



SLITA

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இலங்கை புடைவை மற்றும் ஆடை நிறுவகம்
SRI LANKA INSTITUTE OF TEXTILE & APPAREL

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வருடாந்த அறிக்கை
ANNUAL REPORT

2020



State Ministry of Batik, Handloom Textile & Local Apparel Products

Kandawala Estate, No. 2, Gen. Sir John Kothalawala Rd, Ratmalana.

Phone: +94 11 26 32 406, +94 11 26 36 917 Fax: +94 11 26 36 337, +94 11 26 22 897,

E-mail: train@textile-clothing.lk Web: www.slita.lk



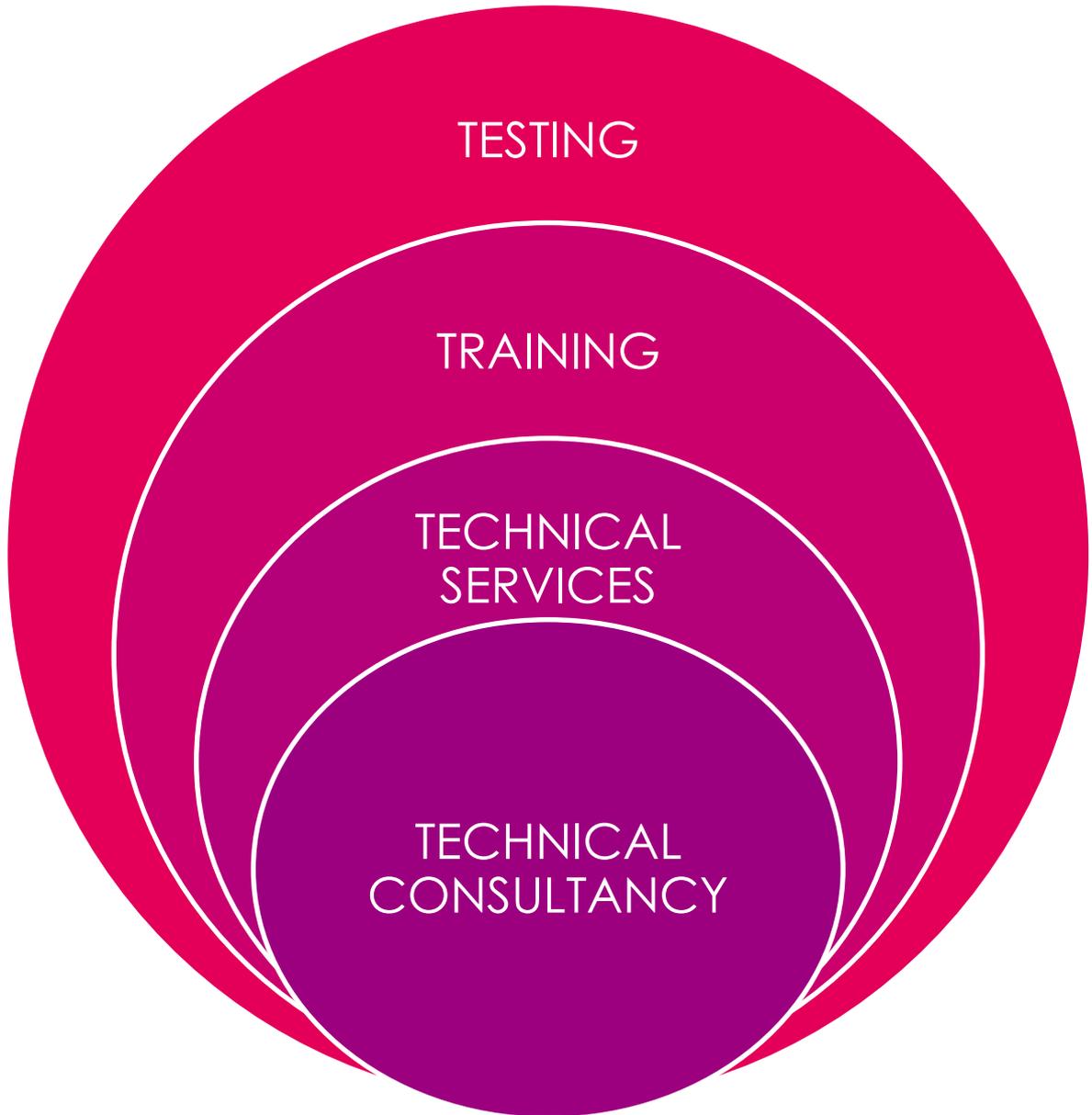
OUR
VISION

“To be a Globally Recognized Centre
For Developing Proficiency of Personnel
And Providing Consultancy Services,
testing,
R & D and Innovation for the Industrial
Sectors of Textile, Apparel and
Leather products.”

OUR
MISSION

"To Provide Proficient, Well-trained Human Capital,
Reliable Expertise, and Innovative Solutions
To enhance the productivity
Product and services quality
And corporate value of the Textile, Leather
products,
Apparel and Allied Industries seeking
Sustainable Development".

OUR SERVICES



CORPORATE INFORMATION

Name of the Institution	: Sri Lanka Institute of Textile & Apparel
Address	: Kandawela Estate, No.02, Gen. Sir John Kotalawela Mawatha Ratmalana.
Registration	: The Sri Lanka Institute of Textile And Apparel Act, No. 12 of 2009
Legal Form	: Statutory Board
Line Ministry	: State Ministry Of Batik, Handloom And Local Apparel Products.
Board of Directors	: <ul style="list-style-type: none">• Ms.R. Sunethra Gunawardhana (Chairperson)• Mr. Yohan Lawrence• Mr. K.H. Bandula Fernando• Prof. (Mrs.) .U.G.S. Wijayapala• Mr. Felix Fernando• Mr. Suresh Indika• Ms. D.A.S.Dahanayake• Ms. Anjali Weerasinghe• Mr. Chandana Pushpakumara
Auditor	: Department of Auditor General
Telephone Nos.	: 2632406 / 2636336
Fax No.	: 2636337
E.Mail	: director@textil-clothing.lk , info@slita.lk
Website	: www.slita.lk

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MESSAGE FROM CHAIRPERSON - SLITA

I, as the chairperson, am delighted to issue the message to the annual report of SLITA for the year 2020, a year concluded with a success as a self-sustained institute. This institute has been the pioneering textile and apparel training institute in Sri Lanka for over the past thirty years that produced diplomats, amongst other services, required by the industry, who are ready-made leaders to face the global economic competition in emerging markets. They are well-armed with the knowledge suited to face any eventuality in the challenges of the industry.

It is an appreciative endeavor of SLITA that it widens its educational opportunities to the youths in the country in terms of Diploma level programmes designed to suit the market needs of the industry. Through this process of study programmes, the future professionals with enhanced and upgraded skills would, definitely, be exact matches with the expectations of the industry. Besides, plans are afoot to launch a home-grown degree programme, an ever cry of need of the industry persons, which is to produce the tailor-made graduates to a multi-billion dollar market, that brings in many more opportunities to the nation as a whole.

The institute is mandated to offer training, technical and consultancy services to the industry and its horizons are, now planned to be expanded beyond local boundaries, spanning into South Asian countries as well. Additionally, reputation of SLITA as a predominant training institution is well received by foreign students and as a result, SLITA absorbs, in each year, a few foreign students from South East Asian countries. They, having been graduated with Diplomas, carry the message of SLITA in the international sphere of education, to our credit, in an effort to add more value to the courses.

Textile and apparel, as a global industry, is fast changing with diverse products, with increasing parameters of choices left to the customer for selection and the taste of customers is a strong and a decisive factor in the market. With this phenomena, the producers have changed the ways, they face the severe competition in the marketplace, and SLITA is no exception, but geared to face the challenges offered by the industry to face the global competition.

Further, SLITA offers a lot of opportunities for the youths and prospective personnel, who are of high ambitions in their career developments in a booming industry and the institution offers them ample opportunities to grow as future leaders in the industry. They, ultimately, contribute to the national economy through the industry, which thrives in leaps and bounds to bring in much wanted foreign exchanges. Hence, SLITA is a proud partner, to develop the economy that can make the country proud.

I truly admire the contribution of SLITA made to the national economy and congratulate the institute and its members of the staff for their success in future endeavours.

R. Sunethra Gunawardhana

Chairperson – SLITA

Secretary – State Ministry Of Batik, Handloom And Local Apparel Products.

MESSAGE FROM DIRECTOR GENERAL

I consider it a privilege as the Director General of the institute to spearhead Sri Lanka Institute of Textile and Apparel, as a leader, to new heights with excellence in textile and apparel sector. SLITA, as the premier institution associated with the textile and apparel sector, offers training, testing and consultancy services as its core businesses and looks for untapped opportunities to showcase its advantages. In view of this, the institution, now, is geared to train both school leavers and industry personnel in various disciplines that are demanded in the industry sector. I am happy to mention that those who obtain training in various disciplines of textile, garment and leather & footwear specialties, are in demand for employment, and they are gainfully employed.

SLITA offers its unparalleled services to the sustenance of the industry, and one of its prime services is the expertise offered by the laboratory, a well-equipped state-of-the-art testing center in Sri Lanka, accredited for ISO certifications, that offers diverse tests required of the industry. Apart from the existing facilities in the laboratory, well-drawn plans are under way for a major expansion drive to accommodate testing for other industry sectors, as well. In addition to the core training courses, SLITA is planning to offer its own degree programmes, in a few specializations, that target the demands of the industry. Further, specialized training programmes, too, are offered for those factories, that require improvements in productivity in order to compete in the local and international markets. Besides, training courses for cottage based industries take a center stage of the services of the organization to impart knowledge to the communities, specially, in identified districts, so that they are able to upgrade their standards of living through a sustainable livelihood.

As we go on the path of development, we foresee a host of business opportunities in the offing for our institution to grow, and our horizons are to expand beyond the country into the Asian region for unexplored market opportunities. I congratulate the members of the staff for their unstinted co-operation extended to the management during the year 2020 to gain a sizeable financial viability out of the operation of the core businesses, and wish them a success to offer their best to the sustenance of the industry and to make the nation proud.

Archt, Sarath Fernando
Director General
Sri Lanka Institute of Textile and Apparel

STATEMENT OF DIRECTOR GENERAL'S RESPONSIBILITIES

The responsibilities of the Director General, in relation to the financial statements of the Institute, differ from the responsibilities of the Auditors.

As per the provisions of the Finance Act, the Director General is required to prepare financial statements for each financial year giving a true and a fair view of the state of affairs of the organization as at the end of the financial year and of the results of its operations for the financial year.

The Director General considers that, in preparing these financial statements, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Director General is also confident that the organization has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements. Further the Director General has a responsibility to ensure that the organization maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the organization and to ensure that the financial statements presented comply with the requirements of the Finance Act.

The Director General is also responsible for taking reasonable steps to safeguard the assets of the organization and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Director General is confident that he has discharged his responsibilities as set out in this statement. The Director General also confirms that to the best of his knowledge, all statutory payments by the organization as at the Balance Sheet date have been paid or where relevant, provided for.

AN OVERVIEW OF THE INSTITUTE

INTRODUCTION

Of the institutes, renowned to offer textile and apparel related services, Sri Lanka Institute of Textile, SLITA, stands out as the pioneering institute as the unique arm of the government to represent textile and apparel sector, and has been in the continuous business world of Textile and Apparel industry for the last several decades. Institute offers a strong presence to the recipient of its services with its unparalleled service delivery in its core business operations, of which training, testing, and technical and management consultancy services take a center stage, and industry sector makes use of the services to build and enhance the potential, and capacity of the industry. . As a result, industrialists have been able to develop their edges of their own capabilities to gain the status as star class cash cows. This trend persists and continues unceasingly, with the contribution of our organization and we, as the driving force of the knowledge, have envisioned to grow with the latest industry demands and requirements.

In the global arena of textile and apparel industry, trends are dynamic and revolutionary with the developments of latest techniques on the production floor and the users are more intelligent than ever, to select the right product to their satisfaction. As a result, producers are now, finicky about their products that go to the market to match the pulse of the users. It is now a competition between the product and the mind-set of the users, as customers look for fine and flawless products, in the market.

In this process, SLITA, as a training institution, becomes instrumental in producing visionary leaders to the industry. The role of SLITA is crucial in this respect, as it offers training, testing and consultancy services as its core business services to cater to the emerging world of textiles and apparel. In order to look for untapped opportunities in the global marketplace, the institution, now, is geared to train both school leavers and industry personnel in various disciplines that are demanded in the industry sector.

During the past years, the Institute has gained a sizeable portion of income through training activities and the income gained through testing remained average. Student population is, truly, on a rapid rise, reaching to a couple of thousands and more facilities are planned, to increase the intake, in the years to come. Further, as the concept of productivity is gaining grounds, specialized training programmes are offered to those industrialists, that require improvements in productivity in order to compete in local and international markets. In parallel to this, training courses for cottage based industries take a center stage of the services of the institute to impart knowledge to the communities in the less privileged districts, so that communities are able to upgrade their standards of living through a sustainable livelihood. As the institutes progresses on the path of development, there looms large a host of business opportunities in the offing for the institution to grow with.

The Board of Governors

The Board of Governors are entrusted with the powers to make decision on policy and legislation of the Institute and Director General executes the decisions of the Board. The Board Meetings are held each month and the members review the progress & activities and set guidelines for operations of the Institute.

The Board as at 31.12.2020

1	Ms.R.Sunethra Gunawardana	Chair Person	State Ministry of Batik,Handloom Textile and Local Apparel production
2	Mr.Yohan Lawrence	Member	Joint Apparel Association Forum
3	Prof. (Ms.).U.G.S.Wijayapala	Member	University of Moratuva
4	Mr.K.H.Bandula Fernando	Member	Chamber of Garment Exporters Association
5	Mr.Felix Fernando	Member	Sri Lanka Apparel Exporters Association
6	Mr.Suresh Indika	Member	Textile Manufacturing Industry
7	Ms.D.A.S.Dahanayake	Member	Ministry of Finance & Planning
8	Ms.Anjali Weerasinghe	Member	Ministry of Industry
9	Mr.Chandana Pushpakumara	Member	Textile Manufacturing Industry

Staff As At 31.12.2020

The total staff strength – 100

Category	Management & Operation	Technical/ Operation	Finance	General/ Administration
Employees	05	56	04	27
Trainee	-	5	-	-
Assignment	-	2	1	-

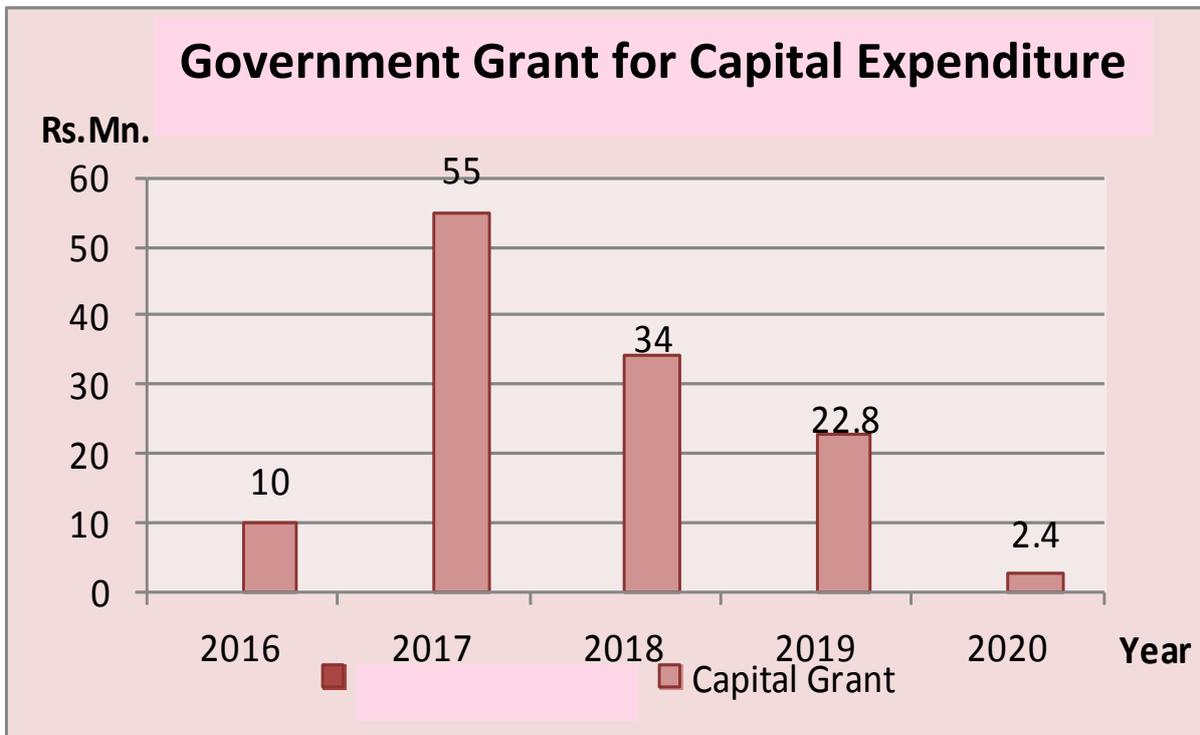
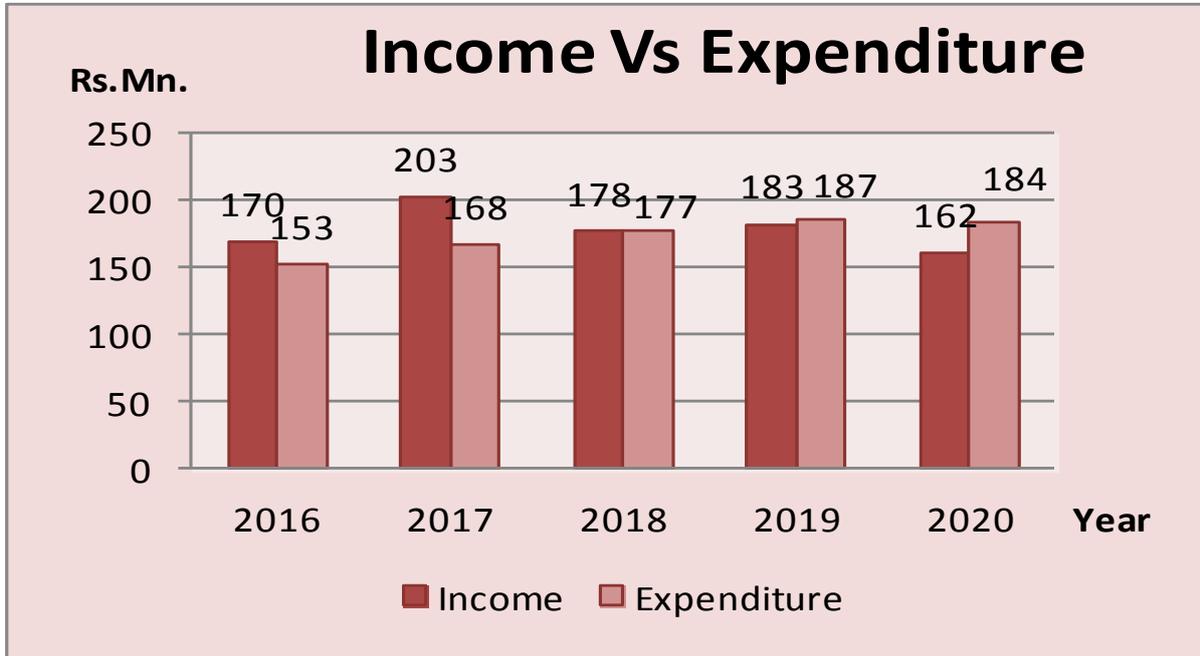
Mr. P.Sarath W.K.Fernando	-	Director General B.Sc (BE), M.Sc (Arch), RIBA, AIA (SL)
Mr.. S. Ilangovan	-	Director (Training and Technical) B.Sc. (Eng.) (Text),MBA,AMIE(SL)
Mr. P.V.S. Wijyaratne	-	Director (Operations) M.Sc.(MIT), M.Sc (Mgt.), B.Tech(Eng.)Hons AMIE(SL),LLB
Mr. M.P. Kannangara	-	Deputy Director (Administration) MBA(P.I.M.) B.Sc.(Col.), PG. Dip in International Rel:(BCIS) Dip.in American Professional Qualification-HRM LLB (UG),Diploma in Legal Studies.
Mrs. Y.A.P.G. Yapa	-	Accountant MPAcc, B.Com (Special) , CBA
Mr.M.S.M.Ilham	-	Internal Auditor HNDA,ACPM

Senior Staff (Technical)

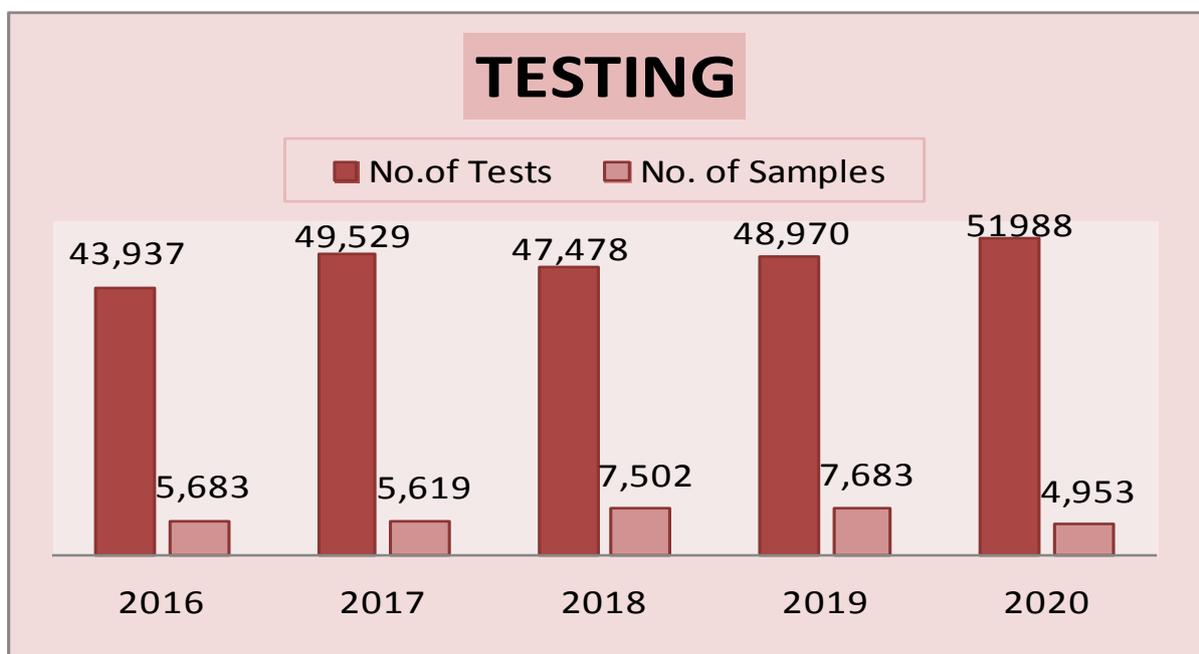
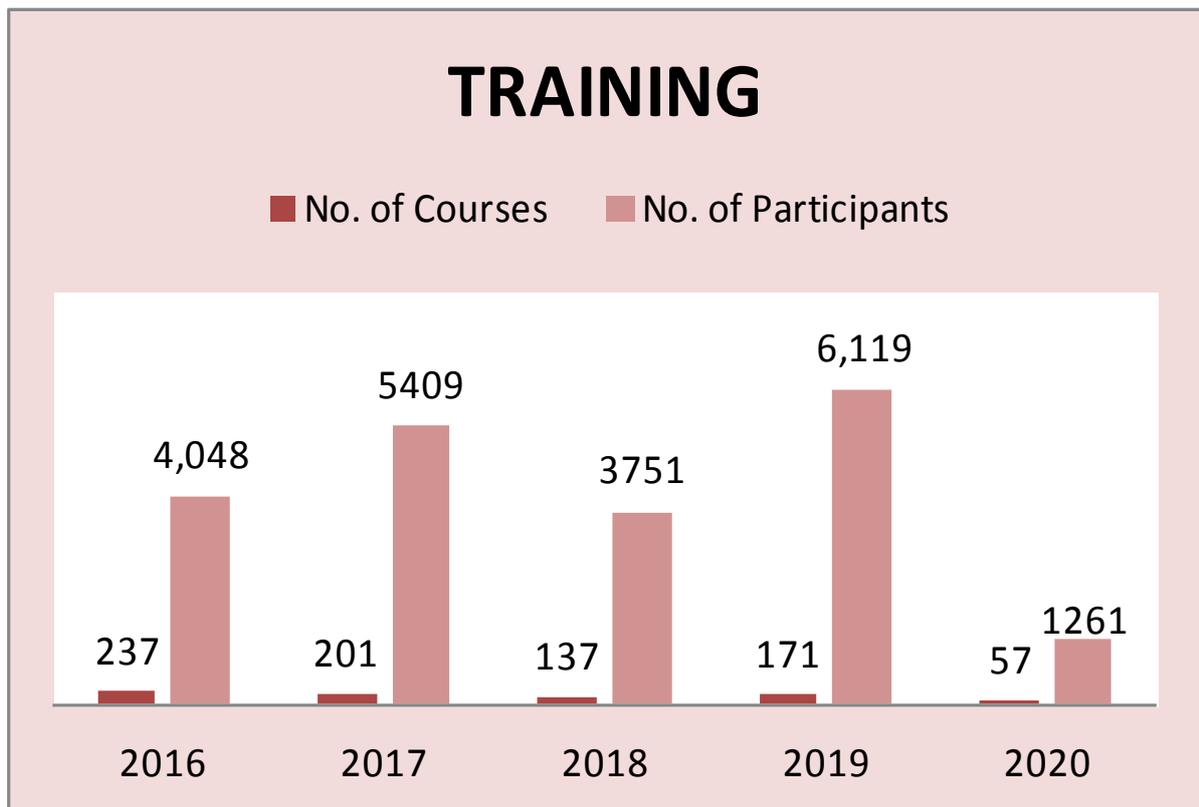
Mr. G. K. K. S. Kumara	-	Chief Technologist, B.Sc.(Eng.) (Text),MBA,AMIE(SL)
Mr. B.L.S.P. Nishantha	-	Chief Technologist, B.Sc. (Hons.),M.Sc.(Text.)
Mr. J.P. Samarakoon	-	Chief Technologist, NDT (Mech)
Mrs. K.A.R.V. Abeywardena	-	Chief Technologist NDT (Text. Tech.)
Mr. K.Jegatheesan	-	Chief Technologist, B.Sc.(Eng.)(Text),M.Sc.(Text),AMIE(SL)
Mr.W.M.S.K.Wijebahu	-	Chief Technologist, B.Sc. (Eng.),M.Sc (Text),AMIE(SL)

PERFORMANCE HIGHLIGHTS

1. Financial Performance



2. Physical Performance



ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Basis of Preparation

- (i) The financial statements comply with the Accounting Standards meant for the public sector in Sri Lanka on accrual basis. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.
- (ii) The calendar year is the Financial Year of the Institute.
- (iii) Financial Act No.38 of 1971 applies in respect of financial control and accounts of the Institute.

Accounting Policies

1. Property, Plant and Equipment

All Infrastructure, plant and equipment other than land are stated at historical cost/valuation, less accumulated depreciation.

Cost includes all costs directly attributable to bringing an asset to working condition for its intended use. Significant renovations are capitalized if they extend the life of the asset beyond its originally estimated useful life or increase its recoverable value. Maintenance, repairs and minor renewals are charged to income as incurred.

The cost of Infrastructure, plant & equipment that are disposed of are eliminated from the balance sheet, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by reference to their carrying amount and are taken into account in determining operating profit.

2. Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all property, plant and equipment in order to write-off such amounts over the following estimated useful lives by equal installments.

Following rates are applied for the depreciation.

Buildings	2.5%
Plant and Machinery	10%
Furniture ,Fittings, Fixtures &Equipment	10%
Canteen Equipment	10%
Motor Vehicles	10%
Computers & Software	20%
Books and Periodicals	10%
Lab Equipment	10%
Video Programme	25%
Industrial Sewing Machine	10%

Full depreciation rate is charged for the assets acquired in the first half of the year and 50% depreciation rate is charged for acquisition during the second half of the year.

3. Inventories

All inventories are held to be used by the Institute, in providing its services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using First In, First out (FIFO) method.

4. Trade Receivables

Trade receivables are carried at original invoice amount.

5. Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, deposits and other short term highly liquid investments with original maturity of three months or less.

6. Provisions

Provisions are recognized when the Institute has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

7. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions and gains and losses resulting from the settlement of such transactions are recognized in the income statement.

8 Superannuation

Terminal benefits are provided for those employees who have completed one year of service in the Institution, under the Gratuity Act No. 12 of 1983 and LKAS 19 .Basic salary includes cost of living allowances and the special living allowance also.

9. Defined Contribution Plan

All employees of the Institute are members of the Employees' Provident Fund and Employees' Trust Fund, to which the Institute contributes 12% and 3% respectively of such employees' basic salary together with the cost of living allowance and other special living allowance.

10. Revenue Recognition

Revenue is recognized on an accrual basis on invoiced value for sale of services net off discounts.

11. Expenditure

Expenses are recognized on accrual basis. All expenditure incurred in running the Institute and in maintaining property, plant & equipment in a state of efficiency have been charged to income in arriving at the profit for the period.

12. Cash Flow

Statement of Cash Flow is prepared using the Indirect Method.

13. Government Grant

Government grant related to assets and non monetary grants are accounted according to the new standard (LKAS20). Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expenditure item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Institute receives non-monetary grants, the assets and that grants are recorded at nominal amounts and are released to the income statement over the expected useful life of the relevant assets by equal annual installments.

GENERAL DISCLOSURE

1. Financial statements have been prepared as per the guidelines given in the SLPSAS-1 And SLPSAS -11.

2. **Investments in Treasury Bills, Fixed Deposit and call deposits**

Investments in call Deposits are stated in the accounts at cost.

Investments in Treasury Bills and Investment in fixed Deposits are stated in the accounts at accumulated value.

3. **Provision for Bad Debtors**

Bad debtors provision is represented under deduction of Trade receivables.

In compliance with SLFRS, debtors are grouped in different categories' and according to their pattern of payment following bad debtors provisions are applied.

Age group	Provision rate
<90 Days	0%
90 to 180 Days	2%
180 to 360 Days	3%
360 to 720 Days	4%
720 to 1080 Days	5%
>1080 Days	100%

4. **Inventories**

All inventories are held to be used by the institute, in providing its services. Inventories are stated at the lower of cost and net realizable value. Cost is determined using first in first out (FIFO) method.

5. **Gratuity provision**

Total amount of the gratuity provision was invested on fixed deposits from 2014 and stated under Superannuation heading.

6. **Government Grant**

Depreciation portion of the Capital purchases from grants are accounted as deferred income.

7. **Revaluation**

Completion of Revaluation Report was not submitted by the government valuation department in the year.

8. Disposal of Assets

Disposal process and all adjustments were completed in the year.

9. Provision for staff development fund

Provision for staff development fund was calculated for this year at 0.5% on recovery in accordance with the Act.

10. Capital Grant

Under this, fund granted by the ministry for following projects.

- Health and safety project
- Library Automation project

11. Projects

Four projects are initiated fund received at end of the year and it will complete in the year 2021

- Upgrading of sewing labotary and improvement of Class room.
- Bathik Training Programme
- Establish Textile Design Innovation and Research Development center in SLITA
- Strengthen the Research and Statistical Activities in Textile & Apparel sector

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF FINANCIAL POSITION AS AT 31.12. 2020

	Note No.	2020	2019
		RS	Rs
ASSETS			
Current Assets			
Cash and Cash Equivalents	1	285,088,937	267,137,133
Receivables	2	51,041,649	49,186,878
Inventories	3	2,993,173	2,631,283
Pre payments	4	1,240,833	1,172,960
Payment in advance for capital works	5	3,762,601	22,102,761
Other current Assets	6	9,376,211	10,655,409
Total current Assets		353,503,404	352,886,424
Non - Current Assets			
Infrastructure, Plant and Equipment (Net)	7	98,571,610	102,527,165
Land & Buildings (Net)	8	61,738,108	47,245,512
		160,309,719	149,772,677
Total assets		513,813,122	502,659,101
LIABILITIES			
Current liabilities			
Payables	9	14,807,171	16,892,060
Short - term provisions	10	2,984,900	1,803,295
		17,792,071	18,695,355
Non current liabilities			
Superannuation	11	50,956,958	43,911,044
		50,956,958	43,911,044
Total liabilities		68,749,029	62,606,399
Net assets		445,064,094	440,052,703
Net assets/ Equity			
Govt.Contributions & Foreign Aid	12	141,225,370	161,932,729
Other projects	13	27,293,819	2,740,072
Accumulated surplus (Deficit)	14	276,544,905	275,379,902
Total net assets / Equity		445,064,094	440,052,703

The Board of Directors is responsible for the preparation and presentation of these financial statements. These Financial statements were approved by the Board of Directors on 18.02.2021 and signed on their behalf.


.....
BOARD MEMBER


.....
ACCOUNTANT

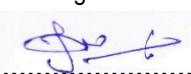

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CHAIRMAN

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

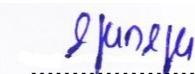
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31.12.2020

	Note No.	2020 Rs	2019 Rs
Revenue			
Fees and others	15	162,175,048	182,923,000
Total Operating Revenue		162,175,048	182,923,000
Expenses			
Personal Emoluments (Wages, Salaries & Employee benefits)	16	109,599,533	100,499,756
Traveling	17	547,900	1,037,300
Supplies & Consumables used	18	8,200,952	11,465,526
Repairs and Maintenance	19	11,281,053	5,540,725
Contractual Services	20	15,616,951	20,041,763
Depreciation & Amortization expenses	21	25,637,035	24,191,721
Other expenses	22	12,871,288	23,634,745
Finance Cost	23	75,148	182,001
		183,829,861	186,593,536
Surplus/(Deficit) from operation activities		(21,654,813)	(3,670,535)
Other revenue			
Deferred Income	24	23,110,221	23,015,726
Total other revenue		23,110,221	23,015,726
Total Surplus/(Deficit) for the period		1,455,408	19,345,190

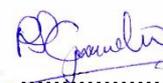
The Board of Directors is responsible for the preparation and presentation of these financial statements.
 These Financial statements were approved by the Board of Directors on 18.02.2021
 and signed on their behalf.



BOARD MEMBER



ACCOUNTANT



CHAIRMAN

SRI LANKA INSTITUTE OF TEXTILE & APPAREL
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2020

	Schedule No.	2020 RS	2019 Rs
Surplus/(Deficit) for the period		1,455,408	19,345,190
Adjustments for			
Amortization - Differed income		(23,110,221)	(23,015,726)
Depreciation		25,637,035	24,191,721
Operating surplus/(Deficit) before working capital changes		3,982,222	20,521,185
Increase in provision for Gratuity		8,584,374	7,833,855
(Increase)/Decrease in Inventories		(361,889)	112,889
(Increase)/Decrease in pre payments		(67,873)	58,753
(Increase)/Decrease in other current assets		1,279,198	(1,744,584)
(Increase)/Decrease in Trade & Other Receivables		(1,854,771)	13,455,862
Decrease in previous year deficit (P/y/adj)		(290,405)	(4,536,175)
Increase in Trade other Payables		(2,084,889)	6,280,218
Increase in provisions		1,181,605	(345,332)
Error correction-Capitalized Canteen advance payment		-	1,759,857
Profit from disposal		4,004	(54,635)
Error correction-Acc.Dep. Books and periodical		146,441	-
Error correction-Dep. Canteen advance payment		-	(43,996)
Gratuity Payments made		(1,538,460)	(1,928,810)
Net Cash Flows from Operating Activities		8,979,557	41,369,088
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Plant & Equipments		(36,413,082)	(20,780,502)
Advance Payment for Capital Expenditure		18,340,160	(18,251,849)
Disposal of Assets		88,560	60,310
Human Capacity Building		-	-
Net Cash Flows from Investing Activities		(17,984,361)	(38,972,041)
CASH FLOW FROM FINANCING ACTIVITIES			
Capital Grants (Cash)		-	3,857,000
Capital Grants (Assets)		2,402,862	19,030,134
Changes in other Grants		-	-
Changes in other projects		24,553,747	(16,179,469)
Net Cash Flows from financing Activities		26,956,609	6,707,665
Net increase/(Decrease) in cash and cash equivalents		17,951,805	9,104,712
Cash and cash equivalent at beginning of period		267,137,133	258,032,421
Cash and cash equivalent at end of period	1	285,088,937	267,137,133

Schedule No.1

Cash & Cash Equivalents

	2020
Cash at Bank	
Bank of Ceylon -Ratmalana(A/C 9521019)	1,242,957
Bank of Ceylon Ratmalana Foreign Currency (A/C7011691)	1,739,463
Short term Investments	
Fixed deposits	4,777,943
Treasury Bills (Gratuity fund)	16,676,387
Call deposit (including Gratuity fund)	260,652,186
	285,088,937

SRI LANKA INSTITUTE OF TEXTILE & APPAREL

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2020

	Schedule No.	Contributed capital	Other reserves	Translation reserves	Accumulated surplus/deficit	Total NA/E
		Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 31.12.2019	1	164,672,801	-	-	275,379,902	440,052,703
Changes in accounting policy		-	-	-	-	-
Changes NA/E in the year	2	3,846,388	-		(290,405)	3,555,983
Gain on property revaluation		-	-	-	-	-
Loss on revaluation of Investments		-	-	-	-	-
Foreign currency translation losses		-	-	-	-	-
Net revenue directly recognized in NA/E		3,846,388	-	-	(290,405)	3,555,983
Surplus/deficit for the period		-	-	-	1,455,408	1,455,408
Total revenue recognized for the period						-
Closing balance as at 31.12.2020		168,519,189	-	-	276,544,905	445,064,094

Schedule No. 1

Rs.

Contributed capital

Govt. contributions & Foreign Aid Balance as at 31.12.2019

161,932,729

Total balance of other projects as at 31.12.2019

2,740,072

164,672,801

Schedule No. 2

Changes NA/E in the year

Capital Grants in the year

2,402,862

Amortization of Assets in the year

(23,110,221)

Changes in other projects during the year

24,553,747

3,846,388

Notes to Financial Statements contd....

	2020	2019
	Rs	Rs.
1 Cash & Cash Equivalents		
Cash at Bank		
Bank of Ceylon -Rathmalana (A/C 9521019)	1,242,957.35	4,281,161.21
Bank of Ceylon - Rathmalana Foreign Currency (A/C7011691)	1,739,462.81	1,168,917.36
Short term Investments (Discloser No.2)	282,106,517.12	261,687,054.25
1.1	<u>285,088,937.28</u>	<u>261,137,132.82</u>
1.1 Short term Investments (Discloser No2)		
Fixed deposits (Gratuity fund)	4,777,943.39	4,323,930.63
Treasury Bills (Gratuity fund)	16,676,387.27	15,681,586.19
Call deposit (including Gratuity fund)	260,652,186.46	241,681,537.43
	<u>282,106,517.12</u>	<u>261,687,054.25</u>
2 Receivables		
Trade receivables (Discloser No.3)		
Testing debtors	38,158,217.00	4,755,234.27
Training - Internal debtors	7,491,012.80	4,254,340.80
Training - External debtors	161,600.00	320,720.00
Consultancy services debtors	268,558.88	552,558.88
Customer / Technical Services debtors	92,556.00	199,088.00
Other Trade debtors	1,919,001.45	963,660.56
	<u>48,090,946.13</u>	<u>11,045,602.51</u>
Less - Provision for Bad debtors	(5,126,099.54)	(4,409,394.31)
	42,964,846.59	6,636,208.20
Sundry debtors	8,076,802.84	42,550,670.00
2.7	<u>51,041,649.43</u>	<u>49,186,878.20</u>
2.1 Testing Debtors		
Alpha Apparels	98,600.00	236,852.00
Bam Knitting (Pvt) Ltd	38,100.00	-
Benji Ltd	-	78,325.00
Bernard Phil knit (Ceylon) Ltd	-	-
Brandix Apparel Ltd	19,317.75	19,317.75
Brandix Apparel Ltd - FC	2,761.20	2,761.20
Brandix Casual wear Ltd - FC	1,727.52	1,727.52
Brandix Intimate Apparels Ltd	4,830.00	4,830.00
Calico (Pvt) Ltd	4,950.00	-
Celcius Solutions (Pvt) Ltd	-	19,656.00
Civil Security Department	33,450.00	33,450.00
Cliftex Industries Ltd	950.00	37,325.00
Coconut Cultivation Board	-	16,848.00
Consumer Affairs Authority	5,255.04	5,255.04
Creative Textile Mills - Normal testing	-	11,043.00
Creative Textile Mills -School Uniform	13,372,245.00	-
Creative Textile Mills -Forces Uniform	4,142,800.00	1,038,964.63
Department of Christian Religious Affairs	-	19,818.00
Department of Civil Security	-	47,196.00
Department of Immigration & Emigration	1,433.18	1,408.18
Dept of Muslim Religious & Cultural Affairs	1,900.00	-
Department of Wild Life Conservation	-	23,328.00
DG Fashions Garment (pvt) Ltd	7,539.84	7,539.84
Delink & Madushani Product	-	-
Directorate of Ordnance Services S.L.Army	248,600.40	248,600.40
Fabric Technology Department	16,050.00	-
Fireflies for Lanterns	-	17,419.05
General Sir John Kotalawala Defence University	22,111.05	22,111.05
Genuine T Shirt	3,450.00	-
G P Garments (Pvt) Ltd	-	169,614.50
Harsha International Ltd-Forces	88,000.00	4,809.30
Hela Clothing (Pvt) Ltd	570.80	570.80
Hela Clothing (Pvt) Ltd - FC	44,999.21	44,999.21
Hela Marketing & Design Centre	9,775.00	9,775.00

Notes to Financial Statements contd....

	2020 Rs	2019 Rs.
Irosha International	2,155.75	21,606.75
Kabeer Handloom	29,295.68	29,295.68
Kuga Holdings (Pvt) Ltd	1,400.00	-
Lanka Electricity Co. Ltd	173,400.00	-
Lanka Salusala	36,896.30	27,096.30
Marshal Trading Company	7,650.00	-
Mas Active (Pvt) Ltd - Linea Intimo	90,600.00	219,475.00
Mas Active	4,182.00	4,182.00
Mas Intimates (Pvt) Ltd	2,600.00	-
Ministry of Defence	-	187,515.00
Ministry of Education & Higher Education	6,740.16	6,740.16
Ministry of Education	166,800.00	-
Ministry of Industry & Commerce	4,306,291.10	-
Mirage Industries - Forces Uniform	21,134.40	21,134.40
Penguin Leisurewear (Pvt) Ltd	26,128.58	26,128.58
Police Head Quarters	111,908.94	111,908.94
Prabha Textile Industries -School Uniform	4,747,100.00	-
Prabha Textile Industries -Forces Uniform	22,175.00	77,760.00
Radiant Textile	2,463.30	2,463.30
Rainwear Apparel (Pvt) Ltd	1,600.00	-
Rajitha Tex - Forces Uniform	157,700.00	281,238.70
Rathanjana Textiles	16,832.55	16,832.55
Registsrar - Magistrate Court	49,999.99	49,999.99
Rhino Consultants & Facilitators	33,600.00	-
Sarasavi Industries-Forces uniforme	96,800.00	-
S.G.S Lanka (Pvt) Ltd	11,850.00	35,813.72
Shinsee Lanka (Pvt) Ltd	12,850.47	12,850.47
Sin Mar Colombo Pvt Ltd	50,375.00	15,410.03
Sirio Ltd	-	80,275.00
Skansco Trading Company (Pvt) Ltd	-	20,628.00
Spencer Denim Industries (Pvt) Ltd	1,583.55	1,583.55
Sri Lanka Army Headquarters	1,018,250.00	408,592.00
Sri Lanka Army	85,445.32	85,445.32
Sri Lanka Customs	17,595.00	17,595.00
Sri Lanka Home guard Forces	17,250.00	17,250.00
Sri Lanka Navy	443,036.94	260,415.72
Sri Lanka Standard Institution	104,305.00	805.00
Star Textile Processing Industries	-	181,440.00
S & S Safety Equipment Holdings	23,973.10	23,973.10
Super Fashion Garment	523.43	523.43
Texlan Center (Pvt) Ltd	-	5,202.00
Textprint Lanka (Pvt) Ltd	3,000.00	-
Thisanva Enterprises	-	18,468.00
Tristar Apparel Export (Pvt) Ltd	790.00	790.00
Union Colombo Washing	-	7,600.00
Vanguard Industries Ltd	8,722.00	109,108.00
Vanguard Industries Ltd - School Uniform	5,558,150.00	-
Vanguard Industries Ltd - Forces Uniform	2,510,431.40	242,028.06
Virtue Tape Industries	2,700.00	-
Winner Guys	2,516.05	2,516.05
	38,158,217.00	4,755,234.27
2.2 Internal Training Debtors		
Course fees to be received from students	6,539,035.00	2,755,735.00
Air Force Sewavanitha Garment (SME)	20,400.00	20,400.00
Alpha Apparels Ltd	16,200.00	16,200.00
Bodyline (Pvt) Ltd	-	76,500.00
Broadway Kids(pvt) Ltd	-	18,128.00
Celcious (Pvt) Ltd	46,000.00	46,000.00
Department of Rural Industry	-	350,000.00
Dynamic Clothing(Pvt) Ltd	7,650.00	7,650.00
Everest Footwear Industries	40,800.00	40,800.00
Magi Enterprises Lanka (Pvt) Ltd	-	102,000.00
Jayz Arvind Enterprises Ltd	118,320.00	118,320.00
Nordex (Pvt) Ltd	54,840.00	54,840.00
N P N Perera & Co . (Pvt) Ltd	40,800.00	40,800.00
Obaidani Apparel (Pvt) Ltd	127,500.00	127,500.00
One Time Training Customers	353,398.20	353,398.20
Paradigm Clothing (Pvt) Ltd	3,750.00	3,750.00
Pearly Fashion	30,600.00	30,600.00
Prym Intimates lanka (Pvt) Ltd	25,600.00	25,600.00
Rusirumal (Pvt) Ltd.	1,000.00	1,000.00
Sri Lanka Army	4,000.00	4,000.00
Textured Jersey (Pvt) Ltd	46,350.00	46,350.00
Trig Apparel (Pvt) Ltd	14,769.60	14,769.60
	7,491,012.80	4,254,340.80

Notes to Financial Statements contd....

	2020 Rs	2019 Rs.
2.3 External Training Debtors		
Eligant Knitting(pvt)Ltd	-	159,120.00
Kane Apparel	10,200.00	10,200.00
Lanka Garments Mfg. Co Ltd	7,500.00	7,500.00
Pattern Garment (SME)	12,500.00	12,500.00
Queens workwear	30,000.00	30,000.00
Shas Wear (Pvt) Ltd	30,600.00	30,600.00
S G Q Apparel	30,000.00	30,000.00
Sri Lanka Army Ordnance Factory	40,800.00	40,800.00
	161,600.00	320,720.00
2.4 Consultancy Services Debtors		
Creative Textile Mills - Consultancy	10,000.00	-
Department of Health services	1,730.40	1,730.40
Hirdaramani International Exports Pvt Ltd	-	469,000.00
Pathma Distributors	2,203.20	2,203.20
Police Headquarters	18,506.88	18,506.88
Silver Mills (Pvt) Ltd - Tra	175,000.00	-
Special Task Force - Consultancy	22,505.28	22,505.28
Sri Lanka Customs	13,708.80	13,708.80
Sri Lanka Navy	24,904.32	24,904.32
	268,558.88	552,558.88
2.5 Customer /Technical Services Debtors		
Department of Christion Religious Affairs	-	23,920.00
Nordex (Pvt) Ltd	3,300.00	3,300.00
Police Head Quarters	25,806.00	25,806.00
Sha Lanka Apparel	17,650.00	17,650.00
Skansco Trading Co.(Pvt) Ltd	-	26,892.00
Sri Lanka Army Head Quarters	22,000.00	74,520.00
Yasindu Textile	23,800.00	-
Vanguard Industries Ltd	-	27,000.00
	92,556.00	199,088.00
2.6 Other Trade Debtors		
Bearfoot (Pvt) Ltd	2,500.00	2,500.00
Fidelity Manufacturing (Pvt) Ltd	200.00	200.00
Forte Healthcare (pvt) Ltd	3,240.00	3,240.00
MAS Capital (Pvt) Ltd	46,920.00	46,920.00
MAS Intimates (Pvt.) Ltd	82,516.86	82,516.86
MAS cap team	800.00	800.00
Ministry of Education	1,573,872.00	-
Ministry of Industry & Commerce	-	618,531.11
Orients Garments Ltd Sam-Dyeing	8,625.00	8,625.00
Sri Lanka Chamber of Garment Exporters	12,000.00	12,000.00
Sri Lanka army Head Quarters	20,644.80	20,644.80
State Ministry of Education	161,500.04	161,500.04
Textured jersey lanka (Pvt) Ltd	3,300.00	3,300.00
Unichella (Pvt.) Ltd - Dyed sample	2,882.75	2,882.75
	1,919,001.45	963,660.56
2.7 Sundry Debtors		
Ministry of Industry & Commerce (PIP & SME)	-	8,332,684.00
Ministry of Industry & Commerce -Research &Dev. Unit Banana fiber	-	2,631,728.31
Ministry of Industry & Commerce- Footwear	-	6,616,350.00
Ministry of Industry & Commerce- Installing Learning Mgt.System	-	3,692,559.50
Ministry of Industry & commerce - Library Automation	-	684,232.00
Ministry of Industry & Commerce- Wet Process.Ind.Project	-	1,250,000.00
Ministry of Industry & Commerce- Diviyata Udana-Train need analysis	-	400,399.97
Ministry of Industry & Commerce- Health & Safety Project	-	3,654,495.37
Ministry of Industry & Commerce- Fabric Library	-	1,917,835.00
Ministry of Industry & Commerce- Body Measurement	-	1,851,489.35
Miscellaneous advance	40,937.76	52,937.76
Interest receivable on F/D	254,867.31	278,875.74
Interest receivable on Treasury bill	39,858.34	58,525.57
Interest receivable for Call deposits	7,341,295.06	10,586,871.40
Receivable from LK Domain	-	175.00
Welfare Society	258,333.16	399,999.82
Lanka Ashok Leyland PLC	43,280.50	43,280.50
Vat Receivable	98,230.71	98,230.71
	8,076,802.84	42,550,670.00

Notes to Financial Statements contd....

	2020	2019
	Rs	Rs.
3 Inventories (Discloser No.4)		
Stationery	1,090,185.33	1,039,644.18
Training material & Consumables	1,480,698.89	1,080,305.84
Dyes & Yarn	225,431.00	314,475.85
Spare parts & Accessories	196,857.30	196,857.30
	<u>2,993,172.52</u>	<u>2,631,283.17</u>
4 Pre payments		
Insurance - Medical	214,784.70	219,029.23
Insurance- Motor vehicles	335,256.39	341,320.90
Insurance - Fire & other	121,288.55	123,681.66
Insurance - Money in transit	9,479.29	15,443.66
Service Contracts - Computers	96,871.25	53,724.95
Service Contracts - Furniture & Equipment	61,416.68	80,660.97
Service Contracts - Generators	23,222.25	-
Service Contracts - Lab Equipment	94,500.00	-
Vehicle License	-	20,248.66
Supplies- Accreditation fee of Testing Laboratory	34,013.54	68,027.18
Subscription Fee	-	822.72
Diploma Awarding Ceremoney	250,000.00	250,000.00
	<u>1,240,832.65</u>	<u>1,172,959.93</u>
5 Payment in Advance for capital works		
Building Construction	3,762,600.68	3,762,600.68
Renovation Canteen	-	4,775,116.84
Renovation Seminar Hall	-	13,565,043.46
	<u>3,762,600.68</u>	<u>22,102,760.98</u>
6 Other Current Assets		
Staff loans	6.1 8,955,211.34	10,249,409.12
Deposits	6.2 421,000.00	406,000.00
	<u>9,376,211.34</u>	<u>10,655,409.12</u>
6.1 Staff loans		
Distress loan	(6.1.1) 8,955,211.34	10,246,909.12
Festival advance	(6.1.2) -	2,500.00
	<u>8,955,211.34</u>	<u>10,249,409.12</u>
6.1.1 Distress Loan		
Mr. D L Wijetunga	72,916.78	125,000.08
Mrs.W A C Ashoka	140,625.03	192,708.33
Mrs. R M N D Ranasinghe	234,375.01	119,791.66
Mr. R A D R I Perera	229,166.68	197,916.67
Mr. J A Priyantha	161,458.39	213,541.69
Mrs. D A M Priyangika	187,500.03	239,583.33
Mrs. W M D A Warnasooriya	197,916.70	250,000.00
Miss. G S Waduge	197,916.70	250,000.00
Miss. S L S Karunaratne	41,666.80	93,750.10
Miss. T R Jayatilake	-	244,791.67
Mrs. E A D Sunitha	197,916.70	140,625.07
Miss. P K R S Ariyaratne	119,791.75	171,875.05
Mr. L T D Hettiarchchi	187,500.04	239,583.34
Mr. M D U Jayadasa	177,083.37	229,166.67
Mr. J P D R Wijewardene	45,000.00	95,000.00
Mrs. D N Dodangoda	208,333.36	119,791.75
Mrs. R A D T R Samaranayake	140,625.03	192,708.33
Miss. G S Ranjani	218,750.02	166,213.33
Mrs. C A D S Kandambi	250,000.00	119,791.75
Mrs. T Balachndra	177,083.37	229,166.67
Mrs. J M A S A Jayakodi	213,541.69	24,999.86
Mrs. J M D R R Jayasekara	145,833.37	197,916.67
Mrs. P D R R de Silva	223,958.35	125,000.08
Mrs. B S A Mendis	131,944.52	201,388.92
Mr. W M S K Wijebahu	67,708.45	125,000.08
Mr. Y N Wikramanayake	218,750.02	171,875.05
MR. K A M Priyantha	159,722.28	229,166.68
Mr. U Wikramasinghe	67,708.45	119,791.75
Mr. N P P S K Pathirana	48,611.24	118,055.64

Notes to Financial Statements contd....

	2020	2019
	Rs	Rs.
Mrs. H T M D Dinesha	177,083.37	229,166.67
Mr. S P A Sathyapala	34,722.36	104,166.76
Mrs.M S R Bhanu	192,708.37	244,791.67
Mrs.S Thewarapperuma	156,250.06	208,333.36
Mr. R M U Ratnayake	250,000.00	119,791.75
Mr. D P Weeraratne	67,708.45	119,791.75
Mrs. Amali Chathurika	41,666.54	83,333.24
Mrs. Y M de Silva	192,708.37	244,791.67
Mrs. W D Niroscha	223,958.35	54,166.55
Mrs. N K Manoja Badrani	208,333.36	41,666.60
Mrs. N C Ranasinghe	52,083.46	104,166.76
Mr.J M D Jayalath	98,958.43	151,041.73
Miss.M.D.L.Feranando	55,555.51	111,111.11
Mrs. M N Ranasinghe	-	145,833.40
Mr. W A L N Kumara	187,500.04	239,583.34
Mr. G K K S Kumara	52,083.46	104,166.76
Mrs. L I Kariyawasam	98,958.43	151,041.73
Mr.K.A.P.Fernando	36,458.47	88,541.77
Mr.A.H.Hibras	182,291.70	234,375.00
Mrs.N.A.C.K.Thirimawithana	131,944.52	201,388.92
Mrs.Y.A.P.G.Yapa	187,500.23	250,000.00
Mrs.P.D.Maduwanthi	171,875.03	223,958.33
Mrs P.A.Buddhika	-	79,166.57
Mr.M.M.Mifras	182,291.71	234,375.01
Mr.N.M.M.Rihan	156,666.72	205,625.02
Mr.P.V.S.Wijayaratne	62,500.12	125,000.08
Mrs. S Wathudura	171,875.03	223,958.33
Mr.N M Shabeer	218,750.02	79,166.67
Mrs.D L Kushlani	182,291.70	234,375.00
Mr.C C S Silva	165,000.04	210,833.34
Mr.N P K Rajapaksha	187,500.04	239,583.34
Mr.M.R.S.K Manchanayake	145,833.30	-
Mrs.N.I.S Silva	218,750.02	-
Mr.I S Jayalathge	-	215,416.67
	8,955,211.34	10,246,909.12
6.1.2 Festival Advance		
Mr. M M M Shabeer	-	1,250.00
Mrs. Rameeza Bhanu	-	1,250.00
	-	2,500.00
6.2 Deposits		
Electricity Board deposit	250,000.00	250,000.00
R.L.Fernando-Fuel deposit	100,000.00	100,000.00
Oxygen & Acytesity cylinder	36,000.00	36,000.00
Dialog Telecom PLC roaming facility	20,000.00	20,000.00
M Postal Service Deposit	15,000.00	-
	421,000.00	406,000.00

Notes to Financial Statements contd....

7. Infrastructure, Plant and Equipment

	Plant & Machinery		Motor Vehicles		Industrial Sewing Machinery		Furniture, Fittings & Equipment		Lab Equipment		Computers		Books & Periodicals		Video Programme		Spare Parts & Acc.		Total	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost																				
Cost as at 01/01/2020	55,571,942.41	24,248,384.33	47,355,993.22	69,472,692.76	181,584,041.68	44,633,881.62	9,520,888.89	582,055.00	1,356,195.00	434,326,074.91										
Additions Note no.7.1	4,773,381.82	-	2,635,200.00	9,561,289.04	2,237,112.00	362,910.00	-	-	-	19,569,892.86										
Disposal	(682,997.43)			(437,579.08)	-	(793,147.98)				(1,913,724.49)										
Cost as at 31/12/2020	59,662,326.80	24,248,384.33	49,991,193.22	78,596,402.72	183,821,153.68	44,203,643.64	9,520,888.89	582,055.00	1,356,195.00	451,982,243.28										
Accumulated Depreciation																				
Accumulated Depreciation as at 01/01/2020	37,548,038.18	19,356,576.94	41,057,499.42	48,779,223.63	139,903,192.55	36,473,923.84	6,742,205.37	582,055.00	1,356,195.00	331,798,909.93										
Error correction Books and periodicals	-	-	-	-	-	-	-	-	-	146,441.25										
Depreciation for the year	3,094,578.75	2,056,824.11	1,630,417.73	5,671,547.77	7,946,583.80	2,508,077.00	378,412.48	-	-	23,286,441.64										
Depreciation on Assets Disposed	(621,435.93)	-	-	(406,576.12)	-	(793,147.98)				(1,821,160.03)										
Accumulated Depreciation as at 31/12/2020	40,021,181.00	21,413,401.05	42,687,917.15	54,044,195.28	147,849,776.35	38,188,852.86	7,267,059.10	582,055.00	1,356,195.00	353,410,632.79										
Net Book Value as at 31/12/2020	19,641,145.80	2,834,983.28	7,303,276.07	24,552,207.44	35,971,377.33	6,014,790.78	2,253,829.79	-	-	98,571,610.49										

Notes to Financial Statements contd....

2020
Rs

7.1 Infrastructure, Plant and Equipment *Property, Plant & Equipment - Additions*

Plant & Machinery

Renovation of Seminar Hall -VRF Unit	2,010,749.00
Renovation of Seminar Hall -Air Conditioner (Toshiba)	1,144,896.00
Renovation of Seminar Hall -Refridgerant Pipe	292,730.00
Renovation of Seminar Hall -Drian Pipe	40,360.00
Renovation of Seminar Hall -Power Control Wire	12,613.00
Renovation of Seminar Hall -VCD Flexible Duct	6,054.00
Air Conditioner(Panasonic)	1,028,160.00
Installation Charges	169,299.81
Air Conditioner (Abans LG)	68,520.01
	4,773,381.82

Furniture, Fittings, Fixtures & Equipment

Renovation of Seminar Hall - Ceiling Fan	1	18,548.00
Renovation of Seminar Hall - Sound System	1	275,091.92
Renovation of Seminar Hall - Multimedia System	1	422,015.00
Renovation of Seminar Hall - Sound Control Panel Box	1	116,231.00
Renovation of Seminar Hall - Distribution Board	1	92,737.00
Renovation of Seminar Hall - Stage (Podium)	1	231,225.00
Renovation of Seminar Hall - Lectern	1	60,589.00
Renovation of Seminar Hall - Lecture Table	1	165,690.00
Renovation of Seminar Hall - Lecturer Chair	1	23,000.00
Renovation of Seminar Hall - L Shape Console Table	1	259,664.00
Renovation of Seminar Hall - Low Back Chair	2	30,400.00
Renovation of Seminar Hall - Reception Table	1	161,981.00
Renovation of Seminar Hall - 3 Seate Sofa	1	68,000.00
Renovation of Seminar Hall - Coffee table	1	69,244.00
Renovation of Seminar Hall - Expressluck Smart Board 75	1	622,643.16
Renovation of Seminar Hall - Student Table (1'-9"x4'-0')	25	840,799.92
Renovation of Seminar Hall - Student Table (1'-9"x2'-0')	12	210,200.04
Renovation of Seminar Hall - Student Chair	60	1,168,500.00
Stainless Steel Logo -SLITA	1	9,500.00
Executive Chair Low Back	2	24,570.00
Body fat Scale	1	2,250.00
CCTV System & Power Cabiling	1	1,511,320.00
4.5' Concreet Post	1	7,500.00
Office Cupboard	1	19,950.00
Renovation of Canteen- 4 Seater Dining Table (Steel frame With Perstop top)	16	924,400.00
Renovation of Canteen- 6 Seater Dining Table (Steel frame With Perstop top)	3	252,540.00
Renovation of Canteen- Dining Chair	82	845,420.00
Renovation of Canteen- Work Chair/Bar Chair	2	38,360.00
Renovation of Canteen- Cashier Counter	1	80,145.00
Renovation of Canteen- Display Cabinet	3	630,000.00
Renovation of Canteen- Buffet Counter (6'-0"X2'-0"X5'-0')	1	200,000.00
Renovation of Canteen- Cutting Table (3000x600x1200mm)	1	87,600.00
Renovation of Canteen- Kitchen Table (1980x600x1200mm)	1	48,240.00
Renovation of Canteen- Table fr Kitchen Area (670x600x1200mm)	1	22,200.00
Renovation of Canteen- Cooker Hood (Abans Elba)	1	20,735.00
		9,561,289.04

Notes to Financial Statements contd....

2020
Rs

Computers

Prolink PRO701SFC UPS (S/NO.554701194603284)	1	4,260.00
CANON LBP 214DW Printer (S/NO.NKLA027451)	1	24,000.00
Software & Hardware and GPRS (KR-1116,PE-1716,NB-3111,KQ-0970,PE-8714)	1	87,500.00
Trancend 1TB External Hard Disk Drive	1	10,550.00
Seagate 2TB External Hard Disk Drive	1	14,850.00
Software & Hardware and GPRS - (300-3750,CAD-1577)	1	35,000.00
Laptop (HP)	1	165,750.00
UPS-Prolink Pro 700 (S/NO.564801200603805)	1	5,150.00
Trancend 2TB External Hard Disk Drive	1	15,850.00
		<u>362,910.00</u>

Industrial Sewing Machine

Industrial Single Needle Lockstich Sewing Machine (Juki Brand)-(Fully Digital)		
S/NO.8DOKJ04783	1	231,120.00
S/NO.8DOKJ04768	1	231,120.00
S/NO.8DONL01975	1	231,120.00
S/NO.8DONLO1945	1	231,120.00
S/NO.8DONLO1975	1	231,120.00
04 Needle,Feed -off the arm,Flatseamers,Top Bottom Cover	1	1,479,600.00
		<u>2,635,200.00</u>

Lab Equipment

Rotary Evaporator (Model RV 10 DIGITAL V)	1	1,376,244.00
Reciprocating Shaker	1	620,676.00
Universal Centrifuge	1	240,192.00
		<u>2,237,112.00</u>

Notes to Financial Statements contd....

8. LAND & BUILDINGS AS AT 31/12/2020

	Land	Buildings	Total
	Rs. '000	Rs. '000	Rs. '000
Cost			
Cost as at 01/01/2020	5,018,434.00	79,393,843.00	84,412,277.00
Additions - Note No.8 . 1	-	16,843,189.24	16,843,189.24
Cost as at 31/12/2020	5,018,434.00	96,237,032.24	101,255,466.24
Accumulated Depreciation			
Accumulated Depreciation as at 01/01/2020		37,166,764.79	37,166,764.79
Depreciation for the year	-	2,350,593.41	2,350,593.41
Accumulated Depreciation as at 31/12/2020	-	39,517,358.20	39,517,358.20
Net Book Value as at 31/12/2020	5,018,434.00	56,719,674.04	61,738,108.04

Notes to Financial Statements contd....

		2020 Rs	2019 Rs.
8.1 Land & Buildings			
Buildings			
Renovation of Seminar Hall		6,956,691.62	
Laying Asphalt Concrete + 10% Retention Money		1,826,897.70	
Wash Room Retention Money		56,420.38	
Renovation of Canteen		8,003,179.54	
		<u>16,843,189.24</u>	
9 Payables			
Trade creditors	9.1	1,228,401.38	862,926.38
Accrued expenses	9.2	8,109,729.78	6,343,636.75
Sundry creditors	9.3	4,541,415.25	4,392,815.25
Current Tax Payable	9.4	7,625.00	27,177.50
Project 2019 Payable	9.5	920,000.00	5,265,504.48
		<u>14,807,171.41</u>	<u>16,892,060.36</u>
9.1 Trade Creditors			
Course fees received in advance		1,228,401.38	862,926.38
		<u>1,228,401.38</u>	<u>862,926.38</u>
9.2 Accrued Expenses			
Casual wages & allowance for trainees		193,746.98	37,006.40
Allowance to TEC & MTB Members		86,000.00	80,000.00
Building Cost		182,689.76	-
Project 2020 - Batik Training Programme		442,642.57	-
Project 20/21 - Strengthen the Research & Statistical Activites in Textile & Apparel Industry - 3.1		31,495.00	-
School Uniform Inspection		517,825.44	-
Co-ordinating fees		457,418.00	6,591.00
Transport		281,254.83	376,551.52
Tea expenses		2,305.00	-
Allowance for Chairmen		-	37,500.00
Repairs & Maintenance of Computers		12,420.00	49,409.02
Repairs & Maintenance of Motor Vehicles		-	93,300.00
Repairs & Maintenance of Generator		237,050.00	-
Repairs & Maintenance of F.F.F & Equipments		2,700.00	-
Repairs & Maintenance of Plant & Machinery		102,737.16	231,261.29
Repairs & Maintenance Land & Building		14,731.20	15,960.00
Degree Awarding Status Expenses		-	76,000.00
Overtime		294,676.18	295,516.87
Traveling & subsistence		74,250.00	124,800.00
Water		9,583.87	17,641.65
Electricity		146,505.10	862,396.93
Security charges		-	136,600.00
Advertisement Charges		184,242.60	-
Communication services		67,732.39	124,677.87
Fuel for vehicles & Generator		-	180,128.50
Medical scheme labour welfare		140,324.63	248,981.12
Janitorial services		-	362,350.80
Expenses on gaze testing		-	24,000.00
Purchase of consumables		-	101,693.35
Visiting Lecture fees		143,700.00	311,122.40
News paper bill		2,500.00	2,780.00
Purchase of Stationery		516,151.60	182,864.31
Productivity Improvement Project		-	177,078.13
Weekend Payments		717,394.17	1,159,931.35

Notes to Financial Statements contd....

	2020	2019
	Rs	Rs
Training courses expenses	-	93,505.00
Other Service Charges	-	18,690.00
Development of New Banana Yarn	-	10,297.00
Renovation of Seminar Hall	681,526.73	43,901.15
Renovation of Canteen	2,520,208.56	-
Consultancy Incentive	-	367,580.00
ESC	-	195,443.00
Improvement of Student Facilities	-	283,755.67
Career Guidance Programme	18,379.95	14,322.42
Accreditations & Certifications Fees	27,538.06	-
	8,109,729.78	6,343,636.75
9.3 Sundry Creditors		
Consultancy advances	11,536.25	14,836.25
Test Report in Advance	19,430.86	18,530.86
Canteen tender deposit	5,000.00	5,000.00
Bid security	6,000.00	67,000.00
Refundable Deposit	495,000.00	345,000.00
General Treasury (Vehicle Sale Proceed)	3,871,448.14	3,871,448.14
Refundable Tender Deposit	133,000.00	71,000.00
	4,541,415.25	4,392,815.25
9.4 Current Tax payable		
Stamp Duty Payable A/c	7,625.00	9,025.00
VAT PAYABLE	-	-
Withholding Tax Payable A/c	-	18,152.50
NBT Payable	-	-
	7,625.00	27,177.50
9.5 Project 2019 Payable		
Fabric Library Project	-	700,000.00
Health & Safety Project	-	2,931,400.00
Installing Learning Management Project	920,000.00	920,000.00
Library Automation Project	-	165,750.00
PIP	-	548,354.48
	920,000.00	5,265,504.48
10 Short-term provisions		
Provision for audit fees	2,000,000.00	1,000,000.00
Provision for Staff Development Fund	984,899.66	803,294.66
	2,984,899.66	1,803,294.66
11 Superannuation		
Provision for Gratuity (Discloser No.6)		
Balance as at the beginning of the year	43,911,043.50	38,005,998.00
Less - Payments for the year	(1,538,460.00)	(1,928,809.50)
	42,372,583.50	36,077,188.50
Provision for the year	8,584,374.00	7,833,855.00
Balance at the end of the year	50,956,957.50	43,911,043.50

Notes to Financial Statements contd....

	2020	2019
	Rs	Rs.
12 Govt.Contributions & Foreign Aid (Discloser No 7)		
Balance as at the beginning of the year	161,932,729.47	162,061,320.65
Add - Grants in the year	12.1 2,402,862.00	22,887,134.45
	164,335,591.47	184,948,455.10
Less- Amortization of the year	12.2 (23,110,220.99)	(23,015,725.63)
Balance as at end of the year	12.3 141,225,370.48	161,932,729.47
12.1 Capital Grant		
Cash Grant in the year	-	3,857,000.00
Grant received from Government through Ministry for projects	12.1.1. 2,402,862.00	19,030,134.45
	2,402,862.00	22,887,134.45
12.1.1 Grant received from Govern. through Ministry for Capital Expend.		
Health and safety	2,237,112.00	-
Training Need Analysis	-	96,212.50
Fabric Library	-	1,641,276.00
Banana Fibre Project	-	12,256,482.95
Library Automation	165,750.00	2,505,813.07
Learning management System(LMS)	-	2,313,103.50
Error correction	-	43,996.43
Wet processing project	-	173,250.00
	2,402,862.00	19,030,134.45
12.2 Amortization of the year		
Depreciation portion of assets by the Government Grant	23,110,220.99	23,015,725.63
	23,110,220.99	23,015,725.63
12.3 Govt.Contributions & Foreign Aid		
Capital Grant from the Government	475,707,177.63	473,304,315.63
Assets transferred by the Ministry	50,043,791.00	50,043,791.00
Foreign Aid (World bank & JICA)	99,276,267.00	99,276,267.00
Other donations received	291,081.00	291,081.00
	625,318,316.63	622,915,454.63
Less- Accumulated total of amortization	(484,092,946.15)	(460,982,725.16)
	141,225,370.48	161,932,729.47
13 Other projects		
Handloom Development programme - Marandmunei	2,147,985.53	2,147,985.53
Ministry of industry & commerce Scholarship Fund	236,867.04	236,867.04
Project 2020 - Batik Training Programme	5,280,358.93	-
Project 20/21-Eet.Tex.Des.Inno.& Res.Dev-Mn.7.1	6,986,114.00	-
Project 20/21-Stren.the Res.& Sta.Act.-Mn.3	2,680,512.19	-
Renovation of Sewing Shed & Impro.of Class Rooms	9,732,762.00	-
Apparel Base cottage Industry	229,219.06	355,219.06
	27,293,818.75	2,740,071.63

Notes to Financial Statements contd....

	2020 Rs	2019 Rs.
14 Accumulated surpluses/ (deficit)		
Profit Brought Forward	275,379,901.79	260,570,886.86
<u>Prior Year Adjustments for event occurred after balance sheet date</u>		
Course fees refunded	-	-
Revised Expenses	14.1 (290,405.34)	(2,562,263.94)
Sewing machine project	-	(644,000.00)
Forex exchange/loss	-	(1,017.72)
Health and Safety project	-	(1,328,893.56)
	275,089,496.45	256,034,711.64
Excess for the year	1,455,408.22	19,345,190.15
	<u>276,544,904.67</u>	<u>275,379,901.79</u>
14.1 Revised Expenses		
Allowance for Chairman's Driver	7,206.60	
Cancelled Payment	(26,750.00)	
Visiting Lecure fee	(1,000.00)	
SME Project 2019	5,100.00	
Library automation project 2019	0.20	
Overtime Payment	16,657.29	
Trainee Allowance	2,250.00	
Books -Acc.Depreciation	146,441.25	
Footwear Project	140,500.00	
	<u>290,405.34</u>	
15 Operating Income		
Testing	(15.1) 67,536,544.16	47,345,997.92
Training	(15.2) 43,648,476.15	87,246,445.00
Consultancy services	(15.3) 946,790.00	9,440,076.47
Customer / Technical Services & other sales	28,263,789.64	8,791,322.13
Loss on sale of Yarn at Palamuei Dye center	(15.4) -	(598,399.39)
Other income	(15.5) 21,779,448.06	30,642,923.14
Excess amount received on disposal of assets	(15.6) -	54,635.00
	<u>162,175,048.01</u>	<u>182,923,000.27</u>
15.1 Testing		
Normal testing	28,415,639.20	36,176,657.56
Forces uniforms	23,589,527.27	11,170,743.88
School uniforme testing	15,539,902.69	-
less - Discounts given-Testing	(8,525.00)	(1,403.52)
	<u>67,536,544.16</u>	<u>47,345,997.92</u>
15.2 Training		
Week Day Training	12,696,136.15	24,786,533.63
Week End Training	27,072,580.00	43,328,780.00
External Training	3,879,760.00	16,605,059.37
SME Training	-	2,526,072.00
	<u>43,648,476.15</u>	<u>87,246,445.00</u>
15.3 Consultancy services		
Consultancy service income	946,790.00	7,053,776.47
Add-Institute portion of Productivity Improvement Programme by consultancy		
Funds received from The Government	-	6,818,000.00
Received from Factories	-	300,000.00
	946,790.00	7,118,000.00
Less-Amount C/F for Next year	-	548,354.48
	946,790.00	6,569,645.52
Less- Expenditure		
Electricity	-	193,351.80
Advertisement	-	120,981.28
Refreshments	-	14,362.00
W/E, Ot, Trav.	-	993,901.72
Telephone bill	-	5,767.45
Telephone allowance	-	30,000.00
Transport	-	853,371.76
Salary , EPF,ETF,& Other allowance	-	1,691,188.37
Stationery	-	66,895.00
Accommodation	-	146,500.00
Repairs & Maint.of Building	-	32,500.00
Repairs & Maint of Pl.& Machi	-	6,307.34
Others	-	28,218.80
Less - Total expenditure	-	4,183,345.52
Institute portion received from PIP	-	<u>2,386,300.00</u>
Total consultancy service income	946,790.00	<u>9,440,076.47</u>

Notes to Financial Statements contd....

	2020 Rs	2019 Rs.
15.4 Profit form sale of Yarn at Palamuei Dye center (Discloser No.21)		
Income		
Sale of Yarn	-	9,750.00
Re-imbursement from DTI	-	69,246.72
Less- Expenditure		
Raw material used	15.4.1 -	100,429.52
Electricity charges	-	15,928.77
Physical verification	-	58,002.33
Water Bill	-	2,129.23
Handing Over Ceremoney	-	59,775.00
Salaries & Wages	-	441,131.26
Total expenditure	-	677,396.11
Profit/(loss)	-	(598,399.39)
15.4.1 Raw materials used during the year		
Opening Stock		
Dyes & chemicals	-	121,261.62
Yarn	-	293,643.75
	-	414,905.37
Add-Purchases during the year	-	-
	-	414,905.37
Less - Closing stock		
Dyes & chemicals	-	125,365.85
Yarn	-	189,110.00
	-	314,475.85
Amount used	-	100,429.52
15.5 Other Income		
Other Sales Income	(15.5.1) 32,400.00	666,193.24
Miscellaneous income	(15.5.2) 274,787.00	2,171,942.06
Savings A/C interest	9,594.11	9,624.20
Fixed Deposit interest	430,004.33	439,458.69
Treasury Bills interest	976,133.85	1,255,039.49
Call deposit interest	18,913,765.72	25,013,439.12
Staff Loan Interest	602,923.27	625,476.34
Registration of Suppliers	106,000.00	-
Canteen rental	12,500.00	48,250.00
Non Refundable Tender Deposit	119,000.00	413,500.00
Forex Gain	302,339.78	-
	21,779,448.06	30,642,923.14
15.5.1 Other Sales Income		
Auditorium, Seminar Hall, Class Room Hiring Charges	32,400.00	135,900.00
Facilities Provided for Students	-	530,293.24
	32,400.00	666,193.24
15.5.2 Miscellaneous Income		
Sale of Coconut/ King coconut	-	-
Photocopy charges	23,869.50	34,362.00
Repeat exam fees & VIVA	52,000.00	49,500.00
Transport charges (PIP and Divineguma, Other Projects)	144,414.24	601,422.07
Over Payment Debtors	19,379.00	3,450.12
Sales on T-Shirts	14,834.70	-
Sales on Disposa Items	-	38,390.00
Sale on Work Diary	10,289.56	200.00
Admin & Finanace Cost for Projects.	-	1,320,617.87
Refund of Honanarum payment	-	40,000.00
Diploma Awarding Ceremony	10,000.00	84,000.00
	274,787.00	2,171,942.06

Notes to Financial Statements contd....

	2020	2019
	Rs	Rs.
15.6 Excess amount received on disposal of assets		
Cost of the Assets-2019		2,019,859.83
Depreciation		2,014,184.83
Sale proceed		60,310.00
Total profit on disposal		<u>54,635.00</u>
16 Personal Emoluments (Wages, Salaries & Employee benefits)		
Salaries & wages	58,418,465.35	48,685,853.87
Adjustment Allowance	-	194,253.97
Cost of Living Allowance	8,184,191.94	7,675,823.83
EPF	8,638,768.66	6,784,962.38
ETF	2,015,699.62	1,700,506.99
Allowance to chairman	225,000.00	450,000.00
Casual wages / Allowance to trainees	1,578,309.06	1,047,184.27
Overtime	2,913,251.12	3,665,811.99
Week-end payments	7,523,809.48	11,014,501.91
Professional Allowance	3,164,076.70	2,714,799.99
Bonus/Appreciation allowance	1,260,000.00	1,493,750.00
Board secretarial fee	29,740.00	39,633.00
Allowance for week-end school staff	197,250.00	408,000.00
Telephone allowance	336,193.06	345,900.00
Transport allowance	5,150,000.00	4,800,000.00
Co-coordinating fee	872,889.10	404,507.65
Testing lab Staff allowance	473,625.00	486,000.00
Gratuity	8,584,374.00	7,833,855.00
Allowance for Chairman's Driver	17,874.85	24,507.76
Consultance Incentive/Penalties and surcharges	16,015.43	729,903.00
	<u>109,599,533.37</u>	<u>100,499,755.61</u>
17 Traveling		
Local	547,900.00	1,037,300.00
	<u>547,900.00</u>	<u>1,037,300.00</u>
18 Supplies & Consumables		
Stationery & office requisites	18.1 2,665,372.91	2,662,255.60
Other consumables	18.2 972,886.68	1,614,418.72
Accreditations & certification fees	1,065,781.91	3,218,430.37
Fuel for vehicles & generator	3,496,910.86	3,970,421.25
	<u>8,200,952.4</u>	<u>11,465,525.94</u>
18.1 Stationery & Office Requisites		
Stock as at beginning of the year	1,039,644.18	912,160.22
Add -Purchases during the year	2,715,914.06	2,789,739.56
	<u>3,755,558.24</u>	<u>3,701,899.78</u>
Less - Stock as at end of the year	(1,090,185.33)	(1,039,644.18)
	<u>2,665,372.91</u>	<u>2,662,255.60</u>
18.2 Consumables, QC Lab materials, Yarn & Dyes		
Stock as at beginning of the year	1,080,305.84	1,220,249.62
Add -Purchases during the year	1,373,279.73	1,474,474.94
	<u>2,453,585.57</u>	<u>2,694,724.56</u>
Less - Stock as at end of the year	(1,480,698.89)	(1,080,305.84)
	<u>972,886.68</u>	<u>1,614,418.72</u>

Notes to Financial Statements contd....

	2020 Rs	2019 Rs
19 Repairs and Maintenance		
Land & Buildings	992,866.38	1,641,475.07
Motor Vehicles	1,964,416.56	1,900,159.58
Furniture & Fittings and Equipment	390,695.60	694,203.44
Lab Equipment	6,376,723.78	39,330.00
Plant & Machinery	704,353.76	716,473.08
Computers	550,381.70	482,087.33
Industrial Sewing Machine	14,283.00	-
Generator	287,331.75	66,996.15
	11,281,052.53	5,540,724.65
19.1 Repairs and Maintenance		
Spare parts stock as at beginning of the Year	-	196,857.30
Spare Parts purchases during the year	-	112,900.00
Repairs & maintenance	704,353.76	603,573.08
	704,353.76	913,330.38
Less - Stock as at end of the year		(196,857.30)
Transferred to Maintenance of Machinery	704,353.76	716,473.08
20 Contractual Services		
Insurance	200,090.77	170,907.53
Security charges	1,793,415.00	1,594,989.34
Janitorial services	3,415,456.23	3,958,804.04
Electricity	6,113,632.17	7,776,043.91
Water	456,877.13	860,156.99
Communication services	743,299.58	782,767.57
Postage	92,950.00	269,835.00
Advertisement Expenses	924,564.40	813,561.11
Transport charges	1,876,665.75	3,814,697.52
	15,616,951.03	20,041,763.01
21 Depreciation		
Building	2,350,593.41	2,029,553.43
Computers	2,508,077.00	2,821,429.65
Furniture ,Fittings & equipment	5,671,547.77	4,904,217.21
Motor Vehicles	2,056,824.11	2,052,857.86
Plant & Machinery	3,094,578.75	2,531,240.04
Industrial sewing machinery	1,630,417.73	1,366,897.73
Lab Equipment	7,946,583.80	8,210,104.99
Books & Periodicals	378,412.48	275,419.88
	25,637,035.05	24,191,720.79
22 Other expenses		
Visiting lecturer fees	1,400,879.35	2,276,385.77
Audit fees - provision for the year	1,000,000.00	1,000,000.00
Training courses expenses	2,051,620.34	6,537,042.45
Miscellaneous expenses	22.1 231,752.73	561,957.89
Human capacity building - Foreign	-	2,202,889.16
Staff Welfare - Tea Expenses	1,125,395.55	1,336,361.16
Staff Medical scheme labour welfare	1,749,907.46	1,958,384.20
Welfare society	200,000.00	200,000.00
Fees to Board of Governors	206,000.00	366,800.00
Exhibition expenses	40,390.00	73,314.00
Stamp duty	28,850.00	37,300.00
Career guidance programme	90,034.85	260,166.52
Doubtful debtors	716,705.23	251,961.05
NVQ Accreditation Expenses	487,642.00	293,188.00
Expenses of gauze testing	151,000.00	309,600.00
Membership Subs.Fees	129,364.72	124,490.85
Exp. For testing of school uniform material	21,176.16	19,075.51
Withholding Tax	-	728,895.20
NBT - 2% expenses	-	8,589.00
Allowance to TEC and MTB Members	86,000.00	183,000.00
Allowance to Audit & Management committee, Academic council members	72,000.00	77,018.40
Entertainment expenses	193,387.37	255,801.83
Certificate Award ceremony	-	73,364.00
Expenses on Mannar Centre	22.2 -	47,055.00

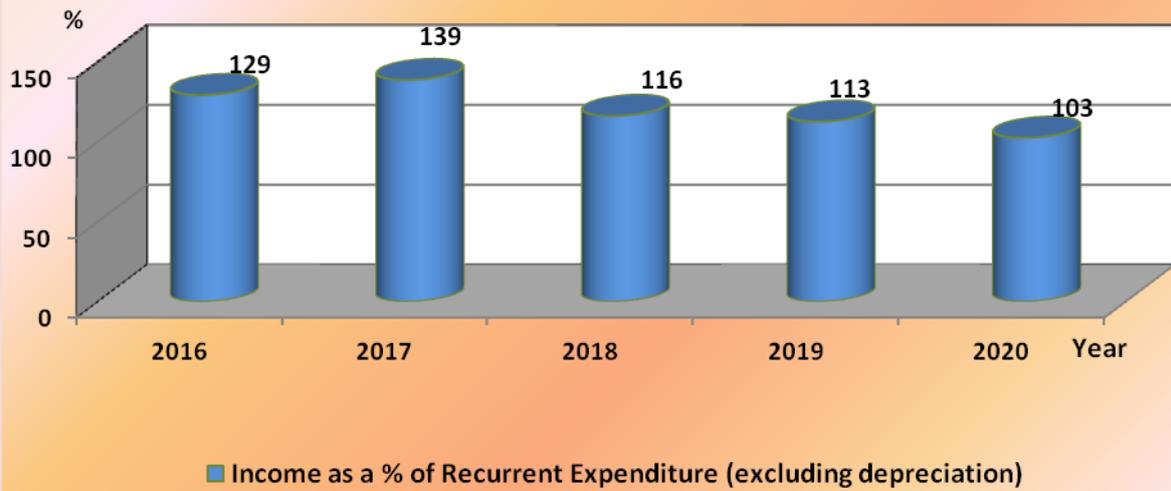
Notes to Financial Statements contd....

	2020 Rs	2019 Rs.
Degree Awarding status Expenses	80,000.00	2,573,945.00
Economic Service Charges	-	767,617.00
Publication & magazines	213,705.00	432,624.90
Staff Development Fund	488,285.00	677,918.00
Doramadalawa student ceromany	69,000.00	-
Health and safety project	443,511.37	-
School Uniform Inspection	1,302,576.19	-
SME Expenses	12,000.00	-
Loss on disposal	4,004.02	-
Covid Expenses	276,101.00	-
22.3	12,871,288.34	23,634,744.89
22.1 Miscellaneous Expenses		
News paper bills	24,840.00	40,680.00
Labour charges	6,000.00	3,200.00
Renewal of driving license	-	3,000.00
Garbage removal charges	-	26,973.90
Honorarium fee	21,000.00	57,000.00
Translation Fees - annual report & others	4,007.00	62,712.25
Vehicle parking fee (BOI)	910.00	290.00
Medicine/Medical treatment for students	9,292.73	23,316.96
Books & report binding	5,990.00	300.00
Pirith ceremony	50,338.00	64,118.71
Vesak decorating & Sinhala New year festival contribution	-	140,123.50
Laundry fee	-	1,181.27
Other Expenses	4,300.00	500.00
New Year Greetings	-	54,000.00
Textile Institute -Annual General Meeting	-	10,000.00
Over Coats	18,750.00	12,000.00
Valuation Charges	540.00	10,000.00
Desk Calenda	-	432.00
Testing Charges -Sample of Water	-	4,936.23
Confirmation of Degrr Certificate	-	2,500.00
Identity Cards for Staff	100.00	600.00
DTAC Payment	8,320.00	17,500.00
Subscription for Magazine	20,694.72	21,908.07
Opening Ceremony	1,450.00	-
Tools & Sundry material	7,711.64	-
Fire Demonstration	23,500.00	-
Report charges	6,000.00	-
Visitor charges	3,120.00	-
Courier charges	7,648.64	-
Ground rent	3,240.00	-
Weaving charges	4,000.00	-
	231,752.73	557,272.89
22.2 Expenses on Mannar Centre		
Expenditure		
Overtime,Traveling,Week end payment		37,250.00
Physical verification Expenses		9,805.00
Expenses incurred by the Institute	-	47,055.00
22.3 Loss on disposal of assets		
Cost of the Assets-2020	1,913,724.49	
Depreciation	1,821,160.03	
Sale proceed	88,560.44	
Total loss on disposal	(4,004.02)	
23 Finance cost		
Foreign exchange loss	-	285.74
Bank charges	75,148.10	181,715.12
	75,148.10	182,000.86
24 Deferred income		
Depreciation portion of assets by the Government Grant	23,110,220.99	21,830,794.82
Government contribution for human capacity building	-	1,184,930.81
	23,110,220.99	23,015,725.63

PERFORMANCE INDICATORS



Income as a % of Recurrent Expenditure (Excluding depreciation)



Funding Recurrent Expenditure



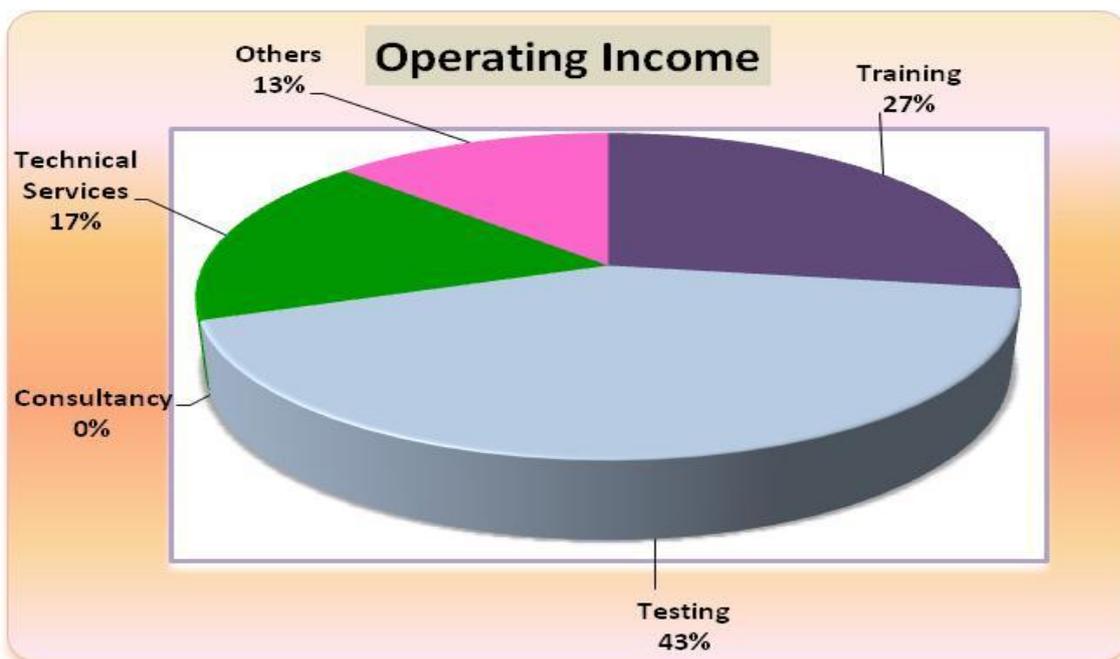
REPORT ON FINANCIAL STATEMENTS

Income



The Institute has recorded a total annual income of Rs. 162 Mn during the year under review which is a decrease of 11% compared to the year 2019. During the year under review total income decreased by Rs.20.74 Mn due to the inability of conducting training courses and of the programme due to Covid 19. From this year onward at the end of the 3rd quarter, testing of uniform for school was initiated.

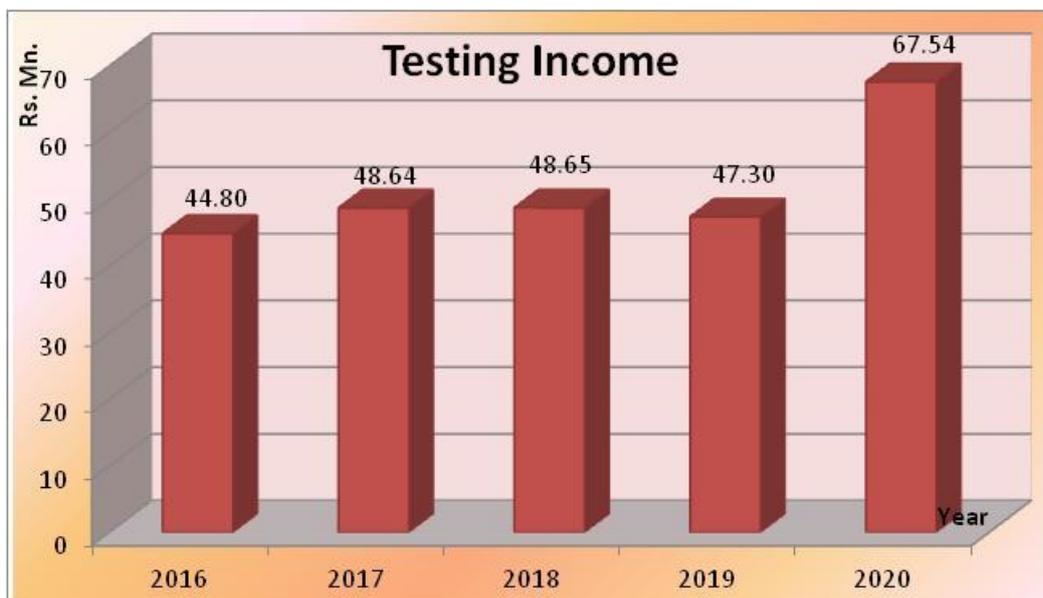
Operating Income



The income generated by Testing, Training and Consultancy services are 87% of the total operating income while 13% of the operating income is contributed by sources such as Interests Income (Fixed Deposit, Treasury Bills and Call Deposits interest), Transport income and miscellaneous activities. The technical Services income is 17% of the total income. However, Testing is the main income source contributing to the total income in this year. It shows a contribution of 43% of the total income. It consists of testing of forces uniform, school uniform and other normal testing activities. Training income decreased by 50% when compared to the previous year. All training class were temporarily suspended from end of March 2020 and most of the new programmes for this year were not inaugurated.

Testing Income

During the year, testing has generated an income of Rs. 67.5 Mn. through 51,988 tests from 4,953 samples. There is an increase of 43% in the testing income compared to the previous year.





Training and Consultancy

Training is another service provided by the Institute. In the year 2020, Institute records a total number of Trainees as 1,261 and total number of Training Programs as 57. Total training income generated in the year under review amounts to Rs.43.65 Mn, compared to Rs. 87.25 Mn. earned in 2019. This is a considerable decrease by 50% compared to the year 2019, due to Covid 19 pandemic situation.



Income from Other Sources

Other income sources, comprise mainly of Interest on Fixed deposits, Treasury bills and Call Deposit investments income , Distress loan interest income, canteen rental, Non refundable tender deposit, and forex gain and the balance contribution is made from Miscellaneous activities such as repeat exam fee, transport charges and tender document fees, photocopy charges,etc.

Expenditure

	2020 Rs.Mn.	2019 Rs. Mn
Operating Income	162.175	182.92
Less:		
Total Operating Expenditure	183.829	186.59
Operating profit/loss	(21.65)	(3.67)
Deferred Income	23.11	23.01
Net Surplus/ (Deficit) for the Period	1.46	19.34

Total recurrent expenditure incurred during the year is Rs. 183.829 Mn. compared to Rs. 186.59 Mn. previous year and this indicates a slight decrease of 1.5 % of expenditure.

Recurrent expenditure mainly consists of personnel emoluments, supplies and consumable expenses. From the beginning of the year Institute could not run at full capacity, for more than 3 months .Operating expenditure was risen due to maintenance activities and salary revision during the pandemic period.

Overall Financial Structure.

Infrastructure, Plant and Equipment consist of a net value of Rs. 160.3 Mn. Total investment during the year is Rs. 19.5 Mn.

- ✚ Overall institutional income decreased by 11% from Rs. 183 Mn to Rs.162 Mn .
- ✚ Total Expenditure decreased by 1.5% from Rs.186 Mn to Rs. 183.82 Mn.
- ✚ Total operating loss increased from.Rs.3.6 Mn to of Rs.21.6 Mn.

DEPARTMENT WISE INCOME/EXPENDITURE BREAKDOWN

DEPARTMENT	INCOME REVISED BUDGET 2020 Rs.	INCOME ACTUAL Rs.	EXPENSES										TOTAL EXPENSES Rs.	PROFIT/(LOSS) Rs.
			CONTRACTUAL SERVICES Rs.	PERSONAL EMOLUMENTS Rs.	TRAVELLING Rs.	SUPPLIES & CONSUMABLE FIXED ASSETS Rs.	REP. & MAIN OF FIXED ASSETS Rs.	OTHER EXPENSES Rs.	DEPRECIATION EXPENSES Rs.	TOTAL EXPENSES Rs.	PROFIT/(LOSS) Rs.			
Q/C LABORTARY	55,000,000.00	69,120,711.41	4,086,953.95	19,456,198.26	-	3,244,025.42	7,305,169.24	1,527,009.83	9,930,336.74	45,549,693.44	23,571,017.97			
CLOTHING TECHNOLOGY	22,570,000.00	15,076,703.00	2,006,350.51	14,935,486.68	175,500.00	887,313.14	770,868.45	673,607.89	2,708,055.41	22,157,182.08	(7,080,479.08)			
FABRIC TECHNOLOGY	25,642,000.00	38,339,957.48	3,507,865.43	17,201,889.20	94,500.00	785,865.10	484,705.74	2,782,386.81	2,013,755.73	26,870,968.01	11,468,989.47			
PRODUCT DEVELOPMENT & DES	15,670,000.00	9,818,551.95	1,846,219.63	7,702,994.90	25,000.00	449,827.53	599,143.08	1,182,750.17	1,987,948.25	13,793,888.56	(3,975,331.61)			
ENGINEERING	8,510,000.00	4,261,484.45	929,110.08	8,677,742.27	20,500.00	545,273.98	619,949.63	1,193,140.14	2,637,551.01	14,623,267.11	(10,361,782.66)			
FOOTWEAR	2,300,000.00	3,761,691.66	672,005.48	3,414,342.35	60,500.00	403,890.59	510,621.65	1,308,487.15	2,444,483.85	8,814,331.07	(5,052,639.41)			
ADMIN & ACCOUNTS	20,646,000.00	21,795,948.01	2,568,445.95	38,210,879.71	171,900.00	1,884,756.60	990,594.74	4,279,054.45	3,914,904.06	52,020,535.51	(30,224,587.50)			
TOTAL	150,338,000.00	162,175,047.96	15,616,951.03	108,598,533.37	547,900.00	8,200,952.36	11,281,052.53	12,946,436.44	25,637,035.05	183,829,860.78	(21,654,812.82)			
DEFERRED INCOME												23,110,220.99		
TOTAL SURPLUS/(DEFICIT) FOR THE YEAR													1,455,408.17	

ACTIVITIES - YEAR 2020

HIGHLIGHTS

Awarding Ceremony of Foot Wear Programme – Mannar



Refurbished Smart Seminar Hall- Opening Ceremony



Certificate Awarding for Batik Dyeing for Export



Sewing Machine Mechanic Programme for Females - MAS Holdings



12th Footwear & Leather Fair 2020



Developing PPE for Covid



Arch. Sarath Fernando AIA(SL)assumed office as the Director General of the SLITA



Foot Wear training programme in Polpithigama



Official Launching Ceremony for ISO Quality Certificate



Awareness Session for Tailors Association in Sri Lanka



Fire safety Awareness Programme for SLITA staff



Health and Safety Certificate for Children's Wear



Inauguration ceremony of B.Sc Fashion Design



DoraMadala



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Opening Ceremony of Batik Training Center – Galgamuwa



FUTURE PLANS FOR THE YEAR 2021

- Service delivery and academic activities on a digital platform
- Renovations of classroom facilities to accommodate 200 more students
- Obtain NVQ 4/5 levels to the selected courses
- Commercialization of banana yarn to produce fabric
- Introduce health and safety measures to textile and apparel products
- Obtaining degree awarding status to the institute
- Collaborative efforts with other institutes for academic, research and business activities

AUDITOR GENERAL'S REPORT

TAC/A/SLITA/20/FS/22

06th January 2022

Chairman
Sri Lanka Institute of Textile and Apparel

Financial Statements of Sri Lanka Institute of Textile and Apparel for the year ended 31 December 2020 and the Auditor General's Report on other legal requirements as per section 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Institute of Textile and Apparel for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of financial performance, statement of changes in equity and cash flow statement and notes to the financial statements for the year then ended and 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 to be read in conjunction with provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 . This report will be presented to Parliament in due course in terms of Article 154 (6) of the Constitution of Sri Lanka.

In my opinion, except for the effects of the matters described in the section of basis for qualified opinion of this report, a true and fair view of the financial performance and cash flow for the year ended as at 31st of December 2020 in accordance with Public Sector Accounting Standards.

1.2 Basis for the Qualified Opinion

(a) Even though the due interest income as at 31st of December 2020 through call interest was Rs. 9,195,787, as it has been stated in the financial statements as Rs. 7,341,295, interest revenue of the year has been understated by Rs. 1,854,492.

(b) In terms of section 09 of LKAS 02 even though cash and cash equivalents within an interest is qualified to be recognized only if it is with a short maturity period of 03 months, an amount worth Rs. 4,777,943 which had been invested for a period of one year had been cash and cash

equivalents. Further, an investment interest of Rs. 22,159,341 received in terms of section 40 of the said accounting standard had not been disclosed separately as a cash flow.

(c) Even though the nominal value of the lands belonging to the institute had been stated as Rs. 5,018,434 in the financial statements, it had not been revaluated and the fair value had not been included in the financial statements in terms of section 42 of LKAS 07.

(d) In terms of LKAS 07, even though the property, plant and equipment at the cost of Rs. 204,839,496 which had been fully depreciated as at the end of the year under review are using even at present, it had not been disclosed in the financial statements. Further, arrangements had not been made to re-review the useful life time of these assets and make adjustments in the financial statements in terms of LKAS 03.

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 qualified opinion.

1.3 Other information included in the Annual Report 2020 of the institute

Other information means, financial statements and information which are not included in my audit report even though included in the Annual Report 2020 of the institute which is expected to be submitted me after the date of this audit report. The management is responsible for this other information.

Other information is not included in my opinion on financial statements and I do not express any certification or opinion in whatever way in this regard.

With respect to my audit on financial statements, my responsibility is to read above mentioned other identified information when received and to take into account whether other information materially mismatch with financial statements or knowledge I have gained in the audit or other way.

If I determine that material misstatements are found based on the other information I obtained before the date of this Audit Report and the tasks I have performed, I should report such misstatement. I have no information to report in this regard.

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

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

When preparing financial statements, it is a responsibility of the management to determine the ability of going concern of the institute and in case the management determines to liquidate the institute or unless take action to cease the operations in the absence of other alternative, the management is responsible for accounting based on the continuous operation and to disclose the matters on the going concern of the institute in future.

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

As per sub 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.

1.5 Auditor's Responsibility on Audit of Financial Statements

My objective is to express a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the Summary Report of the Auditor General that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- 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 fairness of the accounting policies and accounting estimates used and the appropriateness of the related disclosures made by the management.
- Conclude on the appropriateness of the use of going concern basis of accounting 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 a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. 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.

2. Report on the other legal and regulatory requirements

2.1 National Audit Act, No. 19 of 2018 includes specific provisions in respect of the following requirements.

2.1.1 Except for the effects from the matters described under the basis for the qualified opinion in my report, I have obtained all the information and explanations for the purpose of audit and as per revelations from my examination, proper financial records have been maintained by the institute as per the requirement of Section 12(a) of the National Audit Act, No. 19 of 2018.

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

2.1.3 As per the requirement of Section 6(i) (d) (iv) of the National Audit Act, No. 19 of 2018, except the matter specified under 1.2 (d) of this report, the recommendations I have made on the financial statements made in respect of the preceding year had not been implemented.

2.2 Based on the procedures which had been adopted and the evidence obtained which limited to matters that are material, nothing has come into my consideration to express following statements.

2.2.1 As per the requirement of Section 12 (d) of the National Audit Act, No. 19 of 2018, whether any member of the governing board of the institute has any direct or indirect interest in any contract entered into by the institute beyond the normal course of business.

2.2.2 Except for the below mentioned observation, whether governing Board of the institute has not complied with any applicable written law or other general or special directions issued by the governing board of the institute as per the requirement of Section 12 (f) of the National Audit Act, No. 19 of 2018

Reference to Rules and regulations/ direction	Observation
(a) Section 16 of the Sri Lanka Institute of Textile and Apparel Act No. 12 of 2009	The institute should publish a report on its activities of the year at the end of each financial year and it should be tabled in parliament after obtaining approval of the Minister. However, this report in respect of the year 2019 had not been tabled in Parliament.
(b) Public Enterprise Circular No. 95 dated 14 th June 1994 and the Public Finance Circular No. PF/PE 5 dated 11 th January 2000	<p>(i) Even though approval of the General Treasury has to be obtained for all the allowances paid to the employees by the institute, such approval had not been obtained for the allowances such as laboratory staff allowances, consultation allowances, course coordination fees of Rs. 1,555,032 paid during the year under review.</p> <p>(ii) Rs. 360,562 of annual premium for an employee medical insurance and Rs. 1,276,211 to reimburse medical bills had been spend without approval of the treasury.</p>
(c) Paragraph 2 of the Public Enterprise Circular PED/2/2015 dated 25 th May 2015	Even though communication fees should be reimbursed subject to the maximum limit, instead of reimbursing bills, payments had been made adding maximum allowances to the salary. Accordingly, the over-paid amount of Rs. 346,800 in 2019 had not been reimbursed in the year under review and the same process had been followed up to December of the year under review.
(d) Public Administration and Management Circular No. 05/2008 dated 06 th February 2008 amended by the circular No. 05/2018(1) dated 24 th January 2018	Citizens'/ Clients' Charter had not been prepared.

2.2.3 As per the requirement of Section 12 (g) of the National Audit Act, No. 19 of 2018, whether the institute has not performed according to its powers, functions and duties.

- (a) In terms of section 5(c) of the Sri Lanka Institute of Textile and Apparel Act No. 12 of 2009, even though degrees and post graduate degrees in the field of Textile and Apparel should be awarded in collaboration with local and foreign universities, such activities had been commenced only with a private university of India.
- (b) In terms of section 4(i) of the National Audit Act, No. 19 of 2018, even though a data base on Textile and Apparel Industry should be maintain including production, import, export and other technical information, such data base had not been maintained.

2.2.4 As per the requirement in section 12(h) of the National Audit Act No. 19 of 2018, except the following observation, 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.

Even though a machine at the value of Rs. 2,237,112 was purchased through Heathy and Safety Project which is implemented utilizing the funds of the Ministry to check the quality of apparel, during the year under review necessary legal provisions had not been approved to ensure the quality of raw materials using the machine.

2.3 Other matters

- (a) In terms of the National Audit Act, No. 19 of 2018, it had been established to achieve 10 objectives and although the action plan of the institute has to be prepared to achieve the set objectives, only conducting courses had not been included within it.
- (b) As per section 12 of the said Act, the institute may establish a staff development fund by the institute to improve knowledge and skills of the staff, even though a determined percentage could be annually credited from the income of the institute to the fund, 0.5% of recoveries from debtors in respect of 2020 had been credited to the fund without approval of the staff officers.
- (c) An expenditure of Rs. 3,762,600.00 had been borne on various activities prior to calling of tenders on building a 04 storied new building in 2015 as per a cabinet approval. However, the total expenditure borne was idle as it was decided to stop constructions due to the difficulties in obtaining allocations.

(d) Within the balance to be recovered as at 31st of December 2020, an amount of Rs. 948,156 had to be recovered from 42 debtors over 05 years while an amount of Rs. 3,757,350 from 35 debtors for 3-5 years and necessary action had not been taken to recover them.

(e) Even though the Ministry of Industry and Commerce had been provided to test textile samples at the value of Rs. 4,306,291 during the year under review, this amount had not been recovered even by November 2021.

(f) Even though the amount of Rs. 3,871,448 earned from selling of 05 motor vehicles in 2015, had to be remitted to the Treasury as per the Asset Management Circular No. 01 dated 19th March 2018, that balance had been entered under sundry creditors during the year under review.



W. P. C. Wickramaratne
Auditor General