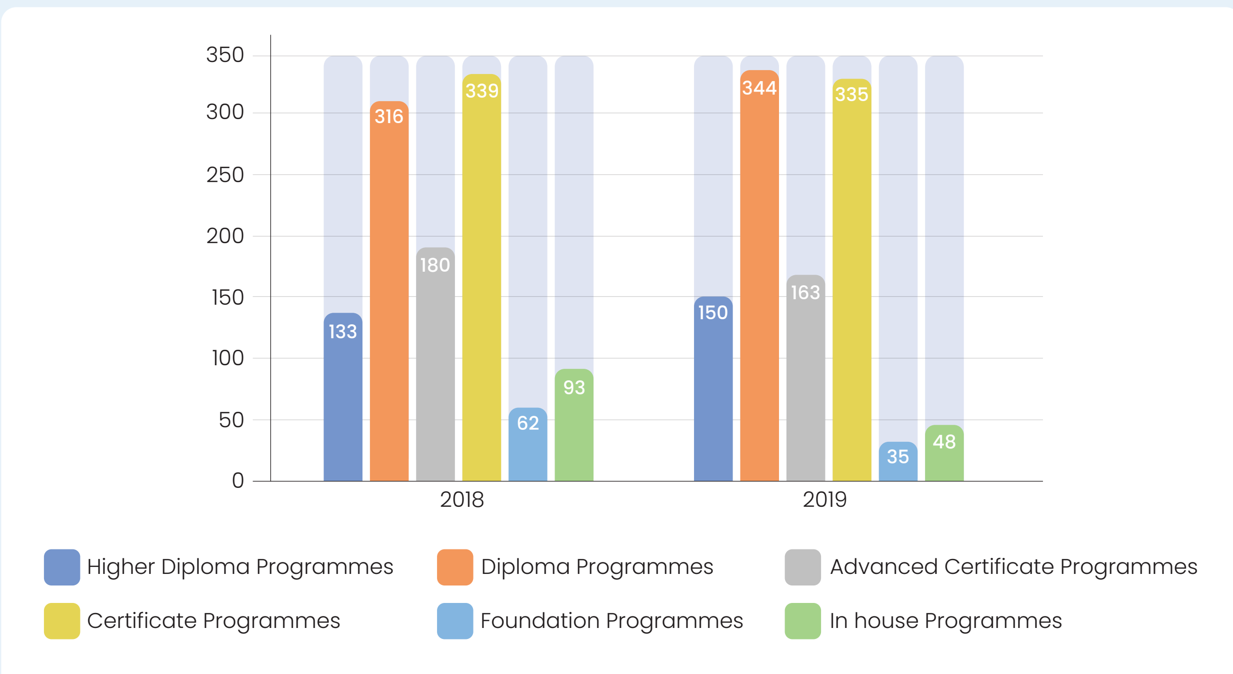


Fig. 10 – Programs Conducted at the Kandy Regional Center (from 2018 – 2019)

Income Generation

The income earned by the Management Development Division and the School of Computing at the Kandy Regional Center during 2019 is Rs. 109 million. The Table given below indicates that the income generated by the Kandy Regional Center has increased over the years.

Rs. Million

	2015	2016	2017	2018	2019
Income generated by the Kandy Regional Center	92	91	101	102	109

Table 09 - Income generated by the Kurunegala Regional Center

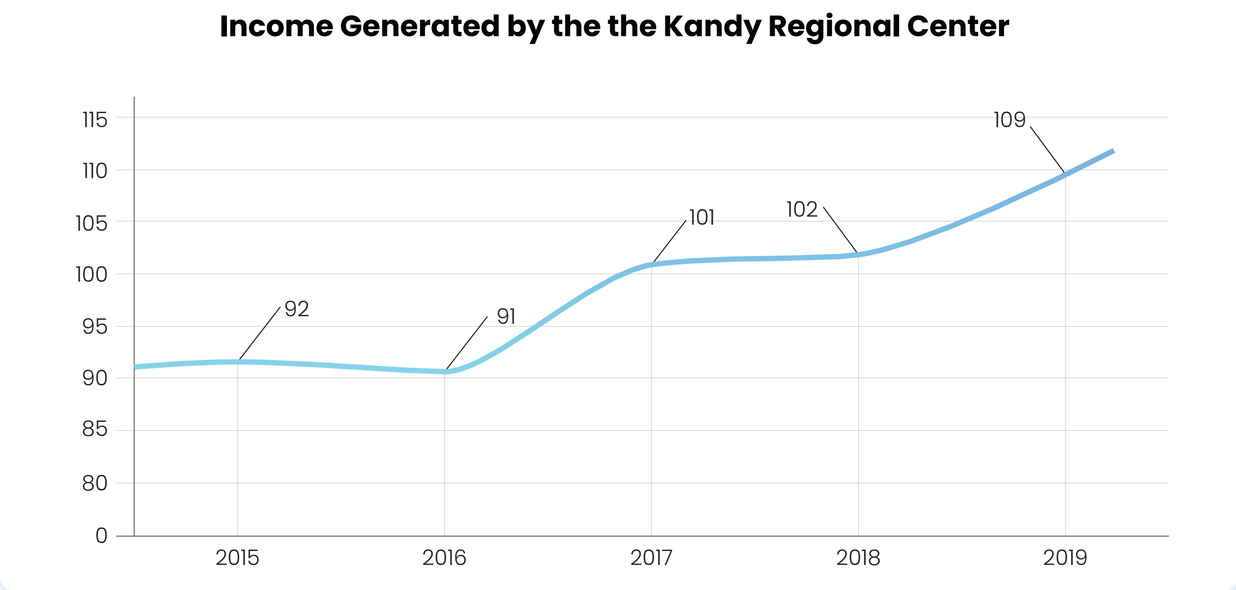


Fig. 11 - Income Generation - Kandy Regional Center (2015 – 2019)

GALLE REGIONAL CENTER

A center was opened in Galle to provide facilities for education on Management and Information Technology in the Southern Province. It is a newly built, fully fledged institution that guarantees to every academic seeking higher education. UGC Degree programs, Diploma programs, Certificate programs, In-house programs, Workshop and Training programs in the field of Management and Information Technology are offered at the Galle Center from 2010 onwards.

To cater to the growing training and education needs in this region the NIBM has undertaken an expansion program with the goal of taking quality professional education and training to the rural areas in a conductive learning environment with world class facilities. Keeping that aim in mind more Regional Campus will be set up in the future in key districts to meet the aspirations of the youth and the needs of the industry for qualified and trained personnel. Following programs have been conducted at the Galle center during 2018 and 2019.

S/N	Category	2018		2019	
		No. of Courses	No. of Participants	No. of Courses	No. of Participants
1	Higher Diploma Programs	4	89	7	87
2	Diploma Courses	8	189	14	283
3	Advanced Certificate Courses	4	110	6	151
4	Certificate Courses	6	208	12	281
5	Foundation Programs	1	15	2	29
6	In House Programs	3	126	1	25
	Total	**26**	**737**	**42**	**856**

Table 12 – Programs Conducted at the Galle Center

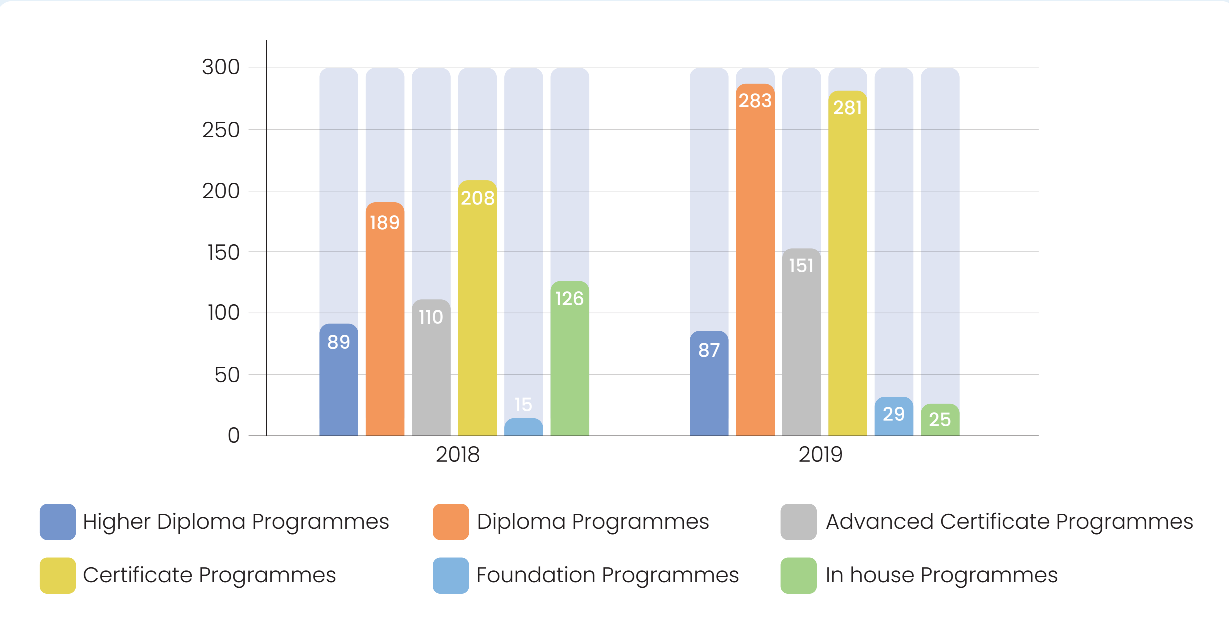


Fig. 12 - Programs Conducted at the Galle Regional Center 2018 - 2019

Income Generation

The income generation of the Galle Center by the Management Development and Information Systems Division is Rs. 74 million. The following table indicates that the income generated by the Galle Center has been increased.

Rs. Million

	2015	2016	2017	2018	2019
Income generated by the Galle Center	63	50	65	68	74

Table 13 - Income Generated by the Galle Regional Center

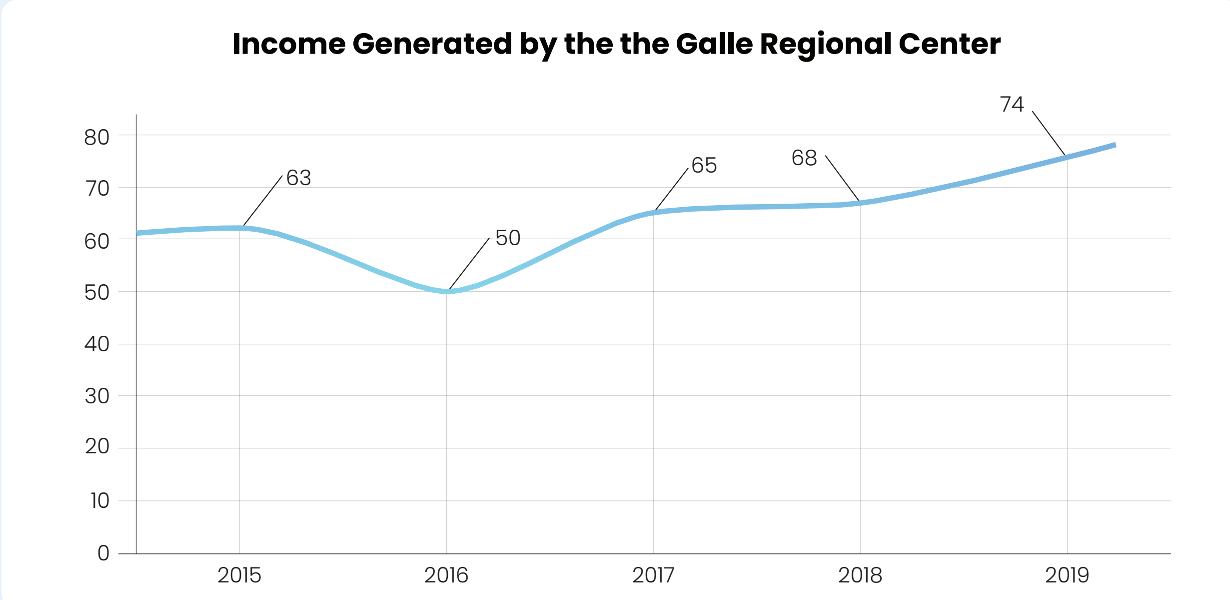


Fig. 13 - Income Generated by the Galle Regional Center

MATARA REGIONAL CENTER

Located at the heart of Matara city NIBM aims to provide world class education in the fields of Productivity, Management & information Technology. Our institute is equipped with state-of the art computer labs and modern learning facilities backed by a dedicated team of faculty and staff.

To cater to the growing training and education needs in these regions the NIBM has Keeping that aim in mind more Regional Campus will be set up in the future in key districts to meet the aspirations of youth and the needs of industry for qualified and trained personnel. Following programs have been conducted at the Matara Regional center during 2018 and 2019.

S/N	Category	2018		2019	
		No. of Courses	No. of Participants	No. of Courses	No. of Participants
1	Higher Diploma Programs	2	53	4	94
2	Diploma Courses	7	202	9	189
3	Advanced Certificate Courses	4	100	5	111
4	Certificate Courses	9	188	8	235
5	Foundation Programs	0	0	0	0
6	In House Programs	0	0	0	0
	Total	**22**	**543**	**26**	**629**

Table 14 - Programs Conducted at the Matara Center

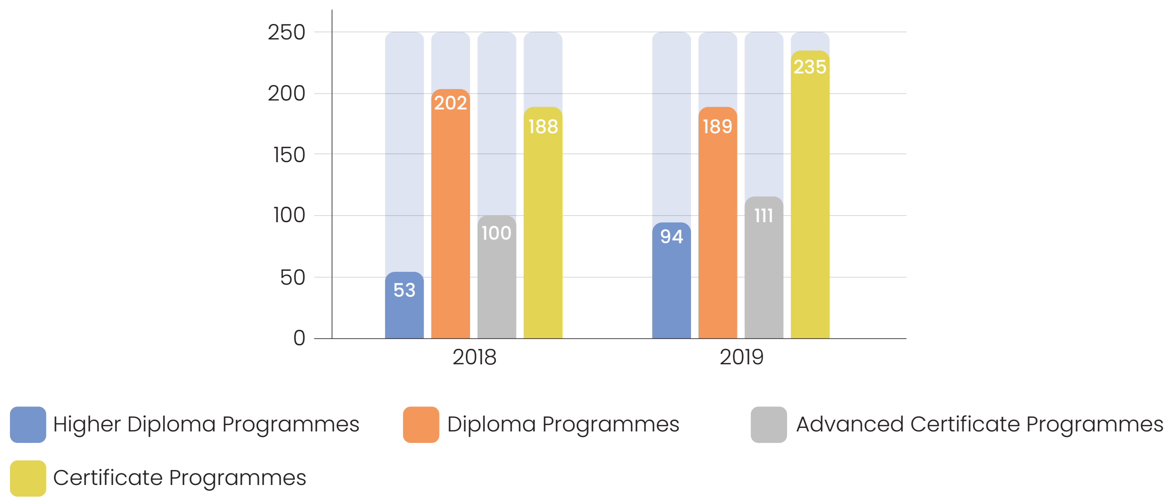


Fig. 14 - Programs Conducted at the Matara Regional Center (2018 to 2019)

Income Generation

The income generation at the Matara Center by the Management Development and Information Systems Division is Rs. 67 million in 2019. The following table indicates the income generated by the Matara Regional Centre from 2015 to 2019.

Rs. Million

	2015	2016	2017	2018	2019
Income generated by the Matara Campus	31	42	47	51	67

Table 15 - Income Generated by the Matara Regional Center

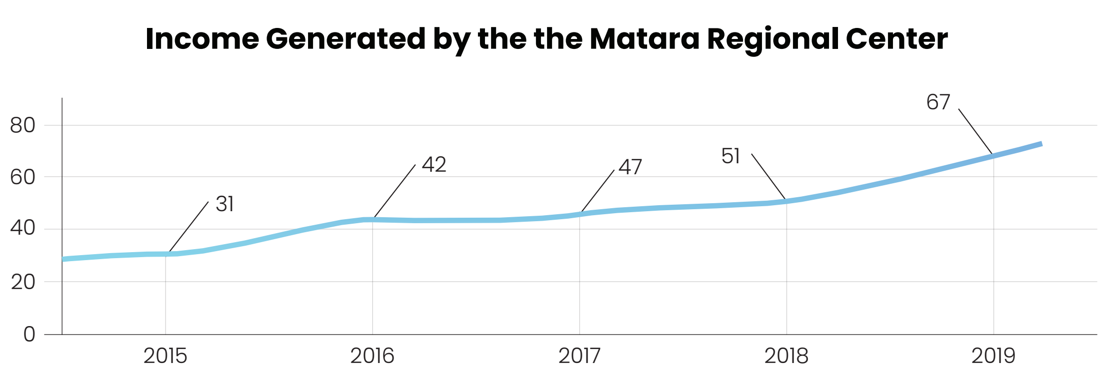


Fig. 14 - Income Generated by the Matara Regional Center

NSBM GREEN UNIVERSITY

The Governing Council of National Institute of Business Management based on the provisions of NIBM act decided to register a business school in the name of National School of Business Management (NSBM) Ltd. as a commercial enterprise under the companies Act No.7 of 2007. This was initiated based on "A guide – Chairman and Boards of Directors of Public Enterprise" published by Ministry of Finance and Planning. NSBM functions as a fully owned subsidiary of National Institute of Business Management.

VISION

To be Sri Lanka's best performing Graduate School and to be recognized internationally

MISSION

To develop globally competitive and responsible graduates that businesses demand, working in synergy with all our stakeholder and contributing to our society

NSBM – GOVERNANCE AND MANAGEMENT

1 **Prof. E A Weerasinghe**
Chief Executive Officer/
Vice-Chancellor - Executive Director

2 Prof. Chaminda Rathnayake
Executive Director/ Deputy Vice-Chancellor

3 Mr. E. A. Rathnaseela
Non-Executive Director

4 Ms. M.T. Dinushani De Silva
Executive Director

5 Mr. Preethiviraj Perera
Non-Executive Director

6 Mr. Don Tiburtius Sujeewa
Handapangoda Mudalige
Non- Executive Director

7 Prof. Jayasinhage Baratha
Dodankotuwa
Executive Director

8 Dr. Hewawasam Ranaweerage
Rasika Amil Ranaweera
Executive Director

9 Dr. Dewatage Chandana Perera
Executive Director

10 Ms. Gangani Chamarie Wickramasinghe
Non-Executive Director

11 Ms. Manoja Kumari Weerasekara
Executive Director

12 Dr. Muhutha Merengnage Priyantha P
remakumara
Non-Executive Director

NSBM Green University Town is the first ever green university in South Asia and sets an example for the whole South Asia by paving the way for environmental sustainability. The university is open for both national and international student community and it has turned a new chapter in Sri Lankan higher education.

NSBM Green University Town is established under the State Ministry of Skills Development, Vocational Education, Research & Innovations and it is renowned for its world-class academic offerings. This state-of-the-art university offers nationally and internationally recognized, UGC approved degree programmes and foreign degree programmes in three faculties: Management, Computing and Engineering.

The university is spread over an area of 26 acres and the massive university complex was built with the intention of providing an opportunity for both national and international students to have a fully-fledged education in Sri Lanka. Currently around 9000 students are studying at the university and the highly qualified local and foreign lecturers who teach at the university are committed to prepare these undergraduates to face any challenge the world has to offer. The university's commitment to excellence in education extends beyond course delivery since the university has created mutually beneficial relationships with the industry to provide students with opportunities to get expo-sure to the real- world workplaces.

Enrolled & Graduated in 2019
Enrolled 2,289 Students
Graduated 2,190 Students

Income & Probability for 2019 Finance Year
LKR 3 Billion Income.
LKR 2 Billion Gross Profit.

Investment
37 Mn LKR Investment Phase II for 2019 Financial Year

Achievement
Awarded Gold for the best in financial reporting in the state sector by the Institute of Chartered Accountants, Sri Lanka

Inspired by the vision of making Sri Lanka the best educational hub in Asia,
NSBM Green University Town is dedicated to gift the future leaders to the world with its fully-fledged university.

LIBRARY & DOCUMENTATION CENTER

The NIBM Library is a source of wealth in terms of information. It plays a vital role in catering to the information and educational needs of both course participants and professional staff of NIBM.

The Classification System used by the Library is the Universal Decimal Classification (UDC). In April 1990, it commenced using the computer-based bibliographical information systems introduced by the UNESCO. Software packages are using the WINISIS new version and Visual Basic with ACCESS. The NIBM Library is open seven days a week from 08.30 hrs to 16.30 hrs, except on public holidays.

MISSION

The Library's mission is to provide comprehensive resources and services in support of the research, teaching, and learning needs of the Institute community. To fulfill this mission, the Library commits to:

- Understand the research, teaching, and learning needs of its users;
- Build collections and create tools to support research, teaching, and learning;
- Provide access to and promote the discovery and use of local and external information resources;
- Ensure the preservation and long-lasting availability of Library collections and resources;
- Create hospitable physical and virtual environments for study, teaching, and research;
- Collaborate with other members of the Institute to enrich the research and learning community;
- Advance local, national, and international library and information initiatives;
- Develop, encourage, and sustain expertise, skill, commitment and an innovative spirit in its staff.

VISION

The Library is committed to the delivery of timely, accurate information to faculty, administrators and students, and to providing library resources and services in a technologically rich environment.

We constantly strive to initiate and implement new programs to enhance the academic quality and competitiveness of the National Institute of Business Management. Our dedication to supporting faculty and student engagement with the research and learning process; along with continuously adapting to current curriculum methods, teaching styles and course content, reinforces our philosophy that the library serves as the heart of the institution. Our beliefs result in a library that is integral to the life of the institute, is a leader in enhancing the educational experiences of the NIBM community and earns local and national recognition for our achievements in facilitating teaching and learning while providing innovative library services.

OUR VALUES

As part of the NIBM's Professional Services, we share the following values:

- We listen to our faculty, administrators and students, and show them courtesy and respect
- We take pride in our services and in the National Institute of Business Management
- We are recognized as professional leaders in and beyond our sector
- We value and empower our staff, and encourage everyone to reach their full potential
- We are committed for improvement and excellence
- Our work emphasizes partnership, communication and openness
- We demonstrate fairness and integrity in our work
- We value creativity, innovation and new ideas
- Our operations are efficient and sustainable
- We deliver information to our readers

MAIN OBJECTIVES OF THE LIBRARY

- To support and facilitate the research, learning, teaching and administrative activities of the Institute, by organizing, maintaining and providing access to appropriate literature and information resources in such a way as to provide optimum benefit for the Library users.
- To provide an appropriate and comfortable environment, accommodation and facilities for the use of Library resources.
- To support the Institute, emerge as a leading institute of the country, embracing traditional values of higher education and adapting to fit the requirement of the global community of the 21st century.
- To identify, acquire, organize, store, and provide on-demand access to the available intellectual and research products of scholars to support teaching, learning, research and creative endeavours.
- To provide greater access to digital collections while continuing to build and improve access to collections in all formats to meet the research and teaching needs of the institute.
- To foster information literacy and work involving the NIBM community and to enable users to think critically, create knowledge, and be life-long learners.
- To provide and ensure quality services and good professional practice in library activities.

SUBJECT AREAS

Accounting & Financial Management, Business Law, Business Management, Communication, Computer Science, Counseling, Economics, Electronics, English Language and Tamil Language, Industrial Engineering, Marketing, Mathematics, Office Administration, Production & Operations management, Productivity, Psychology, Public Relations, Research Methodology, Small Scale Industries, Statistics, Training, Interior Design, Fashion Design etc.

RESOURCES

eBooks, eJournalsPrinted Books, Periodicals, Maps, Consultancy Reports, Project Reports, Newspaper Clippings, Pamphlets, Video Collection, CD-ROM & DVDs, Slide, Roll Films & Audio Collection.

eResources

• eLibrary

eLibrary can be accessed via www.nibmworldwide.com. Staff and students may use the NIBM e-mail and password to access e-Library. Resources are eBooks, eJournals, student handbooks and past question papers.

• EMERALD online eJournals Collection

EMERALD Publishing Limited is a scholarly publisher of academic journals and books in the fields of management, business, education, library studies, health care, and engineering in United Kingdom.
NIBM library has subscribed to the EMERALD data base to enable students and staff to peruse research publications on a wide variety of disciplines such as business, management, & strategy and information & knowledge management. Past and current issues of 66 journals (54 Management and 12 Information Technology journals) can be accessed via https://www.emerald.com/insight

• Pearson Publication eBooks

Added 53 eBooks on Management, Information Technology, Statistics, Economics, Electronics, Public Relations and Accountancy are available on Pearson e-Library. The Pearson eBooks can be accessed via https://elibrary.in-.pearson.com

• Taylor & Francis eBooks

Added 17 eBooks on TESOL (Teaching English to Speakers of other Languages), English Language & Literature and Psychology on Taylor & Francis Group. The Taylor & Francis eBooks can be accessed via www.taylorfrancis.com

• Harvard Business Review eJournals and Videos

The Library users can have access to e-Resources (eJournals and Videos) through our Harvard Business Review subscription. The link is https://hbr.org

SPECIAL COLLECTIONS

Introduction Asian Productivity Organization (APO) Publications, Sri Lanka Collection, Company Annual Reports, Training Materials, NIBM Consultancy & Student Project Reports, Socio-Economic Statistics, Audio-Visual Materials, CD-ROM & DVD Collection, Language Unit, Management e-books.

SERVICES

The NIBM Library offers a variety of services including Reference, Lending, Circulation of Indexes and Acquisition List, Circulation of Journal Content Page Service, Selective Dissemination of Information (SDI) to our faculty and administrators, Literature Searches using Library Database, Current Awareness Services, Inter-library Loans, Documentation Services (By using Photocopy, e-Mail, Fax, Printouts), Photocopying Service, Inquiry Service, Information Consultancy, Internet & e-Mail facility free of charge for the library members.

SPECIAL ACTIVITIES

The special activities of the library are: Collection of newspaper articles including those about NIBM activities, compilation of indexes, book exhibitions, book exchange services, sharing information with other leading libraries & information centers through electronic networking, and national & international co-operation in development and sharing information.

PUBLICATIONS

The publications of the library are Journal Content Pages, Audio-Visual Materials & CD/ROMs Index, Periodical Holdings Index, and Current Awareness Service.

LIBRARY MEMBERSHIP

Membership of the library is open to the professional staff, executive staff of the NIBM and participants who are enrolled in Certificate, Diploma and Higher Diploma programmes offered by the Institute. The course participants who wish to borrow books from the library should furnish a refundable deposit of Rs. 3,000.00

The Library has introduced Institutional membership for others who have interest in using the Library.

DATABASES

Micro CDS/ISIS / WINISIS

Name of Databas	Type of Records	No. of Records
LIB	Library Books	32337
PER	Periodical Holdings and Acts	2282
MEM	Member Information	3250
ISS	Book Issues (Students)	2180
RET	Book Returns (Students)	2250
REF	Members Refunds	1200

VISUAL BASIC WITH ACCESS

Name of Databases	No. of Records	Type of Records
Members	54	NIBM Staff Information
Library Books	184	Issues Data for the NIBM Staff– Library Books, Periodicals, Project Reports, CD-ROMs, Videos

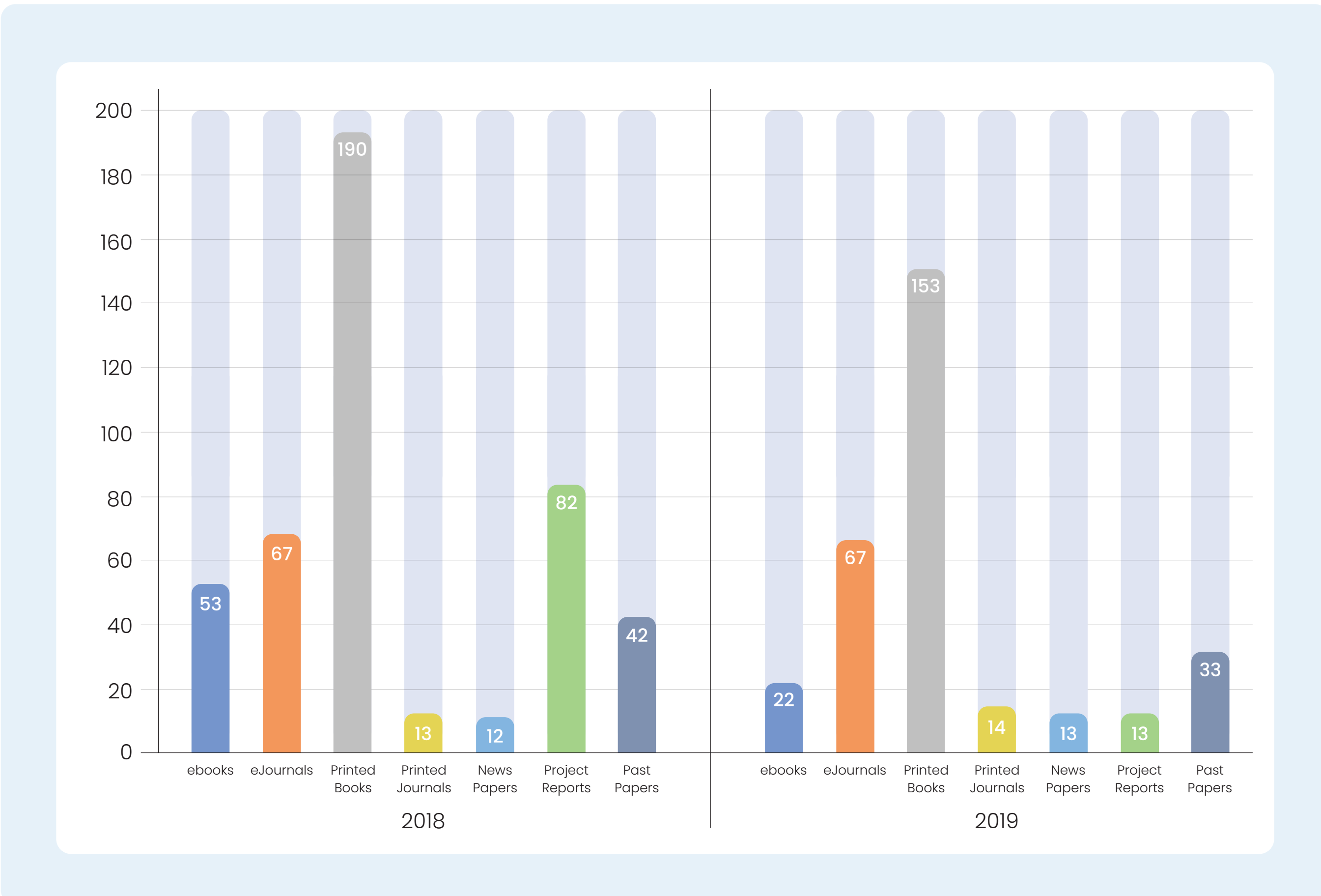
NETWORK ACTIVITIES

SLSTINET – National Science Foundation

e-BANKLIBNET Yahoo groups - Central Bank

NEW ADDITIONS

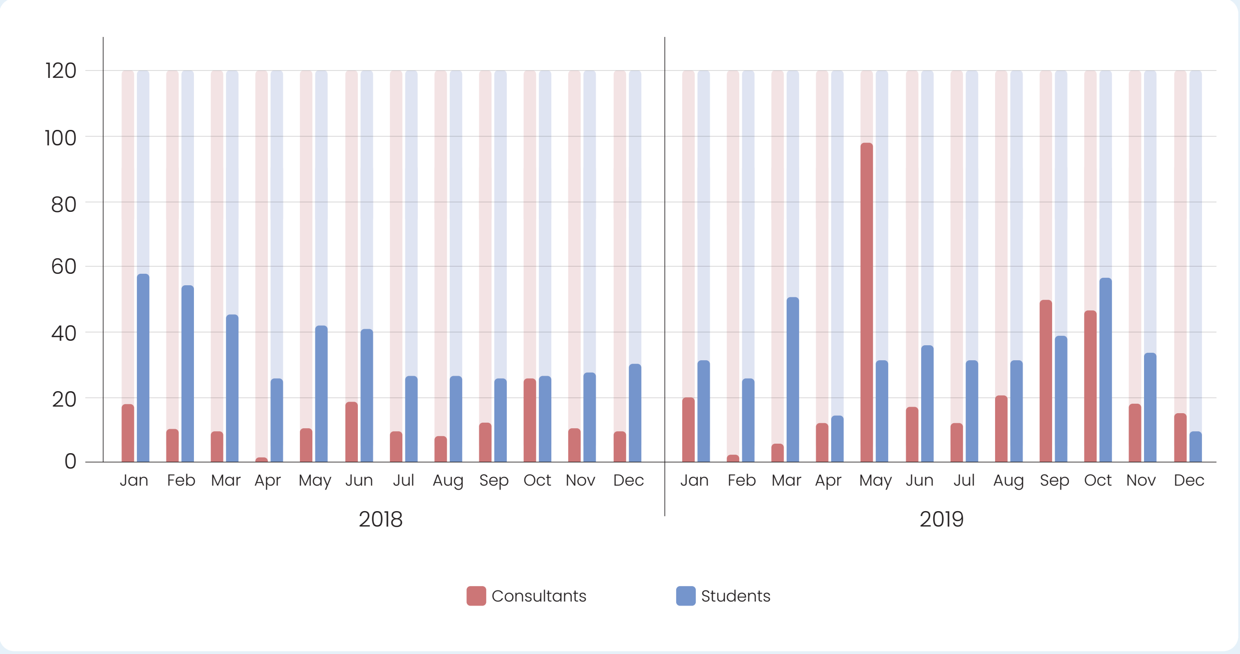
e-Library Resources and Printed Materials 2019



NIBM LIBRARY STATISTICS 2019

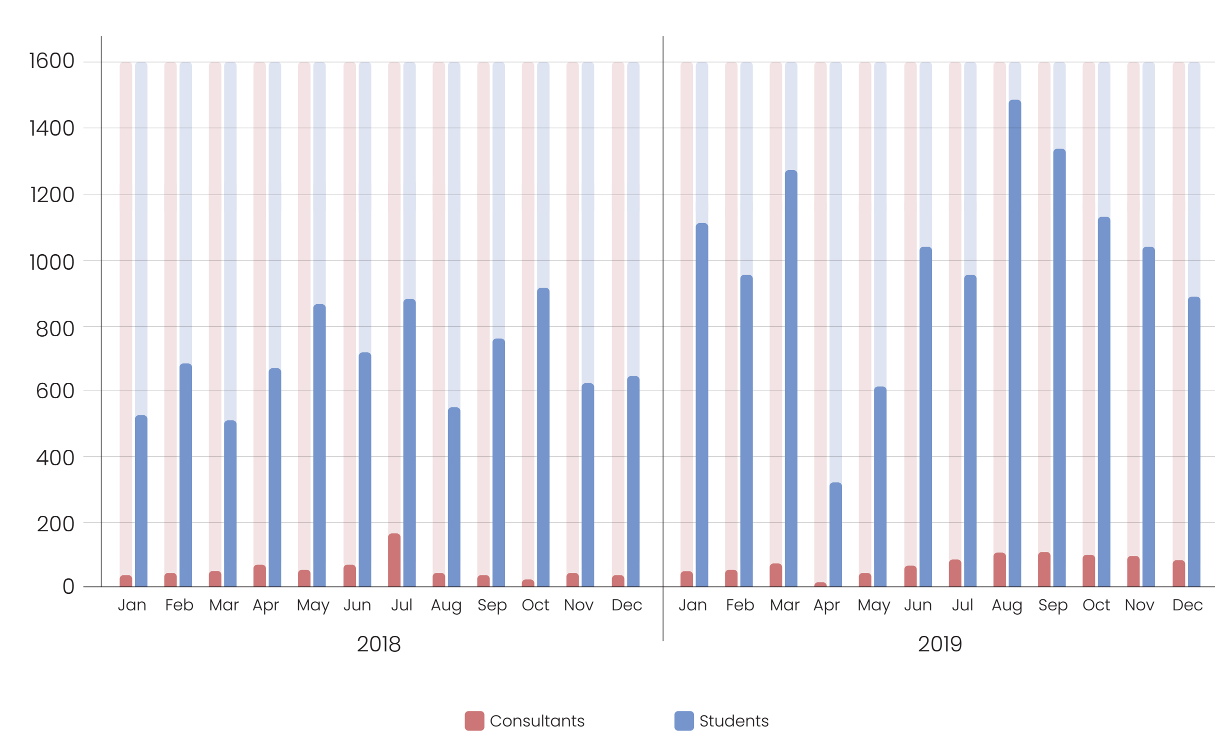
BOOK LOANS

MONTH	2018		2019	
	CONSULTANTS	STUDENTS	CONSULTANTS	STUDENTS
January	17	59	20	32
February	9	53	2	26
March	8	46	7	50
April	4	28	11	16
May	8	43	96	31
June	16	42	18	35
July	8	27	12	31
August	7	27	21	31
September	12	25	51	39
October	26	26	41	47
November	10	27	19	33
December	9	30	17	14
Total	**134**	**433**	**315**	**385**



LIBRARY REFERENCE

MONTH	2018		2019	
	CONSULTANTS	STUDENTS	CONSULTANTS	STUDENTS
January	30	539	43	1134
February	41	688	49	949
March	45	521	64	1252
April	68	675	9	320
May	49	857	30	603
June	52	722	62	1122
July	77	872	70	968
August	32	549	98	1482
September	31	762	99	1340
October	22	911	89	1139
November	38	614	88	1040
December	33	625	75	879
Total	**518**	**8335**	**776**	**12228**



EXAMINATION UNIT

The income earned by the Management Development Division and the School of Computing at the Kandy Regional Center during 2019 is Rs. 109 million. The Table given below indicates that the income generated by the Kandy Regional Center has increased over the years.

The Examinations Unit (EU) of NIBM, established in 2007 is one of the operational arms of NIBM which deals with the process of examination. Therefore, the Examinations Unit carries a heavy responsibility of upholding records of students. As the question papers and results should be treated as confidential material and the team of EU which comprises of nine staff members who take every possible step to maintain a higher level of confidentiality as well as security.

The Functions of EU

- To manage all examination processes in accordance with the institution's rules and regulations
- Monitoring student's discipline during the conduct of examinations
- To manage all students' records related to examinations with regional centres.
- Issuing original certificates
- Process and issuing transcripts to students
- To manage all records of Regional Campus
- To manage invigilation requirements

CAREER GUIDANCE AND INDUSTRIAL TRAINING UNIT GUIDANCE Unit

Career Guidance is one of the major functions of providing guidance for the students throughout their academic life. Industrial exposures are required for the undergraduates before they step up to the corporate world.

The career Guidance and Industrial Training unit (CGITU) offers guidance to the students to groom themselves to their upcoming industrial training programme, where the unit offers support, advice and provide guidance for the students to meet various industry of the employers in their relevant fields.

The main purpose of the unit is to groom the students towards the industry and to reduce the gap between industry expectations and the current Knowledge level, skills and attitude of the students.

Main Functions of the CGIT Unit

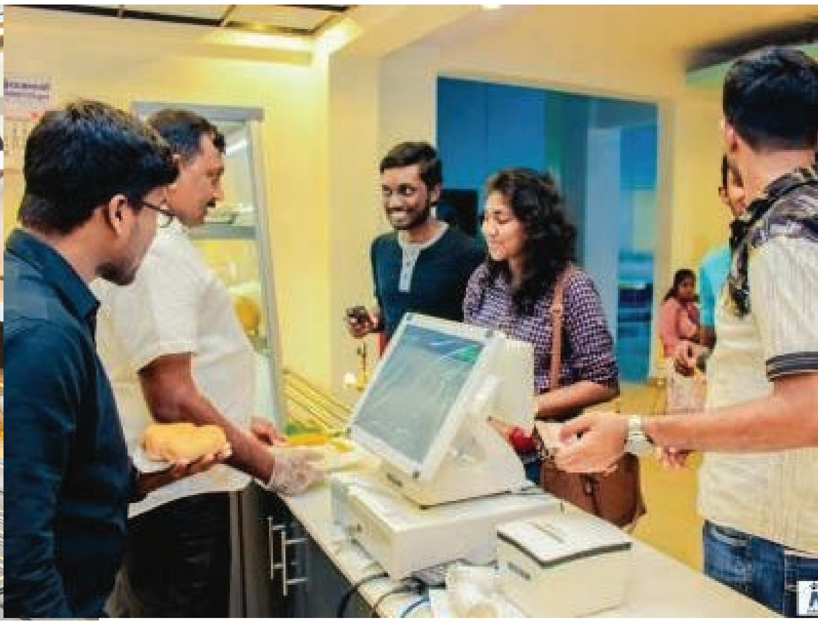
- Arranging and coordinating industrial training placements.
- Mentor and support the students with the development and implementation of their career development plan.
- Grooming students with their Knowledge, skills and attitude towards the industry.
- Maintaining the industry relationship and arranging career fairs.
- Conducting Industry Analysis.
- Arraigning and coordinating training and development activities.
- Arranging and coordinating field visits.

MEDICAL CENTRE

A health clinic has been opened with a view to look after the health of the students and the employees of the NIBM. The clinic provides the services of a doctor with MBBS qualification and a qualified nurse.

CAFETERIA

Giving priority to health and nutrition of our students, NIBM cafeteria offers a range of typical Sri Lankan food for a reasonable price. Since it is located in the ground floor of NIBM premises, students have easy access to buy their meals.



STATEMENT OF FINANCIAL POSITION

		NIBM			NSBM			Group		
	Note	31st December 2019	31st December 2018	1st Janurary 2018	31st December 2019	31st December 2018 (Restated)	1st Janurary 2018 (Restated)	31st December 2019	31st December 2018 (Restated)	1st Janurary 2018 (Restated)
ASSETS										
Non-Current Assets										
Property, Plant and Equipment	3	894,877,200	920,877,397	971,511,624	9,795,232,123	10,198,053,945	10,527,534,720	10,690,109,323	11,118,931,342	11,499,046,344
Intangible Assets	4	1,806,436	2,274,289	2	29,040,413	34,551,314	18,710,526	30,846,849	36,825,603	18,710,528
Investment in Subsidiaries	5	800,000,010	800,000,010	800,000,010	-	-	-	-	-	-
Right to use Assets	6	-	-	-	369,008,151	-	-	369,008,151	-	-
Other Non Current Assets		23,688,170	23,266,242	22,457,849	-	-	-	23,688,170	23,266,242	22,457,849
Total Non-Current Assets		**1,720,371,816**	**1,746,417,937**	**1,793,969,485**	**10,193,280,687**	**10,232,605,259**	**10,546,245,246**	**11,113,652,493**	**11,179,023,186**	**11,540,214,721**
Security Deposit		10,750,000	10,290,000	10,500,000	-	-	-	10,750,000	10,290,000	10,500,000
Current Assets										
Inventories	7	11,035,684	10,366,104	12,002,683	12,766,833	9,211,973	5,726,928	23,802,517	19,578,077	17,729,611
Short Term Investments	8	397,738,713	190,000,000	145,000,000	-	-	-	397,738,713	190,000,000	145,000,000
Trade and Other Receivables	9	195,676,267	166,663,199	165,732,019	372,991,600	306,470,499	261,407,055	568,667,867	473,133,698	427,139,074
Other Non-Financial Assets		3,825,602	5,242,208	3,382,777	-	-	8,845,374	3,825,602	5,242,208	12,228,151
Cash and Cash Equivalents	10	41,395,470	18,204,517	6,480,405	58,315,040	60,367,713	42,813,728	99,710,511	78,572,230	49,294,133
Total Current Assets		**649,671,738**	**390,476,029**	**332,597,884**	**444,073,474**	**376,050,185**	**318,793,085**	**1,093,745,210**	**766,526,214**	**651,390,969**
Total Assets		**2,380,793,554**	**2,147,183,966**	**2,137,067,369**	**10,637,354,160**	**10,608,655,444**	**10,865,038,331**	**12,218,147,702**	**11,955,839,399**	**12,202,105,689**
FUND AND LIABILITIES										
Grants										
Government Contribution	11	57,175,767	57,175,767	57,175,767	-	-	-	57,175,767	57,175,767	57,175,767
Other Grants	12	1,068,000	1,068,000	1,068,000	-	-	-	1,068,000	1,068,000	1,068,000
Capital Grants	13	331,969,695	342,135,362	352,301,028	-	-	-	331,969,695	342,135,362	352,301,028
Total Grants		**390,213,462**	**400,379,128**	**410,544,795**	-	-	-	**390,213,462**	**400,379,128**	**410,544,795**
Capital & Reserves										
Stated Capital		-	-	-	800,000,010	800,000,010	800,000,010	-	-	-
Revaluation Reserve	14	247,392,885	248,392,885	248,392,885	-	-		247,392,885	248,392,885	248,392,885
Retained Earnings		1,165,932,662	1,110,346,000	1,103,857,780	(346,841,453)	(219,916,848)	234,967,284	819,091,209	890,429,152	1,338,825,064
Total Capital & Reserves		**1,413,325,547**	**1,358,738,885**	**1,352,250,665**	**453,158,557**	**580,083,162**	**1,034,967,294**	**1,066,484,094**	**1,138,822,037**	**1,587,217,949**
Total Fund		**1,803,539,008**	**1,759,118,013**	**1,762,795,460**	**453,158,557**	**580,083,162**	**1,034,967,294**	**1,456,697,555**	**1,539,201,165**	**1,997,762,744**
Non - Current Liabilities										
Library Deposits		1,308,000	1,449,000	1,689,000	1,754,000	2,573,000	3,244,000	3,062,000	4,022,000	4,933,000
Bank Loan		-	-	-	7,820,000,000	8,152,540,879	8,192,137,990	7,820,000,000	8,152,540,879	8,192,137,990
Hostel Deposit		-	-	-	-	-	-	-	-	-
Contractors Payable		-	-	-	-	-	-	-	-	-
Deferred Tax Liability	15	69,999,305	57,412,307	43,530,028	454,032,156	346,455,864	238,748,816	524,031,461	403,868,171	282,278,844
Retirement Benefit Obligations	16	30,394,600	22,547,092	25,501,045	18,362,071	11,713,648	10,044,791	48,756,671	34,260,740	35,545,836
Lease Creditors	19	16,139,560	-	-	19,417,065	29,755,194	42,513,571	35,556,625	29,755,194	42,513,571
Total Non - Current Liabilities		**117,841,465**	**81,408,399**	**70,720,073**	**8,313,565,292**	**8,543,038,585**	**8,486,689,168**	**8,431,406,757**	**8,624,446,984**	**8,557,409,241**
Current Liabilities										
Library Deposits		360,000	333,000	450,000	-	-	-	360,000	333,000	450,000
Hostel Deposit		-	-	-	14,301,997	15,029,919	7,744,049	14,301,997	15,029,919	7,744,049
Contractors Payable		-	-	-	-	27,648,171	314,603,282	-	27,648,171	314,603,282
Trade and Other Payables	17	465,816,515	317,289,927	288,411,283	1,315,600,866	1,140,288,010	830,618,580	1,781,417,381	1,457,577,937	1,119,029,863
Bank Loan		-	-	-	525,000,000	300,000,000	180,000,000	525,000,000	300,000,000	180,000,000
Current Tax Liability	18	(11,271,273)	(13,943,408)	11,730,553	-	(9,724,127)	(413,769)	(11,271,273)	(23,667,535)	11,316,784
Lease Creditors	19	4,130,759	-	-	15,727,445	12,291,722	10,829,729	19,858,204	12,291,722	10,829,729
Provisions	20	377,080	2,978,035	2,960,000	-	-	-	377,080	2,978,035	2,960,000
Total Current Liabilities		**459,413,081**	**306,657,554**	**303,551,836**	**1,870,630,308**	**1,485,533,695**	**1,343,381,871**	**2,330,043,388**	**1,792,191,249**	**1,646,933,707**
Total Equity and Liabilities		**2,380,793,554**	**2,147,183,966**	**2,137,067,369**	**10,637,354,160**	**10,608,655,444**	**10,865,038,331**	**12,218,147,707**	**11,955,839,399**	**12,202,105,689**

I certify that these Financial Statements of the Group comply with the requirements of the Companies Act No. 07 of 2007.

…………………………….
Director Finance

The governing council is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Council,

……………………………………… ……………………………………

Director General **Council Member**

Date :- 18 Dec 2020
Colombo,

Figures in brackets indicate deductions
Notes to the Financial Statements on Pages 9 to 31 form an integral part of these Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		NIBM		NSBM		Group	
	Note	31st December 2019	31st December 2018	31st December 2019	31st December 2018 (Restated)	31st December 2019	31st December 2018 (Restated)
Revenue	21	1,094,042,833	835,840,009	2,983,201,451	2,524,383,776	4,077,244,284	3,360,223,785
Direct Expenses	22	(574,515,733)	(407,375,250)	(950,071,672)	(1,091,331,690)	(1,524,587,405)	(1,498,706,940)
Gross Profit		**519,527,100**	**428,464,759**	**2,033,129,779**	**1,433,052,086**	**2,552,656,879**	**1,861,516,845**
Other Income	23	21,294,678	14,922,212	19,673,403	23,505,375	40,968,081	38,427,587
Administrative Expenses	24	(472,295,978)	(425,681,460)	(913,625,094)	(676,101,080)	(1,385,921,072)	(1,101,782,540)
Other Expenses	25	(5,375,477)	(2,505,085)	(10,181,462)	(5,733,401)	(15,556,939)	(8,238,486)
Profit from Operation		**63,150,323**	**15,200,426**	**1,128,996,626**	**774,722,980**	**1,192,146,949**	**789,923,406**
Net Finance (Cost)/ Income	26	26,353,764	15,059,411	(1,137,340,036)	(1,116,249,611)	(1,110,986,272)	(1,101,190,201)
Profit Before Taxation		**89,504,087**	**30,259,836**	**(8,343,410)**	**(341,526,631)**	**81,160,677**	**(311,266,795)**
Income Tax Expense	27	(26,120,119)	(26,462,922)	(117,446,486)	(115,211,248)	(143,566,605)	(141,674,170)
Profit for the Year		**63,383,968**	**3,796,914**	**(125,789,896)**	**(456,737,879)**	**(62,405,928)**	**(452,940,965)**
Other Comprehensive Income							
Acturial Gain / (Loss) on Retirement Benefit Obligations		(8,797,306)	2,691,306	(1,319,429)	2,155,519	(10,116,735)	4,846,825
Surplus on Revaluation of Property, Plant and Equipment		-	-	-	-	-	-
Tax Effect on acturial gain/(loss) on post employement benefit obligation		-		184,720	(301,772)	184,720	(301,772)
Exchange Gain / (Loss)		-	-	-	-	-	-
		(8,797,306)	**2,691,306**	**(1,134,709)**	**1,853,747**	**(9,932,015)**	**4,545,053**
Total Comprehensive Income for the Year		**54,586,662**	**6,488,220**	**(126,924,605)**	**(454,884,132)**	**(72,337,943)**	**(448,395,912)**

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 9 to 31 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

NIBM	Government Contribution	Capital & Other Grants	Revaluation Surplus	Retained Earnings	Total Equity
Balance as at 01 January 2018	57,175,767	353,369,028	248,392,885	1,103,857,780	1,762,795,460
Revaluation Value of Assets	-	-	-	-	-
Acturial (losses)/Gain on Employement Benefits	-	-	-	2,691,306	2,691,306
Capital Grants recived During the Year	-	-	-	-	-
Income Recognized from Capital Grants	-	(10,165,667)	-	-	(10,165,667)
Profit for the Year	-	-	-	3,796,914	3,796,914
Balance as at 31 December 2018	**57,175,767**	**343,203,361**	**248,392,885**	**1,110,346,000**	**1,759,118,013**
Revaluation Value of PPE	-	-	(1,000,000)	1,000,000	-
Acturial (losses)/Gain on Employement Benefits	-	-	-	(8,797,306)	(8,797,306)
Capital Grants recived During the Year	-	-	-	-	-
Income Recognized from Capital Grants	-	(10,165,667)	-	-	(10,165,667)
Profit for the Year	-	-	-	63,383,968	63,383,968
Balance as at 31 December 2019	**57,175,767**	**333,037,694**	**247,392,885**	**1,165,932,662**	**1,803,539,008**

NSBM	Stated Capital	Retained Earnings	Total Equity
Balance as at 01 January 2018- Reported	800,000,010	579,860,359	1,379,860,369
Impact of Correction of Errors	-	(344,893,075)	(344,893,075)
Balance as at 01 January 2018- Restated	**800,000,010**	**234,967,284**	**1,034,967,294**
Profit/(Loss) for the year **(Restated)**	-	(456,737,879)	(456,737,879)
Acturial Gain / (Loss) on Retirement Benefit Obligations		1,853,747	1,853,747
Dividends Paid	-	-	-
Balance as at 31 December 2018 (Restated)	**800,000,010**	**(219,916,848)**	**580,083,162**
Acturial Gain / (Loss) on Retirement Benefit	-	(1,134,709)	(1,134,709)
Exchange Gain / (Loss)	-	-	-
Profit/(Loss) for the year	-	(125,789,896)	(125,789,896)
Balance as at 31 December 2019	**800,000,010**	**(346,841,453)**	**453,158,557**

Group	Government Contribution	Capital & Other Grants	Revaluation Surplus	Retained Earnings	Total Equity
Balance as at 01 January 2018 (Restated)	**57,175,767**	**353,369,028**	**248,392,885**	**1,338,825,064**	**1,997,762,744**
Revaluation Value of PPE	-	-	-	-	-
Acturial (losses)/Gain on Employement Benefits	-	-	-	4,545,053	4,545,053
Capital Grants recived During the Year	-	-	-	-	-
Income Recognized from Capital Grants	-	(10,165,667)	-	-	(10,165,667)
Profit/(Loss) for the Year (Restated)	-	-	-	(452,940,965)	(452,940,965)
Exchange Gain / (Loss)	-	-	-	-	-
Dividends Paid	-	-	-	-	-
Balance as at 31 December 2018 (Restated)	**57,175,767**	**343,203,361**	**248,392,885**	**890,429,152**	**1,539,201,165**
Revaluation Value of PPE	-	-	(1,000,000)	1,000,000	-
Acturial (losses)/Gain on Employement Benefits	-	-	-	(9,932,015)	(9,932,015)
Capital Grants recived During the Year	-	(10,165,667)	-	-	(10,165,667)
Income Recognized from Capital Grants	-	-	-	-	-
Profit/(Loss) for the Year	-	-	-	(62,405,928)	(62,405,928)
Exchange Gain / (Loss)	-	-	-	-	-
Dividends Paid	-	-	-	-	-
Balance as at 31 December 2019	**57,175,767**	**333,037,694**	**247,392,885**	**819,091,209**	**1,456,697,555**

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 9 to 31 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER	NIBM		NSBM		Group	
	2019	2018	2019	2018 (Restated)	2019	2018 (Restated)
Cash Flows from Operating Activities						
Profit / (Loss) Before Taxation	89,504,087	30,259,836	(8,343,410)	(341,526,632)	81,160,677	(311,266,795)
Adjustments for;						
Depreciation	118,392,275	120,064,788	436,139,775	447,741,523	554,532,050	567,806,311
Net (Profit) / Loss on Sale of Fixed Assets	(406,073)	(7,039)	(47,600)	-	(453,673)	(7,039)
Provision for Gratuity	4,505,203	3,853,546	5,600,419	4,139,376	10,105,622	7,992,922
Amortization	467,853	64,980	11,504,370	8,024,896	11,972,223	8,089,876
Deferred Income	(10,165,667)	(10,165,667)	-	-	(10,165,667)	(10,165,667)
Interest on Investment	(32,446,661)	(17,278,931)	(15,458,120)	(4,336,111)	(47,904,781)	(21,615,042)
(Decrease)/Increase in Provisions	(2,600,955)	18,035	-	-	(2,600,955)	18,035
Right to use Assets	-		(238,380,588)	365,961,223	(238,380,588)	365,961,223
Exchange Gain/ (Loss)	-	-	-	-	-	-
Operating Profit / (Loss) Before Working Capital Changes	**167,250,062**	**126,809,548**	**191,014,846**	**480,004,276**	**358,264,908**	**606,813,824**
Changes in Working Capital						
Decrease / (Increase) in Inventories	(669,579)	1,636,578	(3,554,860)	(3,485,045)	(4,224,439)	(1,848,467)
Decrease / (Increase) in Trade and Other Receivables	(29,013,068)	(931,180)	(66,521,101)	(45,063,444)	(95,534,169)	(45,994,624)
(Decrease) / Increase in Library Deposit	(114,000)	(357,000)	(1,546,922)	(671,000)	(1,660,922)	(1,028,000)
(Decrease) / Increase in Other non financial assets	994,678	(2,457,825)	-	8,845,374	994,678	6,387,549
(Decrease) / Increase in Deposits	(460,000)	-	-	7,285,870	(460,000)	7,285,870
(Decrease) / Increase in Contractors Payables	-	-	(27,648,171)	(299,713,488)	(27,648,171)	(299,713,488)
(Decrease) / Increase in Trade and Other Payables	148,526,586	26,971,987	175,312,856	309,669,430	323,839,442	336,641,418
(Decrease) / Increase in Working Progress	(7,972,866)	-	-	-	(7,972,866)	-
Cash Generated from / (used in) Operations	**278,541,813**	**151,672,109**	**267,056,647**	**456,871,973**	**545,598,460**	**608,544,082**
Taxes Paid	(10,860,986)	(38,254,648)	38,654	(383,077,554)	(10,822,331)	(421,332,203)
Gratuity Payments	(5,455,001)	(4,116,193)	(271,425)	(315,000)	(5,726,426)	(4,431,193)
Net Cash Flow from / (used in) Operating Activities	**262,225,826**	**109,301,269**	**266,823,876**	**73,479,419**	**529,049,703**	**182,780,687**
Cash Flows from Investing Activities						
Acquisition of Property, Plant and Equipment / Incurred on WIP	(65,113,827)	(67,553,441)	(163,945,516)	(118,260,747)	(229,059,343)	(185,814,188)
Proceeds from Disposal of Property, Plant and Equipment	1,371,007	36,620	47,600	-	1,418,607	36,620
Investment in NSBM	-	-	-	-	-	-
Investment in WIP	-	-	-	-	-	-
Interest Received	32,446,661	17,278,931	15,458,120	4,336,111	47,904,781	21,615,042
Acquisition of Intangible Assets	-	(2,339,267)	(5,993,469)	(23,865,684)	(5,993,469)	(26,204,951)
Dividend	-	-	-	-	-	-
Net Cash Flow from / (used in) Investing Activities	**(31,296,159)**	**(52,577,157)**	**(154,433,265)**	**(137,790,320)**	**(185,729,424)**	**(190,367,476)**
Cash Flows from Financing Activities						
Net Proceeds from Borrowings	-	-	(107,540,879)	80,402,889	(107,540,879)	80,402,889
Net Proceeds from Lease	-	-	(6,902,406)	1,461,996	(6,902,406)	1,461,996
Issuance of Shares	-	-	-	-	-	-
Net Cash Flow from Financing Activities	**-**	**-**	**(114,443,285)**	**81,864,885**	**(114,443,285)**	**81,864,885**
Net Changes in Cash and Cash Equivalents During the Year	**230,929,665**	**56,724,112**	**(2,052,673)**	**17,553,984**	**228,876,998**	**74,278,095**
Cash and Cash Equivalents at Beginning of the Year	208,204,517	151,480,405	60,367,713	42,813,728	268,572,230	194,294,133
Cash and Cash Equivalents at End of the Year	**439,134,183**	**208,204,517**	**58,315,041**	**60,367,713**	**497,449,228**	**268,572,230**

Cash and Cash Equivalents at End of the Year Represented By ;	NIBM		NSBM		Group	
	2019	2018	2019	2018	2019	2018
Cash at Bank	40,392,733	17,673,517	58,265,041	60,122,791	98,657,775	77,796,308
Cash at Hand	1,002,737	531,000	50,000	244,922	1,052,737	775,922
Short Term Deposits	397,738,713	190,000,000	-	-	397,738,713	190,000,000
	439,134,183	**208,204,517**	**58,315,041**	**60,367,713**	**497,449,225**	**268,572,230**

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 9 to 31 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018 (Restated)	Group 2019	Group 2018 (Restated)
Cash Flows from Operating Activities						
Profit / (Loss) Before Taxation	89,504,087	30,259,836	(8,343,410)	(341,526,632)	81,160,677	(311,266,795)
Adjustments for;						
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Deferred Income	(10,165,667)	(10,165,667)	-	-	(10,165,667)	(10,165,667)
Interest on Investment	(32,446,661)	(17,278,931)	(15,458,120)	(4,336,111)	(47,904,781)	(21,615,042)
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	439,134,183	**208,204,517**	**58,315,041**	**60,367,713**	**497,449,225**	**268,572,230**

Figures in brackets indicate deductions

Notes to the Financial Statements on Pages 9 to 31 form an integral part of these Financial Statements.

1. CORPORATE INFORMATION

1.1 Domicile and Legal Form

The National Institute of Business Management was incorporated by Act of Parliament No. 23 of 1976 as amended by NIBM (Amendment Act No. 28 0f 1991. And is situated at 120/5, Wijerama Mawatha, Colombo-7.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the group were to,

- Provide quality business management education and instructions in associated disciplines
- Develop competencies of managers and supervisory staff of organizations
- Training and educating workers in organizations
- Facilitate the improvement of productivity in organizations
- Provision of management consultancy and advisory services

1.3 Responsibility for Financial Statements

The Governing Council is responsible for the preparation and presentation of these financial statements. The responsibility of the Governing Council in relation to the financial statements is set out in "the statement of Governing Council's responsibility".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 General Accounting Policies

2.1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka.

The group has consistently applied the accounting policies used in preparation of its opening SLFRS statement of financial position as at 01st January 2011 through all periods presented, as if these policies had always been in effect.

2.1.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention with exception of certain assets and liabilities at fair value.

2.1.3 Functional and Presentation Currency

Item included in the Financial Statements are measured using the currency of primary economic environment in which the entity operates (the functional currency). The Financial Statements are presented in Sri Lanka Rupees, which is the group's functional and presentation currency.

2.1.4 Statement of Compliance

The Statement of financial position, Statement of comprehensive income, Changes in Equity and Cash Flows, together with Accounting Policies and Notes ("financial statements") of the group's as at 31st December 2019 are prepared in compliance with the Sri Lanka Accounting Standards (LKAS & SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka.

2.1.5 Going Concern

The members of governing council have made an assessment of the group's' and its ability to continue as going concern and they do not intend either to liquidate or to cease trading

2.1.6 Comparative Information

The accounting policies have been consistently applied by the group and are consistent with those of the previous year. The previous year's figures and phrases have been re-arranged wherever necessary to conform to current year's presentation/classification

2.1.7 Materiality and Aggregation

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

2.1.8 Significant Accounts Judgments, Estimates and Assumptions

The preparation of the group's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at reporting date.

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of financial position, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, have been considered.

2.2 Assets & Bases of their Valuation

2.2.1 Property, Plant and Equipment

(a) Measurement

All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued. Revaluation is carried out every three years.

Property, plant and equipment is stated at cost ,excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value.

When an asset is revalued any increase in the carrying amount is credited directly to a revaluation surplus unless it reverses as an expense. In these circumstances the increase is recognized as income to the extent of the previous written down value. When an assets carrying amount is decreased as a result of a revaluation, the decrease is recognized as an expense unless it reverses a previous increment relating to that asset, in which case it is charged against any revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset, any balances remaining in the revaluation surplus in respect of an asset is transferred directly to accumulated profit or loss on retirement or disposal of the asset.

(b) Useful Lives of Property, Plant and Equipment

The group reviews the assets' residual values, useful lives and methods of depreciation at each reporting date; judgment made by management based on the professional experts is exercised in the estimation of these values, rates and methods.

(c) Depreciation

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.

Free hold land is not depreciated

The economic useful lives are as follows:

Intangible Assets	33.5%
Building –Construction	2%
-Modification	10%
-Ceiling Fans	25%
Furniture & Fittings	20%
Office Equipment's	20%
Computer Equipment	25%
Motor Vehicles	25%
Library Books	20%

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

(d) Restoration Costs

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

(e) De Recognition

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

2.2.2 Capital Work-in-Progress

Capital work-in-progress is transferred to the respective asset accounts at the time of the first utilization of the asset.

2.2.3 Intangible Assets

(a) Basis of Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Identifiability arises when the asset is separable or arises from contractual or other legal rights.

An intangible asset shall be recognized if, and only if: it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably in accordance with LKAS 38 on "Intangible Assets".

The group's intangible assets include computer software cost incurred by the group which do not from an integral part of computer hardware.

(b) Basis of Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized, and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

(c) Amortization

Intangible assets with finite useful lives are amortized over their useful economic lives using the straightline method.

Amortization methods, useful lives, and residual values are reviewed at least at each reporting date.

2.2.4 Impairment of Non-Financial Assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the group makes an estimate of the recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot "exceed" the carrying amount that would have been determined, net of depreciation had, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.The group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables

2.2.5.1 Financial Instruments

Effective from 1st April 2018

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

IFRS9Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

2.2.5.1.2Subsequent Measurement
The subsequent measurement of financial assets depends on their classification as follows:

(a) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognized in the statement of comprehensive income in finance costs.
Loans which are given at a rate below the market interest rate are measured at their fair value, calculated based on the market interest rates of similar products.
Loans receivables comprises of trade and other receivables

2.2.5.1.3De-Recognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:
- The rights to receive cash flows from the asset have expired
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- The group has transferred substantially all the risks and rewards of the asset, or
- The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the group's continuing involvement in it.

In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

2.2.5.1.4Impairment of Financial Assets

The group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.2.5.1.5Financial Assets Carried at Amortized Cost

For financial assets carried at amortized cost, the group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Trade receivables outstanding for more than one year are provided for impairment.

2.2.5.2.1Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value. This includes directly attributable transaction costs. The group's financial liabilities include trade and other payables.

2.2.5.2.2Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

(a) Other Financial Liabilities

Other Financial Liabilities of the group includes Trade and Other Payables.

2.2.5.2.3 De-Recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2.2.5.3 Off-setting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.2.6 Inventories

Inventories include Stationeries and stamp stocks and they are valued at cost

2.2.7 Trade and Other Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Other receivables are recognized at the amounts they are estimated to realize net of provisions for impairment.

The amount of the provision is recognized in the Statement of Comprehensive Income.

2.2.7.1 Provision for Bad and Doubtful Debts

Except for Debtors related to two year all others are considered as doubtful debts and provision is set aside for this amount.

2.2.8 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand and demand deposits.
For the purpose of cash flow statement, cash & cash equivalent consists of cash in hand and deposits in banks net of outstanding bank overdrafts.

The cash flow statements are reported based on the indirect method.

2.3 Liabilities and Provisions

2.3.1 Liabilities

Liabilities classified under current liabilities in the statement of financial position are those expected to fall due within one year from the statement of financial position date. Items classified as non-current liabilities are those expected to fall due at point of time after one year from the date of financial position.

2.3.2 Provisions, Contingent Assets and Contingent Liabilities

Provisions are recognized when the group has a present obligations (legal & constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

All the contingent liabilities are disclosed as notes to the Financial Statements unless the outflow

2.3.3 Trade and Other Payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business. These are classified as current liabilities where payment is due within one year or less if not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Short-term payables with no stated interest rate are measured at original invoiced amount since the effect of discounting is immaterial.

2.3.4 Retirement Benefit Obligations

(a) Defined Benefit Plans – Gratuity

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit plan comprises the gratuity provided under the Act No 13 of 1983.

Provision has been made for retirement gratuities, in conformity to the formula method stated in LKAS 19 Employee Benefits.

The Provision fund is invested in Fixed Deposit.

(b) Defined Contribution Plans – Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. The group contributes 12% and 3% of gross emoluments of employees to the Employees' Provident Fund and to the Employees' Trust Fund respectively.

2.3.5 Current and Deferred Income Tax

(a) Current Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act No. 24 of 2017.

(b) Deferred Taxation

Deferred tax is provided using the liability method on temporary differences at the date of the financial position between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductibletemporary differences, and the carry-forward of unused tax credits and unused losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each date of the financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the date of the financial position.

Income tax relating to items recognized directly in equity is recognized in equity. Deferred tax asset and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

2.3.6 Funds

Grants which do not expressly meet the criteria's of a government grant have been recognized as Funds under Equity.

2.3.7 Grants & Subsidies

Grants and subsidies are credited to the income statement over the period necessary to match them with related cost, which they are intended to compensate on a systematic basis.

Grants related to assets, including non-monetary grants at fair value, are deferred in the balance sheet and credited to the income statement over the useful life of the related asset.

Grants related to income are recognized in the income statement in the period in which they are receivable.

2.4 Statement of Comprehensive Income

2.4.1 Revenue Recognition

(a) Revenue from training, consultancy and productivity

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the group, Revenue is measured at the fair value of the consideration received or receivable.

(b) Interest Income

Interest income is recognized using on an accrual basis.

(c) Dividend Income

Dividend income is recognized when the right to receive payment is established.

(d) Others

Other income is recognized on an accrual basis.

(e) Gains and Losses

Net gains and losses of a revenue nature on the disposal of property, plant and equipment and other noncurrent assets including investments have been accounted for in the income statement having deducted from proceeds on disposal, the carrying amount of the assets and related property, plant and equipment amount remaining in revaluation reserve relating to that asset is transferred directly to accumulated profit/ (loss).

2.4.2 Expenditure Recognition

Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All the expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

2.5 GENERAL

2.5.1 Events after the end of the reporting period

2.5.1.1 Events Occurring after the Date of the Financial Position

All material events occurring after the statement of financial position date have been considered and where necessary adjustments to or disclosures have been made in the respective notes to the Financial Statements.

2.5.1.2 Contingencies and Unrecognized Contractual Commitments

Contingencies ere possible assets or obligation that arise from past event and would be confirmed only the occurrence or no occurrence of uncertain future events, which are beyond the group,s control.

2.5.2 Related Party Transactions

Disclosures are made in respect of the transactions in which the group has the ability to control or exercise significant influence over the financial and operating decisions/policies of the other, irrespective of whether a price is charged.

2.5.3 Critical Accounting Estimates and Judgments

The group makes assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(a) Useful Lives and Residual Values were Appropriate for Property, Plant and Equipment

The group tests annually whether, the useful life and residual value estimates were appropriate and in accordance with its accounting policy.

(b) Impairment Loss on Trade Receivables

The group reviews its debtors to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the Statement of Comprehensive Income, the group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio of debtors. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

2.6 Changes in significant accounting policies

New and amended standards and interpretations In these financial statements, the group has applied SLFRS 16 which is effective for the annual reporting periods beginning on or after 1st January 2019 for the first time.

The gruop have not early adopted any other standard, interpretation or amendment that has been issued but not effective.

SLFRS 16

The group applied SLFRS 16 using the modified retrospective approach, under which an amount equal to the lease liability is accounted for as the right of use asset as at 1st January 2019. Accordingly, the comparative information presented for 2019 is not restated. The details of the changes in the accounting policies are disclosed below.

Additionally, the disclosure requirements in SLFRS 16 have not generally been applied to comparative information.

On transition to SLFRS 16, The group elected to apply the practical expedient to the assessment of which transaction are leases. It applied SLFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under LKAS 17 were not reassessed for whether there is a lease under SLFRS 16.

Policy Applicable from 01st January 2019

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group uses the definition of a lease in SLFRS 16.

As a Lessee

As a lessee, the group leases Land and some motor Vehicles as at 1st January 2019. The group previously classified these leases as finance leases under LKAS 17 based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the group y. Under SLFRS 16, the group recognizes right-of use assets and lease liabilities for leases i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the group's incremental borrowing rate as at 1 January 2019. Right-of-use assets at the date of initial application for leases previously classified as an operating lease applying LKAS 17 are measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

The group determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group ny is reasonably certain not to terminate earlyThe lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, if the group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group used a number of practical expedients when applying SLFRS 16 to leases previously classified as operating leases under LKAS 17. In particular, the group:

- relied on its assessment of whether leases are onerous under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review;
- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
  did not recognize right-of-use assets and liabilities for leases of low-value assets (i.e. Staff quarters);
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

As a Lessor

The group is not required to make any adjustments on transition to SLFRS 16 for leases in which it acts as a lessor.

The group has applied SLFRS 15 Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

Short-term leases and leases of low-value assets

The group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impact on financial statements

On transition to SLFRS 16, the group has transferred the previously recognized finance lease assets and lease prepayments on lands to the right of use assets category. Any impact was not arised from the operating leases as the group has not entered in to any operating leases as at the transition date.

2.6 CONSOLIDATION

Subsidiaries are entities (including special purpose entities) over which the group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases. In preparing the consolidated financial statements,transactions, balances and unrealized gains on transactions between group e entities are eliminated.

Unrealized losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the group. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the noncontrolling interests based on their respective interests in a subsidiary, even if this results in the noncontrolling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Property, Plant and Equipment
NIBM

	Land	Building	Building Modification	Building Fittings	Furniture , Fittings & Office	Vehicle	Library Books	Computer Equipment	Capital Work in Progress	Total
Cost										
As at 01 January 2018	51,068,000	747,521,399	207,601,015	821,250	133,109,346	44,090,000	16,272,101	134,029,931		1,334,513,042
Additions	35,000,000	15,089,804	416,365	-	14,144,554	-	1,517,023	3,292,396		69,460,141
Revaluation	-	-	-	-	-	-	-	-		-
Disposals	-	-	(41,746)	-	(79,960)	-	(7,163,526)	-		(7,285,233)
As at 31 December 2018	**86,068,000**	**762,611,202**	**207,975,633**	**821,250**	**147,173,941**	**44,090,000**	**10,625,598**	**137,322,326**		**1,396,687,950**
Depreciation										
As at 01 January 2018	-	133,057,255	87,087,090	689,747	67,261,478	8,576,411	15,154,561	51,174,875		363,001,417
Charge for the Year	-	28,994,573	19,712,838	55,773	27,687,560	11,022,500	573,719	32,017,825		120,064,788
Revaluation	-	-	-	-	-	-	-	-		-
Disposals			(36,489)	-	(55,636)	-	(7,163,526)	-		(7,255,652)
As at 31 December 2018	**-**	**162,051,828**	**106,763,439**	**745,520**	**94,893,402**	**19,598,911**	**8,564,754**	**83,192,700**		**475,810,554**
Net Book Value										
As at 01 January 2018	**51,068,000**	**614,464,144**	**120,513,925**	**131,503**	**65,847,868**	**35,513,589**	**1,117,540**	**82,855,056**		**971,511,625**
As at 31 December 2018	**86,068,000**	**600,559,375**	**101,212,194**	**75,729**	**52,280,538**	**24,491,089**	**2,060,844**	**54,129,627**		**920,877,397**
Cost										
As at 01 January 2019	86,068,000	762,611,202	207,975,633	821,250	147,173,941	44,090,000	10,625,598	137,322,326	-	1,396,687,950
Additions	-	5,997,031	8,209,417	799,283	22,139,025	24,226,300	1,068,296	22,944,794	7,972,866	93,357,012
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(3,902,232)	(1,000,000)	(6,015)	(4,688,339)	-	(9,596,586)
As at 31 December 2019	**86,068,000**	**768,608,233**	**216,185,050**	**1,620,533**	**165,410,734**	**67,316,300**	**11,687,879**	**155,578,781**	**7,972,866**	**1,480,448,376**
Depreciation										
As at 01 January 2019	-	162,051,828	106,763,439	745,520	94,893,402	19,598,911	8,564,754	83,192,700	-	475,810,554
Charge for the Year	-	26,746,024	19,346,269	79,027	28,304,605	16,814,536	752,395	26,349,418	-	118,392,274
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals					(3,566,401)	(446,575)	(6,015)	(4,612,660)	-	(8,631,651)
As at 31 December 2019	**-**	**188,797,852**	**126,109,708**	**824,547**	**119,631,606**	**35,966,872**	**9,311,134**	**104,929,458**	**-**	**585,571,177**
Net Book Value										
As at 01 January 2019	**86,068,000**	**600,559,375**	**101,212,194**	**75,729**	**52,280,538**	**24,491,089**	**2,060,844**	**54,129,627**		**920,877,397**
As at 31 December 2019	**86,068,000**	**579,810,382**	**90,075,342**	**795,985**	**45,779,127**	**31,349,428**	**2,376,745**	**50,649,324**		**894,877,200**

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Property, Plant and Equipment Cont.…
NSBM

	Land (Leased Hold)	Building	Furniture Fittings & Office Equipments	Plant & Machineries	Lab Equipment	Vehicle	Library Books	Computer Equipment	Capital Work in Progress	Total
As at 1 January 2018										
Cost	112,000,000	10,177,309,474	544,133,826	-	-	156,764,550	22,856,206	90,069,835	-	11,103,133,891
Accumulated Depreciation	-	(219,360,558)	(135,574,535)	-	-	(64,634,010)	(12,139,555)	(37,746,255)	-	(469,454,913)
Net Book Value	**112,000,000**	**9,957,948,916**	**408,559,291**	**-**	**-**	**92,130,540**	**10,716,651**	**52,323,580**	**-**	**10,633,678,978**
As at 1st January 2018 (Restated)										
Cost	112,000,000	9,637,561,134	544,133,830	539,748,341	-	156,764,550	22,856,203	90,069,833	-	11,103,133,891
Accumulated Depreciation	(22,700,493)	(207,712,176)	(135,574,539)	(95,092,148)		(64,634,009)	(12,139,554)	(37,746,252)	-	(575,599,171)
Net Book Value (Restated)	**89,299,507**	**9,429,848,958**	**408,559,291**	**444,656,193**	**-**	**92,130,541**	**10,716,649**	**52,323,581**	**-**	**10,527,534,720**
As at 01 January 2018(Restated)	112,000,000	9,637,561,134	544,133,830	539,748,341	-	156,764,550	22,856,203	90,069,833	-	11,103,133,891
Additions	-	-	70,734,283	-	21,566,636	9,777,927	3,162,116	13,147,785	-	118,388,747
Disposals	-	-	(128,000)	-	-	-	-	-	-	(128,000)
As at 31 December 2018 (Restated)	**112,000,000**	**9,637,561,134**	**614,740,113**	**539,748,341**	**21,566,636**	**166,542,477**	**26,018,319**	**103,217,618**	**-**	**11,221,394,638**
Depreciation										
As at 01 January 2018 (Restated)	22,700,493	207,712,176	135,574,539	95,092,148	-	64,634,009	12,139,554	37,746,252	-	575,599,171
Charge for the Year	3,730,608	192,751,223	107,555,536	88,182,679	1,975,527	32,420,470	3,853,997	17,282,494	-	447,752,534
Disposals	-	-	(11,012)	-	-	-	-	-	-	(11,012)
As at 31 December 2018 (Restated)	**26,431,101**	**400,463,399**	**243,119,063**	**183,274,827**	**1,975,527**	**97,054,479**	**15,993,551**	**55,028,746**	**-**	**1,023,340,693**
Net Book Value										
As at 01 January 2018 (Restated)	**89,299,507**	**9,429,848,958**	**408,559,291**	**444,656,193**	**-**	**92,130,541**	**10,716,649**	**52,323,581**	-	**10,527,534,720**
As at 31 December 2018 (Restated)	**85,568,899**	**9,237,097,735**	**371,621,050**	**356,473,514**	**19,591,109**	**69,487,998**	**10,024,768**	**48,188,872**	-	**10,198,053,945**
Cost										
As at 01 January 2019 (Restated)	112,000,000	9,637,561,134	614,740,113	539,748,341	21,566,636	166,542,477	26,018,319	103,217,618	-	11,221,394,638
Trasferred to Right to Used Assets	(112,000,000)	-	-		-	(89,425,000)	-	-	-	(201,425,000)
Additions	-	42,898,591	37,118,339	299,914	-	36,228,700	1,346,208	8,632,399	37,421,365	163,945,516
Disposals	-	-	(2,831,025)	-	-	-	-	(2,179,706)	-	(5,010,731)
As at 31 December 2019	**-**	**9,680,459,725**	**649,027,427**	**540,048,255**	**21,566,636**	**113,346,177**	**27,364,527**	**109,670,311**	**37,421,365**	**11,178,904,423**
Depreciation										
As at 01 January 2019 (Restated)	26,431,101	400,463,399	243,119,063	183,274,827	1,975,527	97,054,479	15,993,551	55,028,746	-	1,023,340,693
Trasferred to Right to Used Assets	(26,431,101)	-	-	-	-	(44,366,336)	-	-	-	(70,797,437)
Charge for the Year	-	192,995,461	109,926,114	88,195,005	4,313,327	17,684,919	3,628,298	19,396,651	-	436,139,775
Disposals			(2,831,025)					(2,179,706)		(5,010,731)
As at 31 December 2019	**-**	**593,458,860**	**350,214,152**	**271,469,832**	**6,288,854**	**70,373,062**	**19,621,849**	**72,245,691**	**-**	**1,383,672,300**
Net Book Value										
As at 01 January 2019 (Restated)	**85,568,899**	**9,237,097,735**	**371,621,050**	**356,473,514**	**19,591,109**	**69,487,998**	**10,024,768**	**48,188,872**	**-**	**10,198,053,945**
As at 31 December 2019	**-**	**9,087,000,865**	**298,813,275**	**268,578,423**	**15,277,782**	**42,973,115**	**7,742,678**	**37,424,620**	**37,421,365**	**9,795,232,123**

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Property, Plant and Equipment Cont….
Group

	Land	Building	Building Modification	Building Fittings	Furniture Fittings & Office Equipment	Plant & Machinery	Lab Equipment	Vehicle	Library Books	Computer Equipment	Work in Progress	Total
Cost												
As at 01 January 2018	163,068,000	10,385,082,533	207,601,015	821,250	677,243,176	539,748,341	-	200,854,550	39,128,304	224,099,764	-	12,437,646,933
Additions	35,000,000	15,089,804	416,365	-	84,878,837	-	21,566,636	9,777,927	4,679,139	16,440,181	-	187,848,889
Disposals	-	-	(41,746)	-	(207,960)	-	-	-	(7,163,526)	-	-	(7,413,232)
As at 31 December 2018	**198,068,000**	**10,400,172,337**	**207,975,634**	**821,250**	**761,914,053**	**539,748,341**	**21,566,636**	**210,632,477**	**36,643,917**	**240,539,945**	**-**	**12,618,082,590**
Depreciation												
As at 01 January 2018	22,700,493	340,769,431	87,087,090	689,747	202,836,017	95,092,148	-	73,210,420	27,294,115	88,921,127	-	938,600,588
Charge for the Year	3,730,608	221,745,796	19,712,838	55,773	135,243,096	88,182,679	1,975,527	43,442,970	4,427,716	49,300,319	-	567,817,322
Disposals	-	-	(36,489)	-	(66,648)	-	-	-	(7,163,526)	-	-	(7,266,663)
As at 31 December 2018	**26,431,101**	**562,515,227**	**106,763,439**	745,520	338,012,465	183,274,827	1,975,527	116,653,390	24,558,305	138,221,446	-	1,499,151,247
Net Book Value												
As at 01 January 2018	**140,367,507**	**10,044,313,102**	**120,513,925**	**131,503**	**474,407,159**	**444,656,193**	**-**	**127,644,130**	**11,834,189**	**135,178,637**	**-**	**11,499,046,345**
As at 31 December 2018	**171,636,899**	**9,837,657,110**	**101,212,195**	**75,730**	**423,901,588**	**356,473,514**	**19,591,109**	**93,979,087**	**12,085,612**	**102,318,499**	**-**	**11,118,931,343**
Cost												
As at 01 January 2019	198,068,000	10,400,172,336	207,975,633	821,250	761,914,054	539,748,341	21,566,636	210,632,477	36,643,917	240,539,944	-	12,618,082,588
Transferred to Right to Use As	(112,000,000)	-	-	-	-	-	-	(89,425,000)	-	-	-	(201,425,000)
Additions	-	48,895,622	8,209,417	799,283	59,257,364	299,914	-	60,455,000	2,414,504	31,577,193	45,394,231	257,302,528
Disposals	-	-	-	-	(6,733,257)	-	-	(1,000,000)	(6,015)	(6,868,045)	-	(14,607,317)
As at 31 December 2019	**86,068,000**	**10,449,067,958**	**216,185,050**	**1,620,533**	**814,438,161**	**540,048,255**	**21,566,636**	**180,662,477**	**39,052,406**	**265,249,092**	**45,394,231**	**12,659,352,799**
Depreciation												
As at 01 January 2019	26,431,101	562,515,227	106,763,439	745,520	338,012,465	183,274,827	1,975,527	116,653,390	24,558,305	138,221,446	-	1,499,151,247
Transferred to Right to Use As	(26,431,101)	-	-	-	-	-	-	(44,366,336)	-	-	-	(70,797,437)
Charge for the Year	-	219,741,485	19,346,269	79,027	138,230,719	88,195,005	4,313,327	34,499,455	4,380,693	45,746,069	-	554,532,049
Disposals	-	-	-	-	(6,397,426)	-	-	(446,575)	(6,015)	(6,792,366)	-	(13,642,382)
As at 31 December 2019	**-**	**782,256,712**	**126,109,708**	**824,547**	**469,845,758**	**271,469,832**	**6,288,854**	**106,339,934**	**28,932,983**	**177,175,149**	**-**	**1,969,243,477**
Net Book Value												
As at 01 January 2019	**171,636,899**	**9,837,657,109**	**101,212,194**	**75,730**	**423,901,589**	**356,473,514**	**19,591,109**	**93,979,087**	**12,085,612**	**102,318,498**	**-**	**11,118,931,341**
As at 31 December 2019	**86,068,000**	**9,666,811,246**	**90,075,342**	**795,986**	**344,592,403**	**268,578,423**	**15,277,782**	**74,322,543**	**10,119,423**	**88,073,943**	**45,394,231**	**10,690,109,322**

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

	NIBM		NSBM		Group	
FOR THE YEAR ENDED 31 DECEMBER	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
4 Intangible Assets						
Cost						
As at 01 January	4,443,523	2,104,256	50,059,094	26,193,410	54,502,617	28,297,666
Additions	-	2,339,267	5,993,469	23,865,684	5,993,469	26,204,951
As at 31 December	**4,443,523**	**4,443,523**	**56,052,563**	**50,059,094**	**60,496,086**	**54,502,617**
Amortization						
As at 01 January	2,169,234	2,104,254	15,507,780	7,482,884	17,677,014	9,587,138
Amortization for the Year	467,853	64,980	11,504,370	8,024,896	11,972,223	8,089,876
As at 31 December	**2,637,087**	**2,169,234**	**27,012,150**	**15,507,780**	**29,649,237**	**17,677,014**
Net Book Value						
As at 01 January	**2,274,289**	**2**	**34,551,314**	**18,710,526**	**36,825,603**	**18,710,528**
As at 31 December	**1,806,436**	**2,274,289**	**29,040,413**	**34,551,314**	**30,846,849**	**36,825,603**
5 Investment in Subsidiaries						
Investment - NSBM	**800,000,010**	**800,000,010**	**-**	**-**	**800,000,010**	**800,000,010**

Cabinet approval was obtained to invest a sum of LKR 800 million in the National School of Business Management and already a sum of LKR 800Million has been transferred to NSBM. 800Million Share Certificate was issued to NIBM. National School of Business Management is a wholly own subsidiary of NIBM

	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
6 Right to Use Assets						
Cost						
As at 01 January	-	-	-	-	-	-
Transfer from Lease hold right over Land	-	-	112,000,000	-	112,000,000	-
Transfer from Motor Vehicals	-	-	89,425,000	-	89,425,000	-
Addition During the Year	-	-	269,032,861	-	269,032,861	-
As at 31 December	**-**	**-**	**470,457,861**	**-**	**470,457,861**	**-**
Amortization						
As at 01 January	-	-	-	-	-	-
Transfer from Lease hold right over Land	-	-	26,431,101	-	26,431,101	-
Transfer from Motor Vehicals	-	-	44,366,336	-	44,366,336	-
Amortization for the Year	-	-	30,652,273	-	30,652,273	-
As at 31 December	**-**	**-**	**101,449,710**	**-**	**101,449,710**	**-**
Right to Use Assets	**-**	**-**	**369,008,151**	**-**	**369,008,151**	**-**

The physical possession of the land at Pitipana, Homagama in extent of 25 acres and 15 acres was granted to NSBM by Urban Development Authority (UDA) on a 30 years lease on 02nd December 2011 and 06th September 2019 respectively.

According to UDA, the above allocation of the land is on the basis of 30 years lease and upon the determination of the lessee by the effluxion of time grant to the lessee or to his nominee a renewal of the lease for a further Period of 30 years on the same terms and conditions as those set out in Lease Agreement. The further period of 30 years of lease has been accepted on the terms of lease by the UDA.
With the adoption of SLFRS 16 from 1 January 2019, the leased rentals paid in advance for land acquired on 2nd December 2011 and 06th September 2019 and Motor vehicles acquired on 31st October 2016, 21st August 2017, 15th September 2017 and 02nd October 2019 have been transferred to right-of-use assets.

	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
7 Inventories						
Stationery Consumables	10,996,884	10,338,373	12,766,833	9,211,973	23,763,717	19,550,346
Stamp Stocks	38,800	27,732	-	-	38,800	27,732
	11,035,684	**10,366,104**	**12,766,833**	**9,211,973**	**23,802,517**	**19,578,077**
8 Short Term Investments						
Fixed Deposit	356,950,014	160,000,000	-	-	356,950,014	160,000,000
Call Deposit - Bank Of Ceylon	40,788,699	30,000,000	-	-	40,788,699	30,000,000
	397,738,713	**190,000,000**	**-**	**-**	**397,738,713**	**190,000,000**

The Institutes' financial assets held to maturity comprise of investment in fixed deposits, call deposits which are held to maturity for less than 1 year and they will mature within 1 year.

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 DECEMBER		NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
9 Trade and Other Receivables							
Debtors	**(Note 9.1)**	162,581,894	108,368,100	205,934,581	169,690,493	368,516,475	278,058,593
Pre Payments		30,144,902	50,787,912	25,360,289	5,831,791	55,505,191	56,619,703
Interest Receivables		-	4,088,877	-	-	-	4,088,877
Withholding Tax		-	1,627,035	405,804	20,000	405,804	1,647,035
Housing loan Paye & Rec		1,646,974	1,505,512	657,867	-	2,304,841	1,505,512
Deferred Foreign Remittances		-	-	109,033,039	101,577,064	109,033,039	101,577,064
Reimbursable		-	-	1,181,698	-	1,181,698	-
Economic Service Charge		-	-	20,013,927	9,389,317	20,013,927	9,389,317
Credit Card Balance		1,302,497	285,764	-	-	1,302,497	285,764
Other Receivable		-	-	2,949,166	9,696,951	2,949,166	9,696,951
Pre Paid Staff Cost		-	-	7,455,228	10,264,883	7,455,228	10,264,883
		195,676,267	**166,663,199**	**372,991,600**	**306,470,499**	**568,667,867**	**473,133,698**
9.1 Debtors							
Activity Debtors	**(Note 9.1.1)**	99,910,536	41,143,413	158,533,812	117,079,921	258,444,348	158,223,334
Sundry Debtors	**(Note 9.1.2)**	522,032	3,806,232	-	-	522,032	3,806,232
Staff Loans & Advances	**(Note 9.1.3)**	59,993,609	61,161,229	36,973,194	42,204,597	96,966,803	103,365,826
Deposits		2,155,717	2,257,225	10,427,576	10,405,975	12,583,293	12,663,200
		162,581,894	**108,368,100**	**205,934,581**	**169,690,493**	**368,516,475**	**278,058,593**
9.1.1 Activity Debtors							
Management Training		25,671,198	15,845,209	-	-	25,671,198	15,845,209
Computer Training		52,904,889	7,932,280	-	-	52,904,889	7,932,280
Kurunegala		1,975,596	3,545,674	-	-	1,975,596	3,545,674
Kandy		2,342,111	2,606,962	-	-	2,342,111	2,606,962
Galle		9,158,627	11,744,760	-	-	9,158,627	11,744,760
Matara		13,744,215	13,289,233	-	-	13,744,215	13,289,233
NSBM		-	-	160,302,787	118,256,031	160,302,787	118,256,031
		105,796,636	**54,964,118**	**160,302,787**	**118,256,031**	**266,099,423**	**173,220,149**
Provision for Bad and Doubtful Debtors							
Management Training		4,077,000	3,056,100	-	-	4,077,000	3,056,100
Computer Training		414,000	1,632,000	-	-	414,000	1,632,000
Kurunegala		-	-	-	-	-	-
Kandy		-	1,034,900	-	-	-	1,034,900
Galle		534,000	1,421,605	-	-	534,000	1,421,605
Matara		861,100	6,676,100	-	-	861,100	6,676,100
NSBM		-	-	1,768,975	1,176,110	1,768,975	1,176,110
		5,886,100	**13,820,705**	**1,768,975**	**1,176,110**	**7,655,075**	**14,996,815**
		99,910,536	**41,143,413**	**158,533,812**	**117,079,921**	**258,444,348**	**158,223,334**
9.1.2 Sundry Debtors							
Balance End of The Year		522,032	3,806,232	-	-	522,032	3,806,232
		522,032	**3,806,232**	**-**	**-**	**522,032**	**3,806,232**
9.1.3 Staff Loans & Advances							
Staff Debtors		26,908	14,408	-	-	26,908	14,408
Computer Loan		1,192,788	1,668,240	-	-	1,192,788	1,668,240
Motorcycle Loan		5,044	13,760	-	-	5,044	13,760
Housing Loan		33,946,205	32,836,939	11,284,640	11,367,188	45,230,845	44,204,127
Distress Loan		11,602,181	10,509,734	15,692,979	18,468,060	27,295,160	28,977,794
Vehicle Loan		10,446,232	11,109,534	6,256,985	10,007,411	16,703,217	21,116,945
Trishaw Loan		2,734,251	4,935,614	-	-	2,734,251	4,935,614
Advance		40,000	40,000	3,738,590	2,361,938	3,778,590	2,401,938
Book Advance		-	33,000	-	-	-	33,000
		59,993,609	**61,161,229**	**36,973,194**	**42,204,597**	**96,966,803**	**103,365,826**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

	NIBM		NSBM		Group	
FOR THE YEAR ENDED 31 DECEMBER	2019	2018	2019	2018	2019	2018
10 Cash and Cash Equivalents						
Cash at Bank						
Bank of Ceylon - Torrington-Special A/C	379,044	70,045	-	-	379,044	70,045
Bank of Ceylon - Torrington	24,468,706	1,647,110	-	-	24,468,706	1,647,110
Bank of Ceylon - Kurunegala	4,480,569	1,967,286	-	-	4,480,569	1,967,286
Bank of Ceylon - Kandy	2,336,649	2,372,631	-	-	2,336,649	2,372,631
Bank of Ceylon - Galle	3,767,843	1,796,561	-	-	3,767,843	1,796,561
Bank of Ceylon - Matara	4,246,465	8,785,393	-	-	4,246,465	8,785,393
Bank of Ceylon - Corporate	-	-	21,470	190,920	21,470	190,920
Bank of Ceylon - Nugegoda	-	-	29,833,579	28,668,695	29,833,579	28,668,695
Sampath Bank - Kirulapone	-	-	17,547,863	22,912,017	17,547,863	22,912,017
Hatton National Bank Nugegoda	-	-	2,550,795	3,345,558	2,550,795	3,345,558
Nations Trust Bank	-	-	8,311,335	5,005,602	8,311,335	5,005,602
Bank of Ceylon - Torrington-Special Fund	103	281,003	-	-	103	281,003
State Mortgage & Investment Bank	713,354	753,490	-	-	713,354	753,490
	40,392,733	**17,673,517**	**58,265,041**	**60,122,791**	**98,657,775**	**77,796,308**
Cash in Hand						
Cash - Colombo	573,737	122,000	-	-	573,737	122,000
Cash - NSBM	-	-	50,000	244,922	50,000	244,922
Cash - Galle	-	2,000	-	-	-	2,000
Cash- Kandy	71,500	53,000	-	-	71,500	53,000
Cash - Matara	7,500	4,000	-	-	7,500	4,000
Petty Cash 1 - Colombo	125,000	125,000	-	-	125,000	125,000
Petty Cash 2 - Colombo	15,000	15,000	-	-	15,000	15,000
Petty Cash 3 - Colombo	10,000	10,000	-	-	10,000	10,000
Petty Cash 3 - Kurunegala	50,000	50,000	-	-	50,000	50,000
Petty Cash 4 - Kandy	50,000	50,000	-	-	50,000	50,000
Petty Cash 5 - Galle	50,000	50,000	-	-	50,000	50,000
Petty Cash 6 - Matara	50,000	50,000	-	-	50,000	50,000
Petty Cash - NSBM	-	-	-	-	-	-
	1,002,737	**531,000**	**50,000**	**244,922**	**1,052,737**	**775,922**
	41,395,470	**18,204,517**	**58,315,041**	**60,367,713**	**99,710,512**	**78,572,230**
11 Government Contribution						
Government Contribution	**57,175,767**	**57,175,767**	**-**	**-**	**57,175,767**	**57,175,767**

From1977 to Year 2000 NIBM was given grants for Capital expenditure.

	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
12 Other Grants						
Capital Grants	**1,068,000**	**1,068,000**	**-**	**-**	**1,068,000**	**1,068,000**
13 Capital Grants						
Total Grants	**331,969,695**	**342,135,362**	**-**	**-**	**331,969,695**	**342,135,362**
Year **Total Building Project**						
2008 New Building -Colombo	147,164,163	147,164,163	-	-	147,164,163	147,164,163
2009 New Building -Kurunegala	139,358,089	139,358,089	-	-	139,358,089	139,358,089
2010 New Building -Galle	302,707,070	302,707,070	-	-	302,707,070	302,707,070
	589,229,322	**589,229,322**	**-**	**-**	**589,229,322**	**589,229,322**

Cabinet approval is given to utilize NIBM funds for the Building projects. NIBM funds belong to the Government ,hence NIBM has to pay the Government a sum of LKR290,795,502.97 at 31st December 2007. This amount has been utilized for the Building projects as per the cabinet decision. Therefore from Equities a sum of LKR290Million has been transferred to the capital grant account for the Colombo & Kurunegala centre .

A sum of LKR 123,778,526.71 as at 31st December 2009 which had to be given to the Government was transferred to capital grant account for Galle Centre construction From Year 2010 Accounting standards 24 has been applied and the value of Depreciation work. charged on the Building has been transferred to deferred income.

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 DECEMBER	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
14 Revaluation Reserve						
Retained Earnings	**247,392,885**	**248,392,885**	**-**	**-**	**247,392,885**	**248,392,885**

a.) Verifications and revaluation were carried on Assets as at 31st December 2009 and 31st December 2014
b.) The Valuations were done by professional values' and Assets have been valued at depreciated replacement cost basis at current market price .
c.) In the year 2011 fixed assets was revalued and a sum of LKR 18,741,277.75 was transferred to Capital Reserve.
d.) In the year 2006 Building was revalued and a sum of LKR135,369,878.71 was transferred to Capital Reserve
e.) In the year 2015 fixed assets was revalued and a sum of LKR 63,850,152.33 was transferred to comprehensive income account.

	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
15 Deferred Tax Liability						
Accounting Base - PPE	886,904,333	834,809,396	11,221,394,638	10,198,053,945	12,108,298,971	11,032,863,341
Tax WDV	(356,514,697)	(402,174,395)	(7,959,945,757)	(7,711,655,575)	(8,316,460,454)	(8,113,829,970)
Taxable Temporary Differences	530,389,636	432,635,001	3,261,448,881	2,486,398,370	3,791,838,517	2,919,033,371
Deferred Tax Liability Attrabutable to Revaluation Deficit	-	-	-	-	-	-
Retirement Benefit Obligation	(30,394,599)	(22,547,092)	(18,362,053)	(11,713,630)	(48,756,652)	(34,260,722)
	499,995,037	**410,087,909**	**3,243,086,828**	**2,474,684,740**	**3,743,081,865**	**2,884,772,649**
Deferred Tax Liability @14%	**69,999,305**	**57,412,307**	**454,032,156**	**346,455,864**	**524,031,461**	**403,868,171**
16 Retirement Benefit Obligations						
Balance as at the Beginning of the Year	**22,547,092**	**25,501,045**	**11,713,648**	**10,044,791**	**34,260,740**	**35,545,836**
Current Service Cost	2,744,249	1,435,577	4,463,109	3,087,601	7,207,358	4,523,178
Interest for the year	1,760,954	2,417,968	1,137,310	1,051,775	2,898,264	3,469,743
(Deficit)/Surplus charge for the year	8,797,306	(2,691,306)	1,319,429	(2,155,519)	10,116,735	(4,846,825)
Payments Made During the Year	(5,455,001)	(4,116,193)	(271,425)	(315,000)	(5,726,426)	(4,431,193)
Balance as at the End of the Year	**30,394,600**	**22,547,092**	**18,362,071**	**11,713,648**	**48,756,671**	**34,260,740**

The actuarial valuation was made using the following assumption:

	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018
* Expected Annual Average Salary Increme	**2.50%**	**2.50%**	**3%**	**6.00%**
* Employee Turnover	**10.00%**	**2.50%**	**21%**	**21.00%**
* Discount Rate	**10.00%**	**11.00%**	**11%**	**12.00%**
* Retiring Age	**60 Years**	**60 Years**	**60 Years**	**60 Years**

	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
17 Trade and Other Payables						
Ministry of Transport and Aviation	35,000,000	35,000,000	-	-	35,000,000	35,000,000
Creditors and Accruals **(Note 17.1)**	194,699,459	69,520,923	811,139,946	782,219,739	1,005,839,405	851,740,662
Fees Received In Advance **(Note 17.2)**	236,117,056	212,769,004	504,460,920	358,068,271	740,577,976	570,837,275
	465,816,515	**317,289,927**	**1,315,600,866**	**1,140,288,010**	**1,781,417,381**	**1,457,577,937**
17.1 Creditors and Accruals						
E.T.F.	308,235	260,151	374,039	325,213	682,274	585,364
E.P.F.	2,260,387	1,907,775	2,742,953	2,390,398	5,003,340	4,298,173
Incentive payable	88,155,946	28,774,646	120,000,000	102,450,399	208,155,946	131,225,045
Staff Payables	4,107,679	3,814,408	-	-	4,107,679	3,814,408
Accrued Expenses	56,450,752	18,087,249	5,305,589	7,852,721	61,756,341	25,939,970
Sundry Creditors-Contracts	7,509,065	14,337,113	-	-	7,509,065	14,337,113
Sundry Creditors	35,268,720	2,221,580	-	870,751	35,268,720	3,092,331
Refundable Course Fees **(Note 17.2.1)**	638,675	118,000	-	-	638,675	118,000
NBT Payable	-	-	10,520,286	3,698,581	10,520,286	3,698,581
ESC Payable	-	-	-	3,379,421	-	3,379,421
PAYE Payable	-	-	733,105	574,106	733,105	574,106
Stamp Duty Payable	-	-	59,925	12,450	59,925	12,450
Local Payables	-	-	171,343,616	40,748,275	171,343,616	40,748,275
Welfare Payables	-	-	-	205,500	-	205,500
Foreign Payables	-	-	214,125,000	200,306,829	214,125,000	200,306,829
Accrued Foreign Remittances	-	-	75,944,000	170,390,764	75,944,000	170,390,764
Bank Interest Payables	-	-	178,137,185	220,564,780	178,137,185	220,564,780
Audit Fee Payable	-	-	1,900,000	1,813,791	1,900,000	1,813,791
Bonus Payable	-	-	-	-	-	-
Retention	-	-	27,833,606	24,923,896	27,833,606	24,923,896
Other Payables	-	-	2,120,642	1,711,865	2,120,642	1,711,865
Unidentified student receipts	-	-	-	-	-	-
	194,699,459	**69,520,923**	**811,139,946**	**782,219,739**	**1,005,839,405**	**851,740,662**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 DECEMBER	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
17.2.1 Refundable Course Fees						
Management Training	611,175	28,000	-	-	611,175	28,000
Computer Training	-	-	-	-	-	-
Kandy	-	-	-	-	-	-
Kurunegala	27,500	66,000	-	-	27,500	66,000
Matara	-	24,000	-	-	-	24,000
	638,675	**118,000**	**-**	**-**	**638,675**	**118,000**
17.2 Fees Received In Advance						
School of Management - NIBM	94,635,206	85,721,555	-	-	94,635,206	85,721,555
School of Computing - NIBM	76,160,607	66,896,860	-	-	76,160,607	66,896,860
Kurunegala Campus	22,046,804	22,824,963	-	-	22,046,804	22,824,963
Kandy Campus	30,583,159	27,016,991	-	-	30,583,159	27,016,991
Galle Campus	8,598,115	4,915,650	-	-	8,598,115	4,915,650
Matara Campus	4,093,165	5,392,985	-	-	4,093,165	5,392,985
NSBM	-	-	504,460,920	358,068,271	504,460,920	358,068,271
	236,117,056	**212,769,004**	**504,460,920**	**358,068,271**	**740,577,976**	**570,837,275**
18 Current Tax Liability						
Opening Balance	(13,943,408)	11,730,553	(9,724,127)	(413,769)	(23,667,535)	11,316,784
Current Tax on Profit for the Year	13,533,121	6,664,954	9,685,473	(7,805,973)	23,218,594	(1,141,019)
Distributable Tax on Distributable Profit @ 25%	-	5,915,733	-	-	-	5,915,733
	(410,287)	**24,311,240**	**(38,654)**	**(8,219,742)**	**(448,941)**	**16,091,498**
Withholding Tax	(1,259,278)	(521,579)	-	-	(1,259,278)	(521,579)
ESC Paid	(5,527,346)	(4,269,940)	-	-	(5,527,346)	(4,269,940)
Income Tax Payments	(4,074,362)	(33,463,129)	38,654	(1,504,385)	(4,035,708)	(34,967,514)
Under /(Over) Provision	-	-	-	-	-	-
	(11,271,273)	**(13,943,408)**	**-**	**(9,724,127)**	**(11,271,273)**	**(23,667,535)**

Provision has been made on account of Income tax payable in terms of Inland Revenue Act. According to the Tax Amendment and the new Budget Proposal our Institute is liable to pay Income tax at the rate of 14%. Accordingly Provision has been made at the rate of 14% for the Year Currient Year.

FOR THE YEAR ENDED 31 DECEMBER	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018	Group 2019	Group 2018
19 Lease Creditors						
Finance Lease Obligations						
Gross Liability at Beginning	-	-	-	-	-	-
Transfers	-	-	51,872,036	-	51,872,036	-
Obtained During the Year	32,629,080	-	5,800,000	-	38,429,080	-
	32,629,080	**-**	**57,672,036**	**-**	**90,301,116**	
Repayments During the Year	(6,525,816)	-	(17,592,382)	-	(24,118,198)	
Gross Liability at End of the Year	**26,103,264**	**-**	**40,079,654**	**-**	**66,182,918**	
Finance Charges Allocated to Future	(5,832,944)	-	(4,935,143)	-	(10,768,087)	
Net Liability at End of the Year	**20,270,320**	**-**	**35,144,511**	**-**	**55,414,831**	**-**
Non-Current Portion	16,139,560	-	19,417,065	-	35,556,625	-
Current Portion	4,130,759	-	15,727,445	-	19,858,204	-
	20,270,320	**-**	**35,144,510**	**-**	**55,414,830**	**-**
20 Provisions						
Audit Fees	**377,080**	**2,978,035**	**-**	**-**	**377,080**	**2,978,035**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

	NIBM		NSBM		Group	
FOR THE YEAR ENDED 31 DECEMBER	2019	2018	2019	2018	2019	2018
21 Revenue						
School of Business	425,073,064	383,382,601	-	-	425,073,064	383,382,601
School of Computing	440,719,458	338,762,207	-	-	440,719,458	338,762,207
School of Language	132,461,679	75,963,710	-	-	132,461,679	75,963,710
School of Design	81,705,707	26,120,445	-	-	81,705,707	26,120,445
NSBM	-	-	2,939,844,849	2,495,223,312	2,939,844,849	2,495,223,312
	1,079,959,908	**824,228,963**	**2,939,844,849**	**2,495,223,312**	**4,019,804,757**	**3,319,452,275**
Exam Re-Setting Fees	12,496,959	7,772,706	10,867,575	6,213,500	23,364,534	13,986,206
Hostel Fees	-	-	46,375,000	44,605,000	46,375,000	44,605,000
Library Fees	-	-	1,791,300	2,097,000	1,791,300	2,097,000
Conversation Fees	6,046,100	7,214,100	10,675,000	7,738,000	16,721,100	14,952,100
Registration Fees	15,550,500	13,704,000	28,245,000	20,025,000	43,795,500	33,729,000
	1,114,053,467	**852,919,769**	**3,037,798,724**	**2,575,901,812**	**4,151,852,191**	**3,428,821,581**
Nation Building Tax	(20,010,634)	(17,079,759)	(54,597,273)	(51,518,036)	(74,607,907)	(68,597,796)
	1,094,042,833	**835,840,009**	**2,983,201,451**	**2,524,383,776**	**4,077,244,284**	**3,360,223,785**
22 Direct Expenses						
Direct expenses comprise academic expenses and staff costs made up as follows:						
Evaluation Test & Examination	3,490,797	3,663,051	8,910,250	8,793,140	12,401,047	12,456,191
Lecture Fees	91,791,561	75,925,298	25,186,660	24,666,000	116,978,221	100,591,298
Advertising	68,799,374	55,942,860	59,180,224	96,402,043	127,979,598	152,344,903
Printing & Stationary	9,938,949	10,303,800	7,879,121	8,700,700	17,818,070	19,004,500
Programme Expenses	33,575,919	30,691,535	27,340,287	15,876,277	60,916,206	46,567,812
Foreign Remittance	107,741,622	44,372,510	560,041,261	577,245,736	667,782,883	621,618,246
Research & Development	-	32,368	2,127,337	1,800,721	2,127,337	1,833,088
Consultancy Fees	-	301,750	264,800	-	264,800	301,750
Staff Salaries and Emoluments	259,177,511	186,142,079	259,141,732	357,847,074	518,319,243	543,989,152
	574,515,733	**407,375,250**	**950,071,672**	**1,091,331,690**	**1,524,587,405**	**1,498,706,940**
23 Other Income						
Interest On Staff Loan	3,611,274	3,276,920	2,257,108	2,280,119	5,868,382	5,557,039
Sundry Income	7,111,664	1,472,587	7,231,236	21,225,256	14,342,900	22,697,843
Disposal Of Fixed Assets	406,073	7,039	47,600	-	453,673	7,039
Rent Income	-	-	7,348,679	-	7,348,679	-
Deferred Income	10,165,667	10,165,667	-	-	10,165,667	10,165,667
Library Fines Income	-	-	124,500	-	124,500	-
Staff Accommodation Fee	-	-	1,587,500	-	1,587,500	-
Facilities Income	-	-	1,076,780	-	1,076,780	-
	21,294,678	**14,922,212**	**19,673,403**	**23,505,375**	**40,968,081**	**38,427,587**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 DECEMBER	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018 (Restated)	Group 2019	Group 2018 (Restated)
24 Administrative Expenses						
Maintenance Expenses						
Building	18,946,723	18,602,640	8,910,769	3,774,288	27,857,492	18,602,640
Computers	8,621,225	4,320,535	761,992	257,695	9,383,217	4,578,230
Telephones	128,048	104,037	-	-	128,048	104,037
Office Equipment	3,847,352	3,593,799	3,999,780	2,593,595	7,847,132	6,187,395
Vehicles	2,613,010	3,804,922	7,497,088	4,157,875	10,110,098	7,962,797
Furniture & Fittings	112,535	359,740	60,920	120,230	173,455	479,970
Air Conditioners	527,621	471,117	-	-	527,621	471,117
Sundry Maintanance	593,929	790,356	1,186,200	-	1,780,129	790,356
Intangible Assets	-	-	2,640,055	1,731,053	2,640,055	1,731,053
Fire Extinguishers	197,354	293,873	-	-	197,354	293,873
	35,587,797	**32,341,018**	**25,056,805**	**12,634,736**	**60,644,602**	**41,201,467**
Depreciation & Amortization						
Building	46,171,321	48,867,818	192,995,461	192,751,223	239,166,782	241,619,041
Computers	26,349,418	31,913,191	19,396,651	17,282,494	45,746,069	49,195,685
Vehicles	16,814,536	11,022,500	17,684,919	32,420,470	34,499,455	43,442,970
Furniture, Fittings & Office Equipment	28,304,605	27,687,560	109,926,114	107,555,536	138,230,719	135,243,096
Library Books	752,395	573,719	3,628,298	3,853,997	4,380,693	4,427,716
Plan & Machineries	-	-	88,195,005	88,182,679	88,195,005	88,182,679
Right to Use Assets Amortization	-	-	30,652,273	3,730,608	30,652,273	3,730,608
Lab Equipments	-	-	4,313,327	1,975,527	4,313,327	1,975,527
Computer Software Amortization	467,853	64,980	11,504,370	8,024,896	11,972,223	8,089,876
	118,860,128	**120,129,768**	**478,296,418**	**455,777,430**	**597,156,546**	**575,907,198**
Establishment and Other Expenses						
Rent	73,449,300	71,564,020	-	-	73,449,300	71,564,020
Rates	1,922,382	1,752,718	-	-	1,922,382	1,752,718
Electricity	33,629,479	29,237,352	54,101,040	49,008,706	87,730,519	78,246,058
Water	1,509,810	1,463,235	5,067,081	4,620,092	6,576,891	6,083,327
Insurance	887,084	937,344	6,502,484	5,574,412	7,389,568	6,511,755
Telephone & Internet Charges	17,618,991	19,076,166	16,248,655	14,258,512	33,867,646	33,334,678
Postage, Telex & Telegrams	542,612	811,656	1,819,590	1,691,812	2,362,202	2,503,468
Foreign Travels	1,182,643	347,839	-	-	1,182,643	347,839
Local Traveling	2,852,600	2,878,625	286,397	344,419	3,138,997	3,223,044
Board Allowance	205,000	813,750	-	935,000	205,000	1,748,750
Audit Fees - External	293,640	500,000	800,000	1,100,000	1,093,640	1,600,000
Legal Fees	702,800	1,272,560	400,000	1,051,483	1,102,800	2,324,043
Stamp Duty	100	-	-	255,100	100	255,100
Welfare	760,115	168,390	2,636,480	3,875,981	3,396,595	4,044,371
Uniform	2,099	942,885	-	-	2,099	942,885
Janitorial Expenses	-	-	66,508,037	63,175,596	66,508,037	63,175,596
Refreshments			4,330,707	3,661,484	4,330,707	3,661,484
Other Expenses	3,493,188	3,124,263	6,162,532	2,601,093	9,655,720	5,725,356
Balance C/F	**139,051,843**	**134,890,802**	**164,863,003**	**152,153,690**	**303,914,846**	**287,044,493**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

	FOR THE YEAR ENDED 31 DECEMBER	NIBM 2019	NIBM 2018	NSBM 2019	NSBM 2018 (Restated)	Group 2019	Group 2018 (Restated)
24	**Administrative Expenses - *Establishment and Other Expenses* (Cont…)**						
	Balance B/F	**139,051,843**	**134,890,802**	**164,863,003**	**152,153,690**	**303,914,846**	**287,044,493**
	Fuel Charges	3,677,389	3,421,601	10,540,016	11,402,293	14,217,405	14,823,894
	Consultancy Fees	202,983	246,800	906,798	50,000	1,109,781	296,800
	Staff salaries & Emoluments	120,318,168	89,736,572	148,986,531	2,455,433	269,304,699	92,192,005
	Advertising	4,264,868	3,854,200	29,628,459	-	33,893,327	3,854,200
	Printing & Stationery	2,682,913	2,884,070	2,554,831	2,358,677	5,237,744	5,242,747
	Programme Expenses	1,440,614	1,338,019	-	-	1,440,614	1,338,019
	Donation	570,000	954,250	665,000	3,571,677	1,235,000	4,525,927
	Disposal Of Fixed assets	-	-	-	-	-	-
	Newspapers & Periodicals	3,256,770	2,788,650	176,567	183,833	3,433,337	2,972,483
	Security Expenses On Cash Transportation	-		-	-	-	-
	Security Expenses	9,123,101	7,157,168	18,202,269	15,551,282	27,325,370	22,708,450
	Entertainment	497,776	403,482	-	-	497,776	4,064,996
	Transport	1,203,121	1,300,148	-	-	1,203,121	1,300,148
	Student Welfare	6,636,984	14,501,638	10,765,535	9,333,812	17,402,519	23,835,450
	Stocks obsolete	-	250,874	-	-	-	250,874
	Write-off	1,627,035	-	-	-	1,627,035	-
	Secretarial Fees		-	465,000	491,250	465,000	491,250
	BOI Charges		-	1,753,193	1,372,436	1,753,193	1,372,436
	Inter Association Membership Fees		-	3,405,522	2,595,742	3,405,522	2,595,742
	Ceremony Related Charges		-	-	-	-	-
	Sundry Equipments		-	1,019,429	379,874	1,019,429	379,874
	License Fees		-	-	-	-	-
	Medical Related Expenses		-	-	368,972	-	368,972
	Provision for bad debts	5,278,000	9,482,400	1,768,975	1,176,110	7,046,975	10,658,510
	Bad & Doubtful Debts	18,016,488	-	14,570,743	4,243,833	32,587,231	4,243,833
		317,848,053	**273,210,674**	**410,271,872**	**207,688,914**	**728,119,925**	**484,561,073**
		472,295,978	**425,681,460**	**913,625,094**	**676,101,080**	**1,385,921,072**	**1,101,669,737**
25	**Other Expenses**						
	Development Expenses	**5,375,477**	**2,505,085**	**10,181,462**	**5,733,401**	**15,556,939**	**8,238,486**
26	**Net Finance Cost**						
	Finance Income						
	Interest On Investment	28,835,386	13,975,522	15,458,120	6,791,544	44,293,506	20,767,066
	Staff Loan Amortization	4,092,378	3,880,752	-	-	4,092,378	3,880,752
	Notional Interest	-	-	1,912,260	-	1,912,260	-
	Interest On Savings A/C	-	26,490	-	-	-	26,490
		32,927,764	**17,882,763**	**17,370,380**	**6,791,544**	**50,298,144**	**24,674,308**
	Net Finance (Cost)/ Income						
	Bank charges	132,145	157,497	722,990	370,445	855,135	527,942
	Credit Card Commission	3,545,719	2,665,856	6,830,474	5,629,953	10,376,193	8,295,808
	Bank Interest	-	-	1,142,266,976	1,117,040,758	1,142,266,976	1,117,040,758
	Lease Interest	2,896,136	-	4,889,976	-	7,786,112	-
		6,574,000	**2,823,353**	**1,154,710,416**	**1,123,041,156**	**1,161,284,416**	**1,125,864,508**
	Net Finance Income/(Cost)	**26,353,764**	**15,059,411**	**(1,137,340,036)**	**(1,116,249,611)**	**(1,110,986,272)**	**(1,101,190,201)**
27	**Income Tax Expense**						
	Current Tax on Profit for the Year	13,533,121	6,664,954	9,685,474	7,805,973	23,218,595	14,470,927
	Under / (Over) Provision in Previous Y	-	-	-	-	-	-
	Income Tax Liability @ 25% of the Distributable Profit	-	5,915,733	-	-	-	5,915,733
	Total Deferred Tax	12,586,998	13,882,235	107,761,012	107,405,275	120,348,010	121,287,510
		26,120,119	**26,462,922**	**117,446,486**	**115,211,248**	**143,566,605**	**141,674,170**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Sri Lankan Rupees)

FOR THE YEAR ENDED 31 DECEMBER

28 Correction of Prior Period Errors.

Impact on error correction on relevant amortization of Lease Lands

Group has not identified the amortization of the lease lands of the National School of Business Management.

Impact on error correction relevant to incorrect classification of Property Plant and Equipment Categories

Group Subsidiary (NSBM) has erroneously classified the parts of Plant and Machineries and Office quipments in to the Buildings and recognised the Deperciations in to buildings.Error corrections have been made to classified the relevant Plant and Machineries and Office quipments from buildings and correct deprciations as per LKAS 16

Impact on error correction relevant to taxable temporary difference on property, plant and equipment

As per LKAS 12 "Income Taxes", tax base of an asset is the amount that will be deductible for tax purposes against any taxable economic benefits that will flow to an entity when it recovers the carrying amount of the asset. Taxable difference for an asset arises when the carrying amount of the asset is greater than the tax base of the asset.

Impact on error correction of Defined Benefit Obligation

Company has erroneously recognized the Actuarial gain / (loss) on post employment benefit obligation by double counting the Deferred tax impact.Error corrections have done to Defined Benefit Obligations as at 31st December 2018 and deferred tax impact on Defined Benefit Obligations as at 31st December 2018.

28.1 Impact to the balances reported in the statement of financial position.(NSBM)

	Impact of Error Correction		
	As previously reported	**Adjustments**	**As restated**
Property,Plant & Equipment			
1st January 2018	10,633,678,978	(106,144,258)	10,527,534,720
31st December2018	10,385,316,522	(187,262,579)	10,198,053,943
Deferred Tax Liability			
1st January 2018	-	238,748,816	238,748,816
31st December2018	365,961,223	(19,505,360)	346,455,863
Retained Earning			
1st January 2018	579,860,356	(344,893,075)	234,967,281
31st December2018	(52,159,612)	(167,757,219)	(219,916,831)

28.2 Impact to the balances reported in the statement of profit or loss and OCI. (NSBM)

	Impact of Error Correction		
For the year Ended 31st December 2018	**As previously reported**	**Adjustments**	**As restated**
Administration Expenses	(879,800,509)	(81,118,320)	(960,918,829)
Income Tax Expenses	(373,767,196)	258,555,949	(115,211,247)
Profit for the Year	(634,175,486)	96,319,308	(456,737,858)
Other Comprehensive income;			
Acturial Gain / (Loss) on Retirement Benefit Obligations	2,993,776	(838,257)	2,155,519
Tax Effect on acturial gain/(loss) on post employement benefit obligation	(838,257)	536,845	(301,412)
Total Other Comprehensive Income	**2,155,519**	**(301,773)**	**1,853,746**
Total Comprehensive Income	**(632,019,967)**	**96,017,535**	**(454,884,112)**

Figures in brackets indicate deductions

Notes to the Financial Statements continued

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. VTY/G/NIBM/2019/FA/05 මබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 29 March 2021

Chairman

National Institute of Business Management

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Institute of Business Management and its subsidiary for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Opinion

The audit of the financial statements of the National Institute of Business Management and the consolidated financial statements of the Institute and its Subsidiary (Group) for the year ended 31 December 2019 comprising the statements of financial position as at 31 December 2019 and the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows 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 and finance Act No. 38 of 1971. 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 of the Institute and Group give a true and fair view of the financial position of the Institute and Group as at 31 December 2019 and of their financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. இல. 306/72, பொல்தூவ 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

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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.

1.3 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 and for such internal control as management determine in 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Institute 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 Institute.

1.4 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.

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NAOSL

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticsm 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 Institute'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 Institute's ability to continue as a going concern. If I conclude that 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 Institute 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.

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2. Report on Other Legal and Regulatory Requirements

National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

- 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 Institute as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
- 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.
- 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.

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

- to state that any member of the governing body of the Institute has any direct or indirect interest in any contract entered into by the Institute 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.
- to state that the Institute has not complied with any applicable written law, general and special directions issued by the governing body of the Institute as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for ;

Reference to law/Direction	Description
The letter of the Director General of the Department of Management Services No. DMS/1674/2017 dated 16 October 2018,	The payment of incentive allowance for each year should be approved by the Board of Directors of the Institute. However, without obtaining that approval a sum of Rs. 130,111,164 had been paid as the incentive allowance for the year under review.

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- to state that the Institute 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.
- to state that the resources of the Institute 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.

W.P.C. Wickramaratna

Auditor General

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