

**லார்க்கை லார்கால**  
**வருடாந்த அறிக்கை**  
**ANNUAL REPORT**  
**2014**

**திறுணை கூலர்வை அர்மீடூ**  
**திறன்கள் அபிவிருத்தி நிதியம்**  
**SKILLS DEVELOPMENT FUND LIMITED**

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## **INSTITUTIONAL BACKGROUND**

Name of the Institution : Skills Development Fund Ltd

Status : Fully Government owned Company

Ministry : Ministry of Youth Affairs & Skills Development

Address : 354/2,7<sup>th</sup> Floor  
“Nipunatha Piyasa”  
Elvitigala Mawatha  
Narahenpita  
Colombo 05.

Web : [www.skillsdevelop.lk](http://www.skillsdevelop.lk)

Email Address : [info@skillsdevelop.lk](mailto:info@skillsdevelop.lk)

Telephone : 011 2507274

Fax : 011 2055601

Bankers : Bank of Ceylon  
: Peoples Bank

Auditors : Annalingam Associates ( Chartered Accountants )

# **SKILLS DEVELOPMENT FUND LIMITED**

## **OUR THEME**

**Excellence & Success through People Development.**

## **OUR VISION**

**To be the Nation's Leader in Skills Development.**

## **OUR MISSION**

**To Enhance Nation's Enterprise Competitiveness  
through Skills Development.**

## **ESTABLISHMENT OF SKILLS DEVELOPMENT FUND LIMITED**

The Skills Development Fund Limited (SDFL) was first established in 1998 as a pilot project on a recommendation by the Presidential Task Force on Technical Education and Vocational Training. During this pilot phase the Fund was sponsored by the ILO and the UNDP.

On 20<sup>th</sup> August 1999, the SDFL was incorporated as a limited liability company under the Companies Act No 17 of 1982, bearing registration number N (PBS) 832.

The cabinet approved an investment of Rs.100 million in September 1999 in ordinary shares in the company which was invested in secure investment by the SDFL. It was suggested that the income caused from this investment and from the operations of the company would be sufficient to meet the recurrent expenditure. This arrangement was to ensure that the SDFL will be self sustaining and also the initial investment of the government, Employers Federation of Ceylon and other investors is safeguarded.

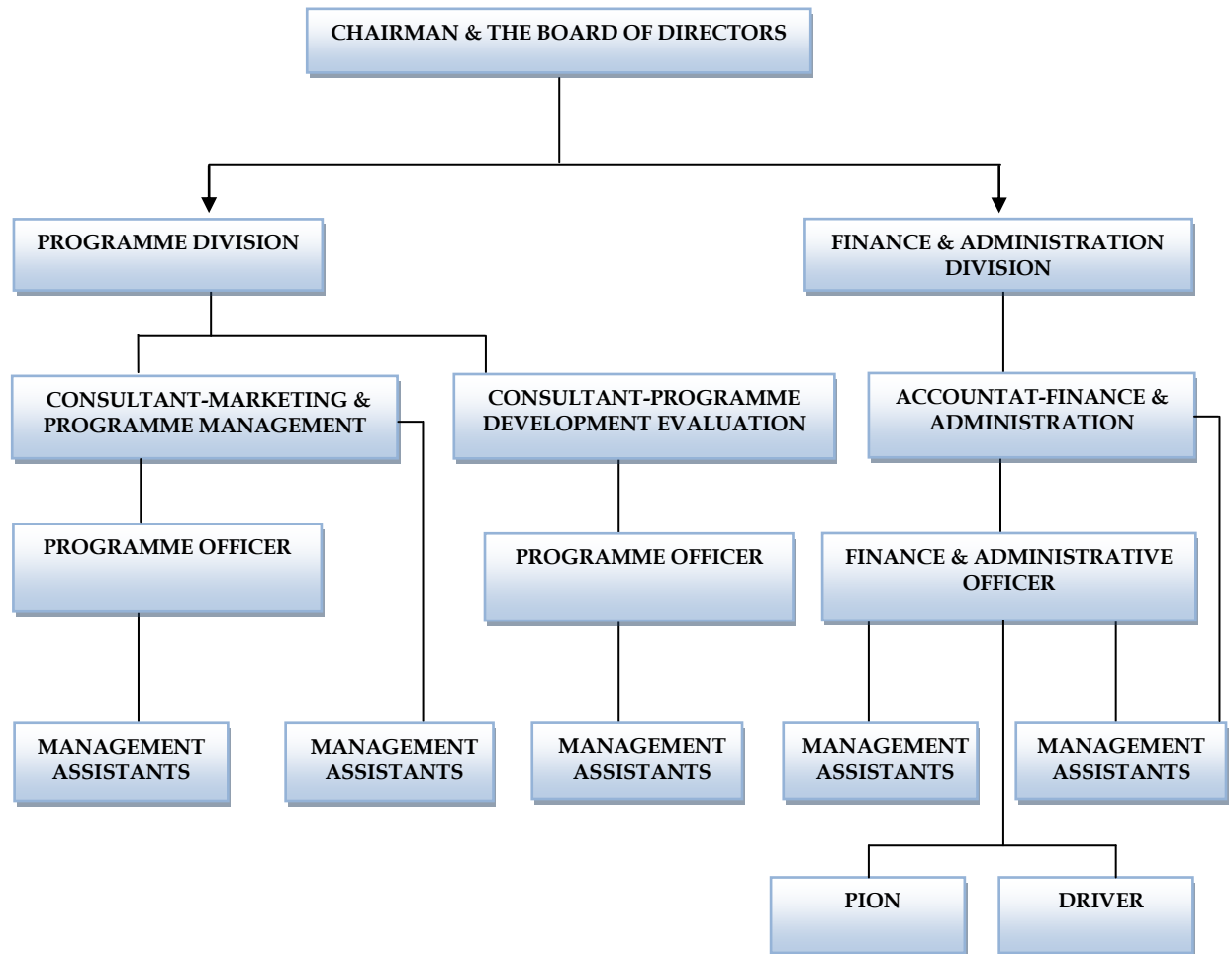
The SDFL was re-registered under the new Companies Act No.07 of 2007 - bearing Registration No. PB 833.

## **PRIME OBJECTIVES**

The broad objectives of the SDFL as set out in the Memorandum of Association are:

- Support Job Entry Training, Skills Up-grading and Re-training of employees.
- Expand and improve enterprise based training to facilitate the development of a highly trained and skilled workforce.
- Provide linkages between training institutions and the employers.

## ORGANIZATION STRUCTURE



## THE CADRE OF SKILLS DEVELOPMENT FUND

The Staff As at 31.12.2014

Designation	No. of Participants
01. Chairman	
02. General Manager	01
03. Programme Consultant (Contract)	02
04. Accountant	01
05. Administrative Officer	01
06. Programme Officer	02
07. Instructor	02
08. Management Assistants	18
09. Drivers	02
10. Peon	03
<b>Total</b>	<b>32</b>

## THE BOARD AND BOARD MEETINGS HELD DURING - 2014

The Board of the Skills Development Fund Ltd comprises 11 directors appointed by the Secretary of the general treasury whose details are given below.

01. Mr. Malith Jayathilaka (Chairman)
02. Mr. S. R. W. M. P. Sathkumara (Treasury Representative) From 2012.06.07
03. Mr. J. A. Hemasiri Jayalath
04. Mr. R. L. P. Peiris
05. Mr. Hema Madiwela
06. Mr. Sadhdhathissa Dasanayake
07. Mr. Keerthi Muthukumarana
08. Major L. G. K. Kithsiri
09. Mr. H. M. Ranjith Kiriella
10. Mr. S. P. Ranjith Fernando
11. Mrs. N. D. Sugathadasa

Board meetings were held for the year 2014 on the following dates.

Date	Participation
01. 2014.03.17	08
02. 2014.06.27	07
03. 2014.07.17	08
04. 2014.09.26	09
05. 2014.11.25	06
06. 2014.12.05	08

## **AUDIT & MANAGEMENT MEETING & COMMITTEE MEMBERS – 2014**

The Audit & Management committee members of the Skills Development Fund Ltd

01. Mr. S. R. W. M. P. Sathkumara (Treasury Representative)
02. Mr. Sadhdhathissa Dasanayake
03. Annalingam Associates ( Chartered Accountants )

Audit & Management committee meetings were held for the year 2014

<b>Date</b>	<b>Participation</b>
01. 2014.03.17	03
02. 2014.06.27	03
03. 2014.07.17	03
04. 2014.09.12	03

## **PERFORMANCE REVIEW**

### **PROGRAMMES**

The Mission of Skills Development Fund Limited is to build a stronger and more competitive training organization in Sri Lanka to support both public and private sector employers in making choices that help them live productive and rewarding lives and to improve their quality of life at work, supporting a flexible, national labour market, increasing participation in the training.

The Skills Development Fund delivers a range of training programs and services that affect employees throughout their employment through programs that support human resource and skills development, in assisting their employers to fulfill their visions and missions, In the past year, the Skills Development Fund made changes design and innovation, and implementing new business processes that promote efficiency and collaboration across organizations. Introducing training on bid evaluation, Salary conversion, Financial Leadership, Supply chain Management etc, SDFL's approach has focused on better aligning its activities with a set of priorities; achieving its fiscal targets, modernizing the way it does business and ensuring that both the employers and employees of government and Private sector are receiving the best service.

The Skills Development Funds Efforts in 2014 to improve efficiency and effectiveness of programs and professional courses underlie some important achievements that have a direct impact on employees of public and private sector. Continued modernization of training programmes while delivering on a sizeable agenda to over 12843 participants.

The numbers of programmes conducted during 2013 – 2014 under different types are given below

<b>Types of Programmes</b>	<b>No. of programmes conducted</b>	
	<b>2013</b>	<b>2014</b>
Open Workshops	113	145
Customized Programmes	131	143
Academic (Certificate) Training Courses	12	10
	<b><u>256</u></b>	<b><u>298</u></b>

The complete list of workshops and programmes conducted during 2014 is given in the next pages.

## DETAILS OF PROGRAMMES HELD IN - 2014

### OPEN WORKSHOPS

Theme of Workshop	Dates Held	No. of Participants
01. Induction Training	20 to 22.01.2014	55
02. New Techniques for Results Oriented Communication	21.01.2014	15
03. Transport Management	28.01.2014	69
04. Be Alert on Tax Amendments Proposed in Budget	29.01.2014	62
05. Exceptional Leadership & Authentic Image Management	30.01.2014	46
06. Secretarial Practices	30.01.2014	23
07. Salary Conversions	30 & 31.01.2014	51
08. Training of Trainers	17 to 21.02.2014	32
09. Supervisory Management	18.02.2014	30
10. Labour Law for Administrative Professionals	20 & 21.02.2014	33
11. Role & Responsibilities of Shroff	22.02.2014	61
12. Achiving As High-performance Team	25.02.2014	13
13. Stores Management & Purchasing Procedures	25 & 26.02.2014	15
14. Contract Payment, File Maintaince & Contract Closeout Activities	26.02.2014	28
15. Maintain of Personal File	10 & 11.03.2014	73
16. Human Capital Management for Aspiring HR Professionals	12 & 13.03.2014	20
17. Practical Aspects of Bid Evaluation	13 & 14.03.2014	32
18. Customer Delight & Services Excellence	19.03.2014	27
19. Effective Management Skills for Administrative Officers of the Public Sector	20 & 21.03.2014	29
20. Salary Conversions	24.03.2014	87
21. Leadership & Personality Development	24.03.2014	13
22. Import & Export Procedures	24 & 25.03.2014	13
23. Computation & Payment of Civil Pension	25.03.2014	71
24. Supply Chain Management	26 & 27.03.2014	14
25. Employee Performance Review	28.03.2014	14

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
26. Supervisory Management	01 & 02.04.2014	29
27. Office Management & Office Procedures	03 & 04.04.2014	21
28. Annual Stock Verifications & Disposal Procedures	04 & 05.04.2014	39
29. Skills Development for Drivers & Minor Employees	05.04.2014	18
30. Disciplinary Procedure	24 & 25.04.2014	22
31. Skills for Front Office Personnel	25.04.2014	17
32. Correct Attitudes & Motivation	26.04.2014	48
33. Professional Development of Development Assistant	29 & 30.04.2014	38
34. Exceptional Leadership & Authentic Image Management	30.04.2014	39
35. Train the Trainer	05 to 09.05.2014	47
36. Managerial Skills Development of the Executives	11.05 & 06.06.2014	29
37. Scheme of Recruitment	20.05.2014	43
38. Disciplinary Procedure	22 & 23.05.2014	31
39. Effective Presentation Skills	22 & 23.05.2014	10
40. Negotiation Skills to Win	26.05.2014	15
41. Labour Law & Administrative Procedure	26 & 27.05.2014	15
42. Stress Management Techniques for Improving Life Skills	27.05.2014	18
43. Role & Responsibilities of Shroff	28.05.2014	49
44. How to be a Brilliant Manager	28.05.2014	32
45. Public Procurement Procedure	29 & 30.05.2014	38
46. Labour Law & Industrial Relations	29 & 30.05.2014	23
47. Skills Development for Drivers & Minor Employees	31.05.2014	61
48. Practical Aspects of Bid Evaluation	19.06.2014	49
49. Widow & Widower Pension Scheme	19 & 20.06.2014	31
50. Role & Responsibilities of Accounts Clerk	23.06.2014	96

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
51. Project Management	25 & 26.06.2014	13
52. Reading & Understanding Financial Statements	26.06.2014	40
53. Stores Management & Purchasing Procedures	26 & 27.06.2014	20
54. Skills Development for Drivers & Minor Employees	28.06.2014	47
55. Cash Management & Cash Flow Control	30.06.2014	77
56. Office Management & Financial Regulation	30.06 & 01.07.2014	34
57. Professional Development of Development & Management Assistants	07 & 08.07.2014	22
58. Green Technology	09.07.2014	09
59. Leadership & Personality Development	09 & 10.07.2014	24
60. Maintain of Personal Files	10 & 11.07.2014	57
61. Transport Management	15.07.2014	49
62. Training for HRM & HR Assistants	15 & 16.07.2014	26
63. Essential Law Related to the Bankers	16.07.2014	13
64. Business Letter Writing	17 & 18.07.2014	24
65. Telephone Skills & Etiquette Training for Secretaries & Receptionists	18.07.2014	58
66. Techniques of Time Management	22.07.2014	14
67. Duties & Responsibilities of Public Management Assistant	24.07.2014	52
68. Widow & Widower Pension Scheme	24 & 25.07.2014	18
69. Public Procurement Procedures	28 & 29.07.2014	49
70. Correct Attitudes & Motivation	25.07.2014	54
71. Secretarial Practices	31.07.2014	35
72. Disiplinary Inquiries	31.07 & 01.08.2014	34
73. Contact Payment	01.08.2014	47
74. Methodical Way of Maintain Accounts Books	07 & 08.08.2014	49
75. Human Capital Management for Aspiring HR Professionals	08.08.2014	45

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
76. Role & Responsibilities of Leave Clerk	14 & 15.08.2014	90
77. Skills Development of Security Officers	16.08.2014	16
78. Effective Management Skills for Administrative Officer	18 & 19.08.2014	20
79. Effective Internal Auditing	20.08.2014	47
80. Supervisory Management	21 & 22.08.2014	22
81. Personal Grooming Business & Social Etiquette	25.08.2014	28
82. Computation & Payment of Civil Pension	25 & 26.08.2014	30
83. Introduction to the Regulatory Framework of Accounting	26.08.2014	31
84. Book Keeping for Non Accounting Personnel	28.08.2014	17
85. Overview of the Tax System	28.08.2014	68
86. Stores Management & Purchasing Procedures	28 & 29.08.2014	36
87. Drivers & Minor Employees on Correct Attitudes & Motivation	29.08.2014	39
88. Role & Responsibilities of Management Assistant & Development Assistant	1 & 2.09.2014	50
89. Labour Law & Industrial Relations	04 & 05.09.2014	26
90. Losses, Loss Recoveries & Write off	11.09.2014	63
91. 5s for Productivity Enhancement	12.09.2014	28
92. Managerial Skills for New Manager	16.09.2014	12
93. New Dimensions in Customer Service	19.09.2014	17
94. Annual Stock Verification & Disposal Procedures	22 & 23.09.2014	20
95. Import & Export Procedures	22 & 23.09.2014	13
96. Labour Law for Administrative Professionals	22 & 23.09.2014	17
97. E-Government & Basic IT Office Management Practices	24 & 25.09.2014	21
98. Communication Skills for Emerging Leaders	25.09.2014	28
99. Telephone Skills & Etiquette Training for Front Officers	25.09.2014	28
100. Communicating with Diplomacy & Tact	26.09.2014	13

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
101. Financial Regulation No 104 Inquires	26.09.2014	94
102. Role & Responsibilities of Shroff	26.09.2014	78
103. Financial Regulation & Office Management	29 & 30.09.2014	74
104. Practical Aspects Bid Evaluation	03 & 04.10.2014	41
105. Basic Concepts of Information Technology & Management	09, 10 & 13.10.2014	13
106. Rules & Regulations of the Establishment code Relating to the Public Service	14 & 15.10.2014	28
107. Media Event Management	16.10.2014	19
108. Training Needs Analysis	16 & 17.10.2014	32
109. Office Management & Financial Regulations	20 & 21.10.2014	53
110. Annual Stock Verification & Disposal Procedures	23 & 24.10.2014	34
111. Disiplinary Inquiries	24 & 27.10.2014	19
112. Skills Development of Drivers & Minor Employees	25.10.2014	41
113. Financial Reporting in Compliance with the Sri Lanka Public Sector Accounting Standards	28.10 & 04.11.2014	32
114. Employment Income & Operation of Paye Scheme & SVAT	28.10.2014	12
115. How to Stay Positively Focused, Motivated & Productive	29.10.2014	11
116. Role & Responsibilities of Account Clerk	29.10.2014	40
117. Positive Attitudes & Personality Development	30.10.2014	21
118. Scheme of Recruitment	31.10.2014	45
119. Employees Leave & Statutory Benefits	23.10.2014	36
120. Train the Trainer	10 to 14.11.2014	16
121. Office Management & Financial Regulations	11 & 12.11.2014	43
122. Methodological way of Maintaining Account Books & Ledger	17 & 18.11.2014	54
123. Seminar on Taxation Proposal of the Budget	20.11.2014	37
124. Salary Conversions	20 & 21.11.2014	57
125. Seminar on Office Management & Financial Regulations	22.11.2014	116

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
126. Productivity Improvement Techniques for Employees	24 & 25.11.2014	22
127. E-Government & Basic IT Practices	24 & 25.11.2014	27
128. Secretarial Practices	02,09,25.11.2014 & 02,09,16.12.2014	31
129. Duties & Responsibilities of Receptionists	27.11.2014	19
130. Drivers & Minor Staff	28.11.2014	39
131. Exceptional Leadership & Authentic Image Management	04.12.2014	21
132. Professional Development of Development & Management	11.12.2014	19
133. Cashier Skills	12.12.2014	17
134. Skills Development of Drivers & Minor Employees	13.12.2014	11
135. Skills for Work Life	16.12.2014	20
136. Good Governance Practices & the Rule of Law	18.12.2014	22
137. Supervisory Management	18 & 19.12.2014	24
138. Role & Responsibilities of Leave Clerk	18 & 19.12.2014	18
139. Public Procurement Procedures	19 & 20.12.2014	27
140. Drivers & Minor	20.12.2014	19
141. Cash Management & Cash Flow Control	22.12.2014	51
142. Salary Conversions	22 & 23.12.2014	44
143. General Filing	24.12.2014	29
144. Attitudinal Changes Through Motivation	24.12.2014	22
145. Duties & Responsibilities of Office Aides	31.12.2014	44

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## CUSTOMIZED PROGRAMMES

Theme of Workshop	Dates Held	No. of Participants
01. Presentation Skills	09 & 10.01.2014	35
02. Motivation of Personnel for Better Output	13.01.2014	32
03. Effective Internal Auditing	20.01.2014	108
04. Managirial Skills Development	21 & 22.01.2014	40
05. Managirial Skills Development	23 & 24.01.2014	40
06. Developing Positive Attitudes	25.01.2014	29
07. Customer Focused Telephone Skills & Telephone Etiquette	27.01.2014	33
08. Office Management	28 & 29.01.2014	40
09. Customer Care, Personality Development & Personal Grooming	28.01.2014	90
10. Stores Management & Purchasing Procedure	31.01 & 01 .02.2014	57
11. Correct Attitudes & Motivation	01.02.2014	39
12. Outward Bound Training	08.02.2014	63
13. Customer Care	14.02.2014	39
14. Industrial Health & Safety	17 & 21.02.2014	30
15. Office Management & Office Procedure	20 & 21.02.2014	100
16. Bid Evaluation	21 & 22.02.2014	54
17. Be Alert on Tax Amendments Proposed in Budget 2014	25.02.2014	50
18. Developing Managerial Skills for Management & Development Officers	25 & 26.02.2014	40
19. Office Management & Office Procedure	27.02 & 15.03.2014	16
20. Practical Aspects of Bid Evaluation	28.02 & 11.03.2014	24
21. Personal Grooming, Business & Social Etiquette	02.03.2014	40
22. Be Alert on Tax Amendments Proposed in Budget	17.03.2014	60
23. Positive Thinking	18.03.2014	20
24. Office Management & Office Procedure	20 & 21.03.2014	53
25. Maintain of Personal File	21 & 25.03.2014	40

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
26. Creative Attitude Through Motivation	24.03.2014	20
27. Office Management & Office Procedure	25 & 26.03.2014	34
28. Maintain of Personal File	07 & 08.04.2014	50
29. Attitudinal Changes Through Motivation & Productivity	26.04.2014	81
30. Salary Conversions	12.05.2014	21
31. Personal Grooming Business & Social Etiquette	21 & 25.05.2014	37
32. Practical Aspects of Bid Evaluation	22 & 23.05.2014	60
33. Positive Attitude & Motivation to Achieve Career	22 & 23.05.2014	60
34. Professional Development of Development Assistant	22 & 23.05.2014	40
35. Telephone Etiquette	23.05.2014	60
36. Leadership & Personality Development	24.05.2014	34
37. Industrial Health & Safety	26 to 30.05.2014	30
38. Globalization & Productivity Challenges	27.05.2014	39
39. Supervisory Management	28 & 29.05.2014	65
40. Counseling & Grievances Handling at Workplace	02.06.2014	50
41. Counseling & Grievances Handling at Workplace	03.06.2014	51
42. Bid Documents	04.06.2014	50
43. Letter Writing & Written Communication	05 & 06.06.2014	133
44. Personal Grooming, Business & Social Etiquette	10,11,17,18,20 & 24.06.2014	228
45. Maintaining Personal Files	18.06.2014	55
46. Effective Presentation Skills	18.06.2014	38
47. Correct Attitudes & Motivation	18.06.2014	35
48. Stress Management	19.06.2014	72
49. Stress Management	20.06.2014	75
50. Event Management	21.06.2014	37

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
51. Logistic & Purchasing Procedures	23.06.2014	86
52. Train of the Trainer	23.06.2014	35
53. Logistic & Purchasing Procedures	24.06.2014	84
54. Positive Thinking	25.06.2014	48
55. Supervisory Management	25 & 26.06.2014	58
56. Positive Attitude & Motivation to Achieve Career Success	27.06.2014	60
57. Stress Management	30.06.2014	39
58. Stress Management	01.07.2014	69
59. Good Housekeeping	02.07.2014	45
60. Attitudinal Development	03,04,14 & 15.06.2014	74
61. Labour Law	04.07.2014	100
62. Office Procedures & Etiquette Training for NAITA	04 to 06.07.2014	43
63. Professional Development of Management Assistant	16.07.2014	50
64. Productivity & Quality Improvement	18.07.2014	37
65. Industrial Relations & Trade Unionism	18.07.2014	45
66. Correct Attitudes & Motivation	19.07.2014	29
67. Cash Management & Cash Flow Control	22.07.2014	25
68. Correct Attitude & Motivation	26.07.2014	27
69. Personal Grooming, Business & Social Etiquette	29.07.2014	100
70. Office Management & Office Etiquette	30 & 31.07.2014	40
71. Building a Modern Day Organization	02.08.2014	45
72. Correct Attitudes & Motivation	02.08.2014	30
73. Personal Grooming & Soft Skills Development	05 to 08.08.2014	46
74. Cash Management & Cash Flow Control	08.08.2014	30
75. Human Capital Management for Aspiring HR Professionals	08.08.2014	45

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
76. Outward Bound Training	09.08.2014	38
77. Office Management & Office Procedure	14.08.2014	40
78. Maintain of Personal Files	18 & 19.08.2014	27
79. Building a Modern Day Organization	21.08.2014	37
80. Personal Grooming Business & Social Etiquette	22.08.2014	32
81. Public Procurement Procedures	22 & 23.08.2014	47
82. Contract Payments, File Maintenance & Contract Closeout Activities	26.08.2014	50
83. Reading & Understanding Financial Statements	26.08.2014	46
84. Role & Responsibilities of Accounts Clerk	29.08.2014	40
85. Stores Management & Purchasing Procedures	01 to 03.09.2014	35
86. Public Procurement Procedures & Disposal Procedures	03 & 04.09.2014	60
87. New Dimensions in Management & Development Officers	11.09.2014	40
88. Strategic Planning for Buddhist & Pali University	11.09.2014	67
89. Skills Development of Management & Development firms	15 & 16.09.2014	40
90. Methodical way of Maintain an Accounting Books & registers	16 & 19.09.2014	36
91. Supervisory Management	18.09.2014	46
92. Positive Attitude & Motivation	19.09.2014	75
93. Career Awareness & Leadership Development	19.09.2014	13
94. Skills Development of Drivers & Minor Employees	22.09.2014	67
95. Effective Delegation Skills	01.10.2014	31
96. Effective Delegation Skills	02.10.2014	41
97. Stress Management	03.10.2014	72
98. Stress Management through Positive Thinking	06.10.2014	30
99. HR Development through Disciplinary Management	09.10.2014	75
100. Public Procurement Procedures	11.10.2014	58

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
101. Public Procurement Procedures	21.12.2014	50
102. Office Management & Financial Regulations	29.12.2014	60
103. Stress Management	13.10.2014	75
104. 5s for Productivity Improvement	14.10.2014	57
105. 5s for Productivity Improvement	15.10.2014	59
106. HR Development through Disiplinary Management	16.10.2014	74
107. HR Development through Disiplinary Management	17.10.2014	74
108. Public Procurement Procedures	19.10.2014	53
109. Positive Thinking & Workplace ethics	27.10.2014 10	59
110. Office & File Management	28.10.2014	62
111. Building Modern day Organization	25 & 26.10.2014	50
112. Supervisors As Leaders	01.11.2014	40
113. Building a Modern Day Organization	01 & 02.11.2014	50
114. Public Procurement Procedures	01 to 3.11.2014	31
115. Disciplinary Procedure for Administrative Officers	03 & 04.11.2014	32
116. Attitudinal Changes through Motivation	07.11.2014	33
117. Public Procurement Procedures	08.11.2014	60
118. Maintaining & Managing Office Files & Documents	11,14,18,21,25 & 28.11.2014	249
119. Time Management for Better Productivity	13.11.2014	50
120. Practical Aspects of Bid Evaluation	14 & 15.11.2014	50
121. Building a Modern Day Organization	15 & 16.11.2014	57
122. Correct Attitudes & Motivation	17.11.2014	17
123. Correct Attitudes & Motivation	18.11.2014	18
124. Developing Management Assistant	18.11.2014	45
125. Labour Law & Administrative Procedures	18.11.2014	45

<b>Theme of Workshop</b>	<b>Dates Held</b>	<b>No. of Participants</b>
126. Efficiency Bar Examination	22.11.2014	03
127. Personal Grooming, Social & Business Etiquette	22.11.2014	34
128. Building a Modern Day Organization	22 & 23.11.2014	50
129. Public Procurement Procedures	23.11.2014	60
130. Effective Presentation Skills	26.11.2014	50
131. Positive Thinking & Work Place Ethics	26.11.2014	67
132. Disciplinary Procedure	28 & 29.11.2014	25
133. Positive Attitudes, Business Etiquette & Personality Development	29.11.2014	86
134. Building a Modern Day Organization	29 & 30.11.2014	50
135. Building a Modern Day Organization	06 & 07.12.2014	50
136. Stores Management	10 to 12.12.2014	66
137. Aging Gracefully	11.12.2014	52
138. Public Procurement Procedures	13.12.2014	53
139. Office Management & Personality Development	15 to 17.12.2014	38
140. E – Government	16.12.2014	50
141. Developing Management Assistants	17 & 18.12.2014	140
142. Public Procurement Procedures	21.12.2014	50
143. Office Management & Financial Regulations	29.12.2014	60

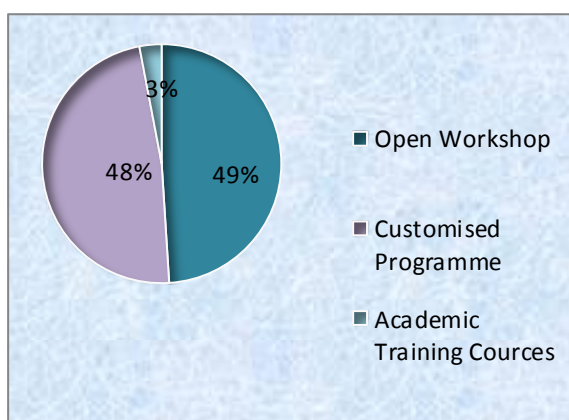
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## ACADEMIC TRAINING COURSES

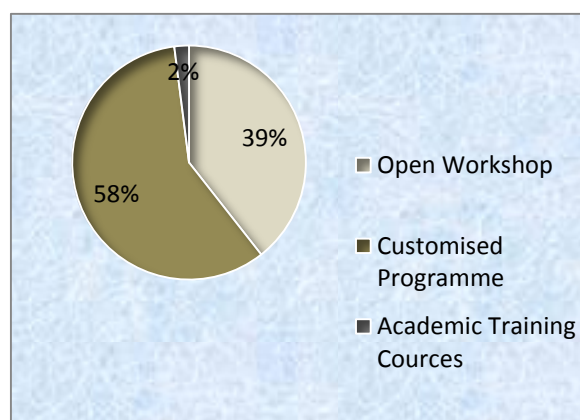
Theme of Workshop	Dates Held	No. of Participants
01. Certificate Course in HPC Based Application Packages	06.01.2014	12
02. Certificate Course in English Language	18.03.2014	43
03. Certificate Course in English Language	20.03.2014	40
04. Certificate Course in English Language	31.03.2014	20
05. Certificate Course in English	25.04.2014	25
06. Certificate Course in English Language	26.06.2014	30
07. Certificate Course in HRM	26.07.2014	48
08. Certificate Course in Business English	30.07.2014	50
09. Certificate Course in English for Professionals	11.08.2014	15
10. Certificate Course in Computer Applications	29.11.2014	20

**303**

### Types of Programme 2014



### Number of Participants 2014

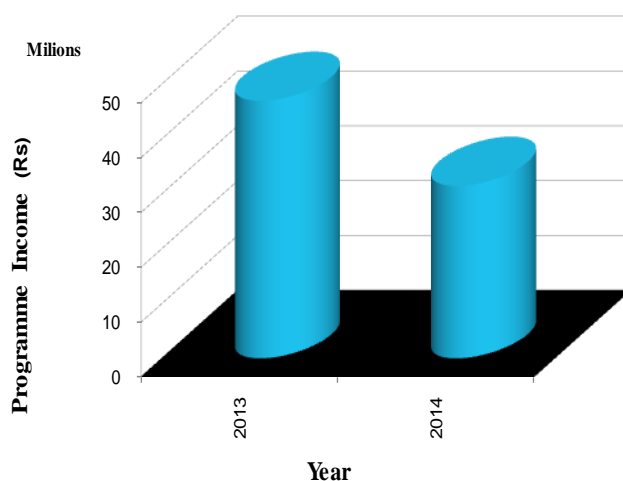


## PROGRAMME INCOME, EXPENDITURE & PROFIT

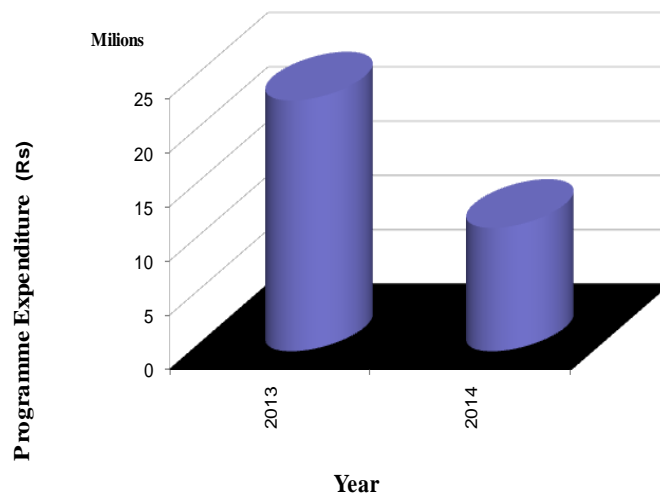
Besides the interest of bank / treasury deposits which is the main source of income of the SDFL a considerable income is earned from the programmes and consultancy services. The following table indicates the income, expenditure and profits generated from different types of programmes carried out in 2013 & 2014.

Type of Programme	2013			2014		
	Income	Expenditure	Profit	Income	Expenditure	Profit
Open Workshops	26,581,661	14,068,876	12,512,784	14,377,500	4,980,500	9,397,000
Customized Programmes	17,714,018	7,406,915	10,307,103	10,925,000	3,912,100	7,012,900
Academic (Certificate) Training	2,650,500	1,608,166	1,042,334	6,140,000	2,463,000	3,677,000
<b>Total</b>	<b>46,946,180</b>	<b>23,083,958</b>	<b>23,862,222</b>	<b>31,442,500</b>	<b>11,355,600</b>	<b>20,086,900</b>

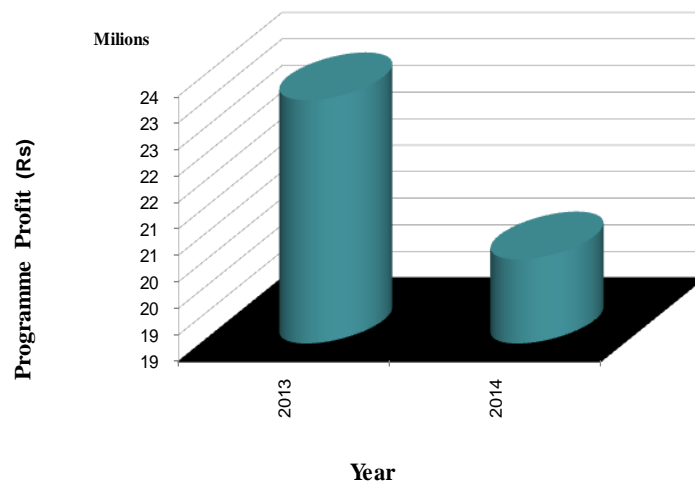
### Programme Income



## Programme Expenditure



## Programme Profit



As far as the year 2014 is concerned all the programmes have been conducted at a profit of Rs. 20,086,900/-That is certainly due to the commitment of the programme staff and the other support staffs of the SDFL.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF SKILLS DEVELOPMENT FUND LIMITED**

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of Skills Development Fund Limited which comprise the Statement of Financial Position as at 31st March 2015 and the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant Accounting Policies and other explanatory notes.

**Management's Responsibility for the Financial Statements.**

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate Accounting Policies, and making accounting estimates that are reasonable in the circumstances.

**Scope of Audit and Basis of Opinion**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatements.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall Financial Statements presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2015 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31st March 2015 and its Profit and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards.

**Report on other Legal and Regulatory Requirements.**

In our opinion, these Financial Statements also comply with the requirements of section 151(2) of the Companies Act No. 07 of 2007.

**ANNALINGAM ASSOCIATES**

Chartered Accountants,

Colombo 06.

10.09.2015.

SKILLS DEVELOPMENT FUND LTD

"NIPUNATHA PIYASA", 7TH FLOOR, 354/2, ELVITIGALA MAWATHA, COLOMBO 05.

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2015.

	Notes	2014/2015 Rs. Cts.	2013/2014 Rs. Cts.
Revenue	03	<b>56,310,690.00</b>	46,946,179.50
Direct Cost	04	<b><u>(28,442,936.49)</u></b>	<u>(23,083,957.66)</u>
<b>Gross Profit</b>		<b>27,867,753.51</b>	23,862,221.84
Other Income / ( Expenses )	05	<b><u>(127,930.33)</u></b>	<u>1,743.23</u>
		<b>27,739,823.18</b>	23,863,965.07
Administration & Establishment Expenses	06	<b><u>(28,202,051.31)</u></b>	<u>(23,920,888.68)</u>
<b>Earnings Before Interest &amp; Tax</b>		<b>(462,228.13)</b>	(56,923.61)
Net Financial Income	07	<b><u>10,063,964.33</u></b>	<u>17,515,822.70</u>
<b>Profit Before Taxation</b>		<b>9,601,736.20</b>	17,458,899.09
<b>Taxation</b>	08	<b><u>(2,294,893.03)</u></b>	<u>(3,564,122.00)</u>
Profit for the year		<b><u><u>7,306,843.17</u></u></b>	<u><u>13,894,777.09</u></u>
<b>Other Comprehensive Income</b>			
Defined Benefit Plan Actuarial Gains/ (Losses)		<b><u>(197,882.33)</u></b>	<u>(95,914.47)</u>
Total Comprehensive Income for the year		<b><u><u>7,108,960.84</u></u></b>	<u><u>13,798,862.71</u></u>
<b>Earnings Per Share</b>	09	<b>0.72</b>	1.36

The Accounting Policies & Notes form an integral part of these Financial Statements.  
Figures in bracket indicate deductions

## STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2015

	Notes	31.03.2015	31.03.2014
<b><u>ASSETS</u></b>		<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	<b>14,750,808.14</b>	8,434,351.03
		<b>14,750,808.14</b>	8,434,351.03
Fixed Deposit- Scholarship Fund		<b>3,200,000.00</b>	-
<b>Current Assets</b>			
Inventory		-	113,635.00
Trade & Other Receivables	11	<b>9,488,999.87</b>	8,841,937.13
Investments	12	<b>157,922,570.81</b>	158,833,568.14
<b>Cash &amp; Cash Equivalent</b>	13	<b>3,770,640.69</b>	5,070,061.50
		<b>171,182,211.37</b>	172,859,201.77
<b>Total Assets</b>		<b>189,133,019.51</b>	181,293,552.80
<b>EQUITY &amp; LIABILITIES</b>			
<b>Capital &amp; Reserves</b>			
Stated Capital	14	<b>102,001,520.00</b>	102,001,520.00
Revenue Reserves		<b>479,890.00</b>	479,890.00
Other Reserves		<b>(297,303.29)</b>	(99,420.96)
Retained Earnings		<b>80,913,454.27</b>	76,156,649.09
Share Holders Funds		<b>183,097,560.98</b>	178,538,638.13
<b>Nun- Current Liabilities</b>			
Retirement Benefit Obligations	15	<b>1,351,036.44</b>	1,076,393.71
Deferred Tax	16	<b>545,765.00</b>	604,762.00
Skills Developemnt Provident Fund	17	<b>3,278,406.00</b>	-
<b>Current Liabilities</b>			
Trade & Other Payables	18	<b>860,251.09</b>	1,073,758.95
		<b>860,251.09</b>	1,073,758.95
<b>Total Equity &amp; Liability</b>		<b>189,133,019.51</b>	181,293,552.80

It is certified that the Financial Statements have been prepared in compliance with requirements of Companies Act No 07 of 2007.

.....  
**Accountant**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Skill Development Fund Limited.

.....  
Director

.....  
Director

Colombo  
10th September 2015

The Accounting Policies & Notes form an integral part of these Financial Statements.  
*Figures in bracket indicate deductions*

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2015**

	<b>Stated Capital Rs. Cts</b>	<b>Revenue Reserves Rs. Cts</b>	<b>Other Reserves Rs. Cts</b>	<b>Retained Earnings Rs. Cts</b>	<b>Total Rs. Cts</b>
Balance as at 1st April 2013	102,001,520.00	479,890.00	(3,506.49)	59,061,255.35	161,539,158.86
Prior year adjustment				3,200,616.66	3,200,616.66
Net Profit for the year				13,894,777.09	13,894,777.09
Other Comprehensive Income			(95,914.47)		(95,914.47)
Balance as at 31st March 2014	<u>102,001,520.00</u>	<u>479,890.00</u>	<u>(99,420.96)</u>	<u>76,156,649.10</u>	<u>178,538,638.14</u>
<b>Balance as at 1st April 2014</b>	<b>102,001,520.00</b>	<b>479,890.00</b>	<b>(99,420.96)</b>	<b>76,156,649.10</b>	<b>178,538,638.14</b>
<b>Net Profit for the Year</b>				<b>7,306,843.17</b>	<b>7,306,843.17</b>
<b>Other Comprehensive Income</b>			<b>(197,882.33)</b>		<b>(197,882.33)</b>
<b>Dividends paid</b>				<b>(2,550,038.00)</b>	<b>(2,550,038.00)</b>
<b>Balance as at 31st March 2015</b>	<u><b>102,001,520.00</b></u>	<u><b>479,890.00</b></u>	<u><b>(297,303.29)</b></u>	<u><b>80,913,454.27</b></u>	<u><b>183,097,560.98</b></u>

The Accounting Policies & Notes form an integral part of these Financial Statements.  
*Figures in bracket indicate deductions*

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2015.

	2014/2015 Rs. Cts.	2013/2014 Rs. Cts.
<b>Cash Flow from Operating Activities</b>		
Net Profit Before Taxation	9,615,736.20	17,458,899.17
<b>Adjustments for</b>		
Disposal Profit / (Loss)	48,400.00	1,743.23
Depreciation	2,706,912.75	1,524,581.74
Prior year adjustment	-	3,200,616.66
Interest Income	(10,063,964.33)	(17,515,822.70)
Finance Cost	-	52,355.00
Gratuity Provision	300,060.40	238,918.43
Write Off of Inventory & Deposits	121,135.00	-
<b>Operating Profit before working capital changes</b>	<b>2,714,280.02</b>	<b>4,961,291.53</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease Trade & Other Receivables	(819,054.04)	472,232.18
(Increase)/Decrease Payable to Ministry Of Youth	3,278,406.00	-
Increase/(Decrease) Trade & Other Payables	(213,507.90)	(364,589.98)
<b>Net Cash Generated From Operating Activities</b>	<b>5,124,615.38</b>	<b>5,068,933.74</b>
Gratuity Paid	(223,300.00)	(100,000.00)
Tax Paid	(2,353,890.03)	(6,778,708.00)
Finance Cost Paid	-	(52,355.00)
WHT	-	(13,346.49)
<b>Net Cash Flow from Operating Activities</b>	<b>2,547,425.35</b>	<b>(1,875,475.75)</b>
<b>Cash Flow from Investing Activities</b>		
Investments in Fixed Deposits	910,997.33	(7,871,444.01)
Interest Income Received	10,063,964.33	17,515,822.70
Acquisition of Property, Plant & Equipment	(9,077,169.82)	(1,460,746.15)
Sales Proceeds of Property, Plant & Equipment	5,400.00	7,700.00
Investments of Scholarship fund - Fixed Deposit	(3,200,000.00)	-
<b>Net Cash Flow from Investing Activities</b>	<b>(1,296,808.16)</b>	<b>8,191,332.54</b>
<b>Cash Flow from Financing Activities</b>		
Payment of Dividends	(2,550,038.00)	-
<b>Net Cash Flow from Financing Activities</b>	<b>(2,550,038.00)</b>	<b>-</b>
Net Increase / Decrease in Cash & Cash Equivalents	(1,299,420.81)	6,315,856.79
Cash & Cash Equivalents at the beginning of the year	5,070,061.50	(1,245,795.29)
Cash & Cash Equivalents at the End of the year (Note A)	3,770,640.69	5,070,061.50
<b>Note A - Analysis of Cash &amp; Cash Equivalents</b>	<b>As At</b>	<b>As At</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs. Cts.</b>	<b>Rs.</b>
<b>Cts.</b>		
Cash at Bank - BOC -801	446,524.33	951,460.83
Bank of Ceylon - A/C No.764148708	103,406.00	-
Call Deposits	3,153,969.11	4,076,199.42
Cash in Hand	66,714.25	42,401.25
	<b>3,770,640.69</b>	<b>5,070,061.50</b>

The Accounting Policies & Notes form an integral part of these Financial Statements.  
*Figures in bracket indicate deductions*

## **NOTES TO THE FINANCIAL STATEMENTS – 2014/ 2015**

### **01. GENERAL**

#### **1.1 Legal status**

Skills Development Fund Limited is a limited liability Company incorporated and Domiciled in Sri Lanka. The registered Company and principal place of business is located at “Nipunatha Piyasa”, 7<sup>th</sup> Floor, 354/2, Elvitigala Mawatha, Colombo 05.

Company is a single shareholder company with the Secretary to the Treasury of the Government of Sri Lanka being the single shareholder.

#### **1.2 Principal activities & Nature of business**

During the year, the principal activities of the company were,

- Support job entry training, Skills upgrading and Retraining of employees.
- Expand and improve enterprise based training to facilitate the development of a highly trained and skilled workforce.
- Provided linkage between training institutions and the employers.

#### **1.3 Date of authorization for issue**

The Financial Statements of Skills Development Fund Limited for the year ended 31<sup>st</sup> March 2015 was authorized for issue by the Board of Directors on 10<sup>th</sup> September 2015.

#### **1.4 BASIS OF PREPARATION**

##### **1.4.1 Statement of compliance**

The financial statements which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (“financial statements”) have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 07 of 2007.

##### **1.4.2 Going Concern**

The directors have made an assessment of the company’s ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

##### **1.4.3 Basis of Presentation**

The financial statements were prepared on accrual basis and under the historical cost basis except for the following material items in the Statement of Financial Position.

- Retirement Benefit Obligations recognized based on actuarial valuation (LKAS - 19) (Note 15)

No adjustments have been made for inflationary factors in the financial statements.

#### **1.4.4 Functional and Presentation Currency**

The Financial Statements are presented in Sri Lankan Rupees which is the Company's functional currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest rupee, unless otherwise stated.

#### **1.4.5 Use of Estimates and Judgments**

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards (SLFRS/LKAS) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses.

Judgments and estimates are based on historical experience, trends and other factors including expectations that are believed to be reasonable under the circumstances. Accordingly, the actual results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis to ensure the validity of the same. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in the following notes:

Note 15- Measurement of Defined Benefit Obligation.

Note 16 - Deferred Taxation

#### **1.4.6 Comparative Information**

The presentation and classification of the financial statements of the previous years have been amended where relevant for better presentation and to be comparable with those of the current year.

### **02 SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **02.1 Assets and the Basis of their Valuation**

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

## **2.1.1 Property, Plant & Equipment**

### **2.1.1.1 Recognition and Measurement**

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

The cost for this purpose includes the cost of acquisition and any directly attributable expenditure incurred to bring the asset to its working condition or intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition or its intended use. This also includes cost of dismantling and removing the existing asset.

Capital Work-in-progress is transferred to the respective asset accounts at the time of first utilization or at the time the asset is commissioned. However No Capital Work in Progress exists as at the reporting date.

When property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined as difference between the proceeds from disposal and the carrying amount of property, plant and equipment, and are recognized under other income in the statement of comprehensive income.

### **2.1.1.2 Subsequent Expenditure**

Expenditure incurred on existing property, plant and equipment are capitalized when it is expected that such expenses would result in future economic benefits in excess of those originally assessed and its cost can be measured reliably. The carrying amount of the replaced asset is derecognized.

The costs of the day to day servicing/ maintenance of property, plant and equipment are recognized in Comprehensive Income Statement as incurred. When a revalued asset is disposed, the amount included in the revaluation surplus reserve is transferred to retained earnings.

### **2.1.1.3 De-recognition**

The carrying amount of an item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on de-recognition are recognized under other income in statement of comprehensive income.

#### **2.1.1.4 Borrowing Cost**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalized as a part of the asset. The amounts of the borrowing costs which are eligible for capitalization are determined in accordance with the in LKAS 23 - Borrowing Costs.

Borrowing costs that are not capitalized are recognized as expenses in the period in which they are incurred and charged to the Statement of Comprehensive Income.

#### **2.1.1.5 Depreciation and Amortization**

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

The estimated useful lives for the current and comparative periods are as follows:

Computer Equipment	Over 04 years
Other Office Equipment	Over 05 years
Motor Vehicles	Over 04 years
New Office Premises	Over 10 years
Furniture and Fittings	Over 10 years

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

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

#### **2.1.1.6 Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's value in use and its fair value less cost to sale and is 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 assets 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 pre tax discount rates that reflect current market assessments of the time value of money and the risk specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Impairment loss of continuing operations are recognized in the Statement of Comprehensive Income in those expenses categories consistent with the function of the impaired asset. 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, carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 'exceed' the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Comprehensive Income

## **2.1.2 Financial Instruments**

### **2.1.2.1 Financial Assets**

#### **2.1.2.1.1 Initial Recognition and Measurement**

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs. The Company's financial assets include cash and short term deposits, trade and other receivables and loans and receivables.

#### **2.1.2.1.2 Subsequent Measurement**

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

##### **Financial assets at fair value through profit or loss**

A financial asset at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit and loss are carried in the Statement of Financial Position at fair value with changes in fair value recognized in finance income or finance costs in the Statement of Comprehensive Income.

The Company did not hold any financial asset designated as financial asset at fair value through profit or loss during the year ended March 31, 2015.

## **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 and receivables held by the Company comprise of trade receivables, deposits, advances and other receivables and cash and cash equivalents.

## **Held-to-Maturity Investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held-to maturity investments are measured at amortized cost using the effective interest method, 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.

## **Available-for-Sale Financial Investments**

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the Statement of Comprehensive Income in finance costs and removed from the available-for-sale reserve. Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognized in profit or loss.

### **2.1.2.1.3 De-Recognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognized when:

- The rights to receive cash flows from the asset have expired
- The Company 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 (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **2.1.2.1.4 Impairment of Financial Assets**

The Company 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.

The Company did not recognize any impairment losses in respect of financial assets for the year ended March 31, 2014 and March 31, 2015.

#### **2.1.2.2 Financial Liabilities**

##### **2.1.2.2.1 Initial Recognition and Measurement**

Financial liabilities within the scope of LKAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, transaction costs that are directly attributable to the acquisition or issue of such financial liability. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings Subsequent Measurement Financial liabilities at fair

value through profit or loss financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Comprehensive Income. The Company has not designated any financial liabilities upon initial recognition as at fair value through profit or loss. Loans and borrowings after initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Statement of Comprehensive Income when the liabilities are derecognized as well as through the effective interest rate method (EIR) amortization process. 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 costs in the Statement of Comprehensive Income.

#### **2.1.2.2.2 De-recognition**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires.

#### **2.1.2.3 Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset 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.

#### **2.1.2.4 Financial Risk Management**

##### **Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and related parties.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

##### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

##### **Interest Rate Risk**

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### **2.1.3 Trade receivables**

Company recognizes trade receivables as financial assets in its statement of financial position when, and only when, the Company has a contractual right to receive cash or another financial asset.

Trade receivables are amounts due from customers for commodities sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value. After initial the Company measures Trade receivables at amortized cost using the effective interest method less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

The management ensures that there is no chances of impairment of debtors as many of are state institutions.

#### **2.1.4 Cash & Cash Equivalents**

Cash and cash equivalents comprise cash balances, call deposits, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value net of bank overdrafts that are repayable on demand for the purpose of the Statement of Cash Flows.

#### **2.1.5 Stated capital**

The stated capital includes the total of all amounts received by the Company or due and payable to the Company in respect of the issue of Shares and in respect of calls on Shares.

#### **2.1.6 Trade payables**

Company recognizes trade payables as financial liabilities in its statement of financial position when, and only when, the Company has a contractual obligation to deliver cash or another financial asset.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). 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.

### **2.2 Liabilities and Provisions**

Liabilities classified as current liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from reporting date. Non-current liabilities are those balances that fall due for payment after one year from reporting date. All known liabilities have been accounted for in preparing these Financial Statements.

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

## **2.2.1 Employee Benefits**

### **2.2.1.1 Defined Contribution Plans – EPF & ETF**

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

The Company contributes 12% of gross emoluments of the employees to Employees' Provident Fund (EPF).

All of the employees are eligible for Employees' Trust Fund to which the Company contributes 3% of gross emoluments of such employees.

### **2.2.1.2 Defined Benefit Plan – Retirement Gratuity**

Defined benefit plans define an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Company has adopted a defined benefit plan as required under the Payment of Gratuity Act No. 12 of 1983 for all eligible employees..

The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognized past service cost. The defined benefit obligation is calculated annually by the Company using the projected unit credit method prescribed in Sri Lanka Accounting Standard 19; Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of Government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in statement of comprehensive income, unless the changes to the plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past service costs are amortized on a straight-line basis over the vesting period.

Under the Payment of Gratuity Act No.12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The key assumptions used in determining the Retirement Benefit Obligations are given in Note 16.

## **2.3 Capital Commitments and Contingencies**

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

All material Capital Commitments and Contingent Liabilities are disclosed in Note 19.

## **2.4 Statement of Comprehensive Income**

For the purpose of presentation of the Statement of Comprehensive Income the directors are of the opinion that function of expenses method presents fairly the elements of the Company's performance, and hence such presentation method is adopted in line with the provisions of LKAS 1 – Presentation of Financial Statements.

### **2.4.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Company. The following specific criteria are used for the purpose of recognition of revenue.

#### **2.4.1.1 Rendering of Services**

Revenue from rendering of services is recognized in the accounting period in which the services rendered or performed

#### **2.4.1.2 Interest Income**

Interest Income is recognized as the interest accrued (taking into account the effective yield on the asset) unless collectability is in doubt.

#### **2.4.1.3 Gains or Losses on Disposal**

Gains and losses on disposal of an item of Property, Plant & Equipment are determined by comparing the net sales proceeds with the carrying amounts of Property, Plant & Equipment and are recognized within the 'other income' in the Statement of Comprehensive Income.

### **2.4.2 Expenditure Recognition**

#### **2.4.2.1 Operating Expenses**

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

Percentage of administration cost is recognized as programme relevant cost and treats as direct cost to arrive gross profit. The percentages of cost distribution as follows.

Stationery	75%
Telephone	90%
Fuel	60%
Transport	60%
Overtime	50%
Stamp Duty	100%

#### **2.4.2.2 Tax Expense**

Income Tax expense comprises current and deferred tax. Income tax expense is recognized in Statement of Comprehensive Income except to the extent that it relates to items recognized directly in equity, when it is recognized in equity.

##### **2.4.2.2.1 Current Taxes**

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

##### **2.4.2.2.2 Deferred Taxation**

Deferred taxation is recognized using the Balance Sheet liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The relevant details are disclosed in the Notes 16 to the Financial Statements.

## **2.5 Statement of Cash Flows**

The Statement of Cash Flows has been prepared using the 'Indirect Method'. Lease rental paid, dividend paid and grants received are classified as financing cash flows while interest received and dividends received are classified as investing cash flows for the purpose of presentation of the Statement of Cash Flows.

## **2.6 Earnings per Share**

The Company presents Basic Earnings per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

## **2.7 Events after the reporting period**

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

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**NOTES TO THE FINANCIAL STATEMENTS - 2014/2015**

**NOTE 03 - REVENUE**

	<b>2014/2015</b>	<b>2013/2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Income	<b>56,310,690.00</b>	46,946,179.50
	<b><u>56,310,690.00</u></b>	<b><u>46,946,179.50</u></b>

**NOTE 04 - DIRECT COST**

	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Resource Personnel Fees	<b>8,657,365.00</b>	8,229,020.00
Refreshments	<b>11,626,682.80</b>	7,369,122.49
Programme Relevant Cost	<b>4,130,910.89</b>	4,437,160.57
Programme Development Cost	<b>2,296,020.00</b>	1,992,040.00
Stationary & Consumables - Programme	-	272,280.40
Advertising - Programme	<b>568,880.80</b>	55,781.20
Travelling & Daily Subsistence - Programme	<b>561,127.00</b>	36,770.00
Hall Charges	<b>45,000.00</b>	300,379.00
Other Programme Expenses	-	85,974.00
Postage - Programme	<b>564,450.00</b>	297,930.00
Course Fee Refunds	<b>(7,500.00)</b>	7,500.00
	<b><u>28,442,936.49</u></b>	<b><u>23,083,957.66</u></b>

**NOTE 05 - OTHER INCOME / ( EXPENSES)**

	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Disposal Profit / ( Loss ) on Fixed Assets	<b>(48,400.00)</b>	1,743.23
Written Back	<b>(79,530.33)</b>	-
	<b><u>(127,930.33)</u></b>	<b><u>1,743.23</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - 2014/2015****NOTE 06 - ADMINISTRATION & ESTABLISHMENT EXPENSES**

	<b>2014/2015</b>	<b>2013/2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Salaries & Allowances	<b>11,568,375.00</b>	9,172,126.00
Chairman's Allowance	<b>462,500.00</b>	600,000.00
Chairman's Vehicle Allowance	<b>485,000.00</b>	360,000.00
Chairman's Entertainment Allowance	<b>47,500.00</b>	60,000.00
EPF -12%	<b>1,388,268.00</b>	1,100,693.00
ETF- 3%	<b>347,021.00</b>	275,143.00
Gratuity	<b>300,060.40</b>	238,918.43
Over Time	<b>96,472.50</b>	93,640.50
Staff Welfare	<b>735,631.50</b>	300,822.00
Staff Bonus	<b>381,189.00</b>	300,000.00
Depreciation - Furniture & Fittings	<b>208,271.56</b>	200,849.22
Office Equipment	<b>464,707.28</b>	322,075.78
Computer Equipment	<b>434,081.25</b>	358,054.12
New Office Premises	<b>643,602.62</b>	643,602.62
Motor Vehicles	<b>956,250.00</b>	-
Accounting Package Maintenance - MYOB	<b>65,950.00</b>	236,100.00
Audit Fees	<b>115,000.00</b>	110,000.00
Secretarial Services	<b>170,992.72</b>	146,526.87
Other Expenses	<b>10,030.00</b>	23,011.00
Postage	<b>44,910.00</b>	33,270.00
Stationery	<b>380,104.23</b>	383,359.02
Printing	<b>958,958.44</b>	854,314.20
Telephone	<b>258,851.50</b>	112,233.96
Transport	<b>322,130.80</b>	345,545.20
Professional Charges	<b>103,500.00</b>	247,400.00
Electricity	<b>1,006,506.57</b>	1,045,061.87
Janitorial Services	<b>722,999.08</b>	348,401.36
Insurance	<b>92,957.76</b>	53,285.61
Internet & Email Charges	-	25,493.00
Security Charges	<b>844,350.00</b>	647,512.50
On the Job Trainee Payments	<b>222,576.00</b>	-
Staff Training & Development	<b>265,000.00</b>	260,011.49
Fuel	<b>213,487.60</b>	531,988.00
Office Equipment Maintenance	<b>224,970.76</b>	220,737.54
Vehicle Repair & Maintenance	<b>777,015.00</b>	735,772.52
Water	<b>62,113.51</b>	66,873.84
Board Members Atten. Allowance	<b>230,000.00</b>	267,000.00
Board Members Travel. Allowance	<b>77,200.00</b>	74,000.00
Audit & Mgt Committee Allowance	<b>65,000.00</b>	70,000.00
Maintenance Charges	<b>1,273,768.23</b>	1,241,552.03

Computer Maintenance	<b>148,425.00</b>	222,960.00
Bad Debts- Written Off	<b>228,750.00</b>	228,800.00
Vehicle Hire Charges	<b>86,666.00</b>	-
Donations	<b>222,000.00</b>	307,000.00
Dayata Kirula Stall Expenses	-	115,545.00
Rates & Taxes	<b>75,600.00</b>	58,799.95
Office Renovation Charges	-	766,344.05
Newspapers & Periodicals	<b>64,110.00</b>	63,710.00
Bank Charges	<b>71,760.00</b>	52,355.00
World Youth Conference	<b>171,655.00</b>	-
Festival Celebration Expenses	<b>105,783.00</b>	-
	<b><u>28,202,051.31</u></b>	<b><u>23,920,888.68</u></b>

NOTE 07 - NET FINANCIAL INCOME

	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Interest Income - FD	<b>9,938,685.47</b>	17,382,357.78
Interest Income - Call Deposits	<b>111,069.86</b>	133,464.92
Interest Income- Staff loans	<b>14,209.00</b>	-
	<b><u>10,063,964.33</u></b>	<b><u>17,515,822.70</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - 2014 / 2015****NOTE 08 - INCOME TAX EXPENSES****08.1 Current Taxes**

The Company in terms of of the Inland Revenue Act No 10 of 2006 as amended by the Amendment Act No 22 of 2011, profits & income from any business which has annual turnover less than 300 million is liable at the rate of 10% as per the first schedule to this Act. Other profits are liable at normal rates.

	<b>2014/2015</b>	<b>2013/2014</b>
	<b>Rs.</b>	<b>Rs.</b>
Current Income Tax Expense ( Note 08.2 )	<b>1,757,890.03</b>	3,189,226.00
Previous Years Arrears Income Taxes Paid	<b>596,000.00</b>	-
Deemed Dividend Tax	-	318,292.00
Deferred Taxation ( Note 08.3 & 16 )	<b>(58,997.00)</b>	56,604.00
	<b><u>2,297,402.00</u></b>	<b><u>3,564,122.00</u></b>

**08.2 Reconciliation between Accounting Profit to Income Tax****For the year ended 31st March**

Accounting Profit Before Taxation	<b>9,601,736</b>	17,458,899
Income from Other Sources & Exempt Income	<b>(10,063,964)</b>	(17,515,823)
	<b>(462,228)</b>	(56,924)
Aggregate Disallowable Items	<b>3,419,593</b>	2,201,734
Aggregate Allowable Items	<b>(3,362,595)</b>	(1,471,547)
Adjusted Profit / ( Loss ) from the Business	<b>(405,230)</b>	673,263
<b>Income from Other Sources - ( Interest Income )</b>	<b>10,063,964</b>	17,515,823
Total Statutory Income	<b>9,658,734</b>	18,189,086
Business Losses Claimed	<b>(3,380,557)</b>	(6,366,180)
Taxable Income	<b>6,287,139</b>	11,822,906
Tax on Ordinary Business 10%	-	67,326
Tax on Other Income 28%	<b>1,757,890</b>	3,121,900
Income Tax on Profits for the year	<b><u>1,757,890</u></b>	<b><u>3,189,226</u></b>

**08.3 Deferred Tax**

Provision has been made for deferred taxation under the liability method in respect of temporary differences arising from carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose as described in Note 16. Difference arising from the deferred tax liability has been recognized in the Financial Statements during the year.

	<b>2014/2015</b>	<b>2013/2014</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Deferred Tax Expense / ( Income ) arises from :</b>		
Accelerated Depreciation for Tax Purpose	<b>(31,531.00)</b>	80,087.00
Employee Benefit Liability	<b>(27,466.00)</b>	(23,483.00)
	<b><u>(58,997.00)</u></b>	<b><u>56,604.00</u></b>

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## NOTES TO THE FINANCIAL STATEMENTS - 2014 / 2015

### NOTE 09 - EARNINGS PER SHARE

The calculation of the earnings per share is based on Profit attributable to ordinary shareholders for the year divided by the weighted average number of ordinary shares outstanding during the year.

#### 09.01 Basic Earnings per Share

	2014/2015	2013/2014
	Rs. Cts	Rs. Cts
Profit attributable to Ordinary Shareholders (Rs. Cts)	7,306,843.17	13,894,777.18
Weighted average number of ordinary shares	10,200,152.00	10,200,152
Earnings Per Shares (Rs. Cts.)	0.72	1.36

#### 09.02 Diluted Earnings per Share

There were no potential dilutive ordinary shares outstanding at any time during the year ended 31st March 2015. Therefore, Diluted Earnings per Share is same as Basic Earnings per Share reported above.

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## NOTES TO THE FINANCIAL STATEMENTS – 2014 / 2015

### NOTE 10 - PROPERTY, PLANT & EQUIPMENT

Cost	Furniture & Fittings Rs. Cts.	Other Office Equipment Rs. Cts.	Motor Vehicles Rs. Cts.	Computer Equipment Rs. Cts.	New Office Premises Rs. Cts.	Total Rs. Cts.
Cost as at 01.04.2014	2,196,885.76	2,456,742.14	3,603,125.00	2,058,849.00	6,436,026.25	16,751,628.15
Additions	195,341.82	744,328.00	7,650,000.00	487,500.00	-	9,077,169.82
Disposals	(20,955.00)	(302,100.00)	-	(135,150.00)	-	(458,205.00)
<b>Cost as at 31.03.2015</b>	<b><u>2,371,272.58</u></b>	<b><u>2,898,970.14</u></b>	<b><u>11,253,125.00</u></b>	<b><u>2,681,499.00</u></b>	<b><u>6,436,026.25</u></b>	<b><u>25,370,592.97</u></b>

### Accumulated Depreciation

Balance as at 01.04.2014	657,324.12	1,183,293.52	3,603,125.00	1,399,503.13	1,474,031.31	8,317,277.08
Charge for the year	208,271.56	464,707.28	956,250.04	434,081.25	643,602.62	2,706,912.75
Disposals	(20,955.00)	(248,300.00)	-	(135,150.00)	-	(404,405.00)
<b>Accu. Dep. as at 31.03.2015</b>	<b><u>844,640.68</u></b>	<b><u>1,399,700.80</u></b>	<b><u>4,559,375.04</u></b>	<b><u>1,698,434.38</u></b>	<b><u>2,117,633.93</u></b>	<b><u>10,619,784.83</u></b>
Carrying Value as at 31.03.2014	1,539,561.64	1,273,448.62	-	659,345.87	4,961,994.94	8,434,351.07
<b>Carrying Value as at 31.03.2015</b>	<b><u>1,526,631.90</u></b>	<b><u>1,499,269.34</u></b>	<b><u>6,693,749.96</u></b>	<b><u>983,064.62</u></b>	<b><u>4,318,392.32</u></b>	<b><u>14,750,808.14</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS – 2014 / 2015**

**NOTE 11 - TRADE & OTHER RECEIVABLES**

	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Debtors	<b>6,178,772.80</b>	8,213,288.80
Refundable Deposits	-	7,500.00
Pre Paid Insurance	<b>55,365.92</b>	13,546.93
Prepaid Rates & Taxes	<b>45,360.00</b>	-
Advances	<b>275,000.00</b>	-
Staff loan	<b>1,505,353.00</b>	-
Interest Receivable	<b>475,930.97</b>	607,601.40
WHT Receivables	-	-
Income Tax Refund Due	<b>950,217.18</b>	-
	<b><u>9,488,999.87</u></b>	<b><u>8,841,937.13</u></b>

**NOTE 12 -INVESTMENTS**

	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Fixed Deposits	<b><u>157,922,570.81</u></b>	<b><u>158,833,568.14</u></b>
	<b><u>157,922,570.81</u></b>	<b><u>158,833,568.14</u></b>

**NOTE 13 - CASH & CASH EQUIVALENTS**

	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Bank of Ceylon - A/C No. 801	<b>446,524.33</b>	951,460.83
Bank of Ceylon - A/C No.764148708	<b>103,406.00</b>	-
Call Deposits	<b>3,153,969.11</b>	4,076,199.42
Cash in Hand	<b>66,741.25</b>	42,401.25
	<b><u>3,770,640.69</u></b>	<b><u>5,070,061.50</u></b>

**NOTE 14 - STATED CAPITAL**

	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Fully Paid Ordinary Shares & One Golden Share	<b><u>102,001,520.00</u></b>	<b><u>102,001,520.00</u></b>

**14.1 The Golden Shareholder**

The Golden Shareholder is currently held by the Secretary to the Treasury and shall only be held by Secretary to the Treasury or by an "Appointed Director" in his official capacity and not in his own name for the behalf of the Democratic Socialist Republic of Sri Lanka. In addition to the rights of the normal Ordinary Shareholder the Golden Shareholder has the following special rights.

**NOTES TO THE FINANCIAL STATEMENTS – 2014 / 2015**

14.1.1 The holder of the "Golden Share" may veto any ordinary, special or extraordinary resolutions passed by General Meeting or otherwise, if such resolutions is, in the opinion of the holder of the Golden Share for the time being, is either contrary to the mission, goals and objectives of the Company or is not in keeping with the policy of the Government.

14.1.2 The Articles of Association of the Company as originally framed may from time to time be altered by " Special Resolution " provided that the concurrence of the holder to the Golden Share, in writing shall be first obtained to amend the definition of the words " Golden Share " and " Golden Shareholder " and any articles relating to the rights of the holder of the Golden Share.

14.1.3 The Golden Shareholder shall be entitled to call upon the Board of Directors of the Company once in every three month period if desired to meet with the Golden Shareholder and or his nominees and the Directors if so called upon shall meet with the Golden Shareholder and or his nominees to discuss matters of the Company of interest to the State of Democratic Socialist Republic of Sri Lanka.

14.1.4 The Golden Shareholder may be converted into an Ordinary Share with the concurrence of the Golden Shareholder given in writing and the concurrence of the majority of the Shareholders.

14.1.5 The Golden Shareholder and / or his nominees shall be entitles to inspect the books of accounts of the Company after giving two weeks written notice to the Company.

14.1.6 The Company shall submit to the Golden Shareholder , within 60 days of the end of each quarter , a quarterly report relating to the performance of the Company during the said quarter in a per - specified format agreed to by the Golden Shareholder and the Company.

14.1.7 The Company shall submit to the Golden Shareholder, within 90 days of the end of each fiscal year, information relating to the Company in a pre-specified format agreed to by the Golden Shareholder and the Company.

**NOTE 15 - RETIREMENT BENEFIT OBLIGATIONS - GRATUITY**

	<b>31.03.2015</b>	31.03.2014
	<b>Rs. Cts.</b>	Rs. Cts.
Balance at the beginning of the year	<b>1,076,393.71</b>	841,560.81
Charged during the year	<b>497,942.73</b>	334,832.90
Payments made / transferred to payable during the year	<b>(223,300.00)</b>	(100,000.00)
Balance at the end of the year	<b><u>1,351,036.44</u></b>	<u>1,076,393.71</u>

The Valuation method used by the management to value the benefit is the 'Projected Unit Credit Method', the method recommended by the the Sri Lanka Accounting Standard No. 19 ,'Employee Benefits'.

**NOTES TO THE FINANCIAL STATEMENTS - 2014/2015**

	<b>2014/2015</b>	<b>2013/2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
15.1 The movement in the retirement benefit obligations over the year is as follows.		
Interest Cost	<b>96,875.43</b>	75,740.47
Current Service Costs	<b>203,184.97</b>	163,177.96
Total included in the Administration Cost [Note 06]	<b>300,060.40</b>	238,918.43
Net Actuarial (Gain)/Loss recognized immediately	<b>197,882.33</b>	95,914.47
Amount Recognized in the statement of other comprehensive income	<b>197,882.33</b>	95,914.47
Total recognized in the comprehensive income	<b>497,942.73</b>	334,832.90

**15.2 The Key Assumptions used by the Management include the following,****15.2.1 Financial Assumptions**

Rate of Interest	09%	09% p.a ( 2013-2014 - 09% )
Rate of Increase of Salaries	02%	02% p.a ( 2013-2014 - 02% )

**15.2.2 Demographic Assumptions**

In addition to the above financial assumptions, demographic assumptions such as mortality, withdrawal, disability and retirement age were considered for the actual valuation. A 1967/70, A 1949/52 mortality table issued by Institute of Actuaries, London was used to estimate the gratuity liability of the company.

Retirements-Age	Male/Female	60 Years
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The Company will continue as a going concern. The gratuity liability is not externally funded.

**NOTE 16 - DEFERRED TAX LIABILITIES**

	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Balance at the beginning of the year	<b>604,762.00</b>	548,158.00
Charged during the year	<b>(58,997.00)</b>	56,604.00
Balance at the end of the year	<b>545,765.00</b>	604,762.00

**NOTES TO THE FINANCIAL STATEMENTS - 2014/2015****16.1 Recognized Deferred Tax Assets & Liabilities**

Deferred Tax assets and liabilities are attributable to the following originations of temporary differences, Taxable/ (Deductible) Temporary Differences:

Property, Plant & Equipments	<b>(6,808,689.00)</b>	(7,124,009.00)
Retirement Benefit Obligation	<b>1,351,040.00</b>	1,076,393.00
	<b>(5,457,649.00)</b>	(6,047,616.00)
Applicable Tax Rate	<b>0.10</b>	0.10
Net Deferred Tax Liabilities	<b>(545,765.00)</b>	(604,762.00)

The Company recognized Deferred Tax Assets of Rs. 135,104.00 as at the reporting date, as the management is confident that the Deferred Tax assets would be realized in the future due to the availability of Taxable Profits in the future. Moreover, Deferred Tax Liabilities recognized as at reporting date is Rs 680,869.00 . Accordingly Net Deferred Tax Liability as at March 31st, 2015 is Rs. 545,765.00

**Future Applicable Tax Rate**

As per the tax consultants' opinion, Profit derived by the Company from its normal course of business would be liable for Income Tax at the rate of 10%.

**NOTES TO THE FINANCIAL STATEMENTS - 2014/2015**

<b>NOTE 17 - SKILLS DEVELOPMENT PROVIDENT FUND</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Scholarship Fund Payable	<b>3,278,406.00</b>	-
	<b>3,278,406.00</b>	-

This fund was initiated by the instructions given by the Hon, Minister in order to benefit of the needy & vulnerable aspirant students in the field of skills development. Fund was stenthths with the initial deposit made by the company amounting to Rs 25,000.00 & Funds raised through the selling of bookmarks. This fund is separately maintain in separate bank account. ( BOC Narahenpita - A/C No - 76148708 & Fixed Deposit No 713820 in same branch. )

<b>NOTE 18 - TRADE &amp; OTHER PAYABLES</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>Rs. Cts.</b>	<b>Rs. Cts.</b>
Audit Fees	<b>115,000.00</b>	110,000.00
Security	<b>75,862.50</b>	62,662.50
Sundry Creditors	-	26,529.69
Bills Payable- Accounting	-	15,000.00
Dividends	-	37.50
Electricity	<b>216,838.06</b>	79,369.50
Sundry	<b>307,342.59</b>	169,943.78
Telephone	<b>74,717.94</b>	77,000.00
Income Tax	-	443,215.99
Newspapers	<b>10,490.00</b>	-
Professional Fees	<b>60,000.00</b>	90,000.00
	<b>860,251.09</b>	<b>1,073,758.96</b>

**NOTE 19 - CAPITAL COMMITMENTS**

The Company had no material capital commitments outstanding as at the Reporting date.

**NOTE 20 - EVENTS AFTER THE REPORTING PERIOD.**

There were no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

**NOTE 21 - FINANCIAL RISK MANAGEMENT****Overview**

The Company has exposure to the following risks from its use of financial instruments:

- \* Credit risk
- \* Liquidity risk

This note presents qualitative and quantitative information about the Company's exposure to each of the above risks, the Company's objectives, policies and procedures for measuring and managing risk.

**NOTES TO THE FINANCIAL STATEMENTS - 2014/2015****Risk Management Framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**Credit Risk**

Credit risk is the risk of financial Loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers and investment securities. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows,

	<b>31.03.2015</b>	31.03.2014
	<b>Rs. Cts.</b>	Rs. Cts.
<b>Loans and Receivables</b>		
Trade and other Receivables	<b>9,653,491.17</b>	9,000,893.13
Investments	<b>157,922,570.81</b>	158,833,568.14
Cash and Cash Equivalents	<b>3,617,427.69</b>	5,070,061.50
	<b><u>171,193,489.67</u></b>	<u>172,904,522.77</u>

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing this risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal or stressed conditions, without incurring unacceptable Losses or damage to the Company's reputation.

To measure and mitigate liquidity risk, the Company closely monitored its net operating cash flow, maintained a level of Cash and Cash equivalents and secured committed funding facilities from financial institutions.

	<b>31.03.2015</b>	31.03.2014
	<b>Rs. Cts.</b>	Rs. Cts.
<b>Non-derivative financial liabilities</b>		
Trade and other Payables	<b>860,251.09</b>	1,232,714.97
	<b><u>860,251.09</u></b>	<u>1,232,714.97</u>