



Ministry of Tourism & Lands
**Sri Lanka Institute of
Tourism & Hotel Management**



ANNUAL REPORT 2021



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1. Key Businesses of the Institute

While many business niches are composed of only a handful of different businesses, the hospitality industry applies to nearly any company that deals with customer satisfaction and is focused on meeting leisurely needs rather than basic ones.

With the broadness of this industry, some defining aspects are important to understand. The hospitality industry is a broad category of fields within the service industry that includes lodging, event planning, theme parks, transportation, and additional fields within the tourism industry. The hospitality industry is a multibillion-dollar industry that depends on the availability of leisure time, disposable income, and complete customer satisfaction.

The highly competitive environment in which businesses operate today requires a skillful workforce in every organization to remain a successful player in the competitive game of the industry. One of the main problems which occur in the workplace is the lack of training. A large number of employees can appear dissatisfied due to being assigned responsibilities without having the right knowledge and skills in that area. Training is an essential process that should be cautiously designed and implemented within all firms. The overall aim of the Sri Lanka Institute of Tourism & Hotel Management in this dissertation is to assess the importance of identifying and providing training in various degrees in the work field.

Many hospitality workers start in entry-level positions and work their way up into higher-level jobs. When a company takes the time to train people, it is easier to recognize the talent that can be developed for higher management positions.

Training for the hospitality industry is diverse. Basic skills include communication and ways to interact with the hotel guests. It also involves teamwork training and diversity training, because the staff is perceived as one unit by guests. Learning to work together with people from different backgrounds is essential since staff never know what the background of any specific guest will be. Yet the guest experience needs to be the same for everyone.

A major benefit of hospitality education is real-world learning. The students are learning from history to make room for a better, sustainable, and more efficient tomorrow. While education offers a plethora of opportunities, it is also crucial that students come prepared with the right mindset.

The Sri Lanka Institute of Tourism & Hotel Management (SLITHM) is the only Government approved premier Institute in Sri Lanka, which was established by the Government in 1964 to train young men and women in the complex field of Hospitality and Travel Industry, and is managed by The Ministry of Tourism. Further, to facilitate students island-wide, provincial schools have been set up in Anuradhapura, Bandarawela, Pallekelle, Koggala, Ratnapura, Kurunegala, Pasikudah & Jaffna.

Following the ever-expanding tourism sector in the country with developments in the travel & hospitality industry, the Sri Lanka Institute of Tourism & Hotel Management provides a sound professional training to cater to the fast-developing needs of the local and international hotel and tourism industries with the best-trained and most highly motivated management professionals. During the first 10 years, the focus was to train personnel for top and middle management positions in the industry, supplemented with a programme of short courses at the craft level, which provided the manpower for the various departments in the hospitality trade.

Over the years SLITHM has fine-tuned its programmes to meet the specific needs of Sri Lanka's and Asia's changing industry-wide market needs and new schemes of training are

introduced frequently with opportunities to specialize in industry-specific areas. The scheme allows students to be more flexible in the choice of training and provides multiple entry-exit points. It also recognizes prior learning, which benefits those who have gained hands-on experience in the industry and who wish to acquire further knowledge through a sound professional qualification.

At the SLITHM, different courses offer students endless possibilities in the corporate space to build their careers. The prime objective of hotel staff is to deliver on the customer satisfaction of the guests, ensuring that a guest has a hassle-free and joyous stay at a hotel. The better a guest is going to feel the more likely they are going to visit that particular hotel again. The hotel staff ensures that guests feel welcomed and they visit again. The SLITHM helps candidates by giving them a change of work environments, as it's not the simple office desk job that makes candidates work 9 to 5, a hotel management job gives candidates a pleasant and well-decorated environment to work in which in turn increases their work satisfaction.

A student can choose a course from the SLITHM depending on their previous education, the field of interest, knowledge, and existing skill set. Hotel management courses teach students a vast amount of knowledge through their diverse curriculum. Hospitality courses teach students about the hotel sector textually as well as practically. Students gain practical knowledge that helps them understand the different functions of the hotel sector. A student trained in practical knowledge is highly valued among corporations and by employers as they know that a student can handle the important operations on the business front. Along with the Craft Level qualification students also go for certificate courses as it helps them get a better insight into the hospitality sector while adding more qualifications to their resume. Candidates in the SLITHM have a chance of growing professionally.

Students can get entry-level jobs in hotels and work their way up with years of experience and they can even advance by going for higher education at the SLITHM and rank high-level job posts in the hotel sector.

The hospitality sector is ever-growing and has various career benefits that students can take advantage of, like landing good jobs in an international chain of hotels.

Our Vision

To be the Center of Excellence in Training and Education for Human Resource Development Tourism and Hospitality Industry in Asia.

Our Mission

To provide application oriented international standard education and training to produce competent and committed Human Resources to meet the demands of the Hospitality and Tourism Industry.

Our Theme

“Taking Sri Lanka to Global Heights – A Journey towards Excellence in Sri Lankan Hospitality”

Our Values

- ✓ **Quality**
We provide first class training and education programmes in delivering premium value to our students.
- ✓ **Equity**
We ensure equal opportunities for every student, regardless of race, religion, gender, or economic status to meet the required standards for the highest achievement and growth.
- ✓ **Integrity**
We strive to uphold the highest standards of professional ethics and discipline to meet the training requirements of Tourism and Hospitality services.

Our Objectives

- To identify, design and deliver Training and Education Programs in Travel, Tourism and Hospitality Management.
- To produce the highest quality professionals for the Tourism and Hospitality Industries
- To train the required manpower to meet the demand for Tourism and Hospitality Industries by addressing ever changing and challenging trends in Tourism and Hospitality Industries.
- To provide the equal opportunities and create equitable working environment for all youth living in different parts of the country while ensuring sustainable growth in the Tourism and Hospitality industries.
- Expand the capacity of delivering Tourism and Hospitality Education by creating partnership with local and international education entities in mutually beneficial manner.
- To demonstrate excellence through research in Tourism and Hospitality that adds to international knowledge and connectivity.

2. Corporate Information

Sri Lanka Institute of Tourism and Hotel Management (SLITHM) is a statutory body that was established in 1964, the nation's pioneering Hospitality and Tourism education provider operates under the Ministry of Tourism and is regulated by the Tourism Act No.38 of 2005. SLITHM is the leading vocational education institution in the field of Tourism and Hospitality in Sri Lanka.

Registered Name	: Sri Lanka Institute of Tourism and Hotel Management
Legal form	: Public Enterprise formed under Tourism Act No.38 of 2005
Address of the Head Office	: No.78, Galle Road, Colombo – 03
Auditor	: Auditor General of Sri Lanka
Banker	: Bank of Ceylon

Location of SLITHM Provincial Schools

☎ Anuradhapura Provincial School	: Dharmasiri Senanayake Tourism Information Center, Sri Maha Bodhi Mawatha, Anuradhapura
☎ Bandarawela Provincial School	: National Holiday Resort, Golf Link Road, Bandarawela
☎ Colombo Provincial School	: No. 78, Galle Road, Colombo 3
☎ Kandy Provincial School	: Mahaweli Uyana, Kundasale, Kandy
☎ Koggala Provincial School	: Koggala Free Trade Zone, Habaraduwa, Koggala
☎ Kurunegala Provincial School	: Maguruoyawatte, Boyagane, Kurunegala
☎ Pasikudah Provincial School	: National Holiday Resort Office, Pasikudah
☎ Ratnapura Provincial School	: New Town, Ratnapura
☎ Jaffna Provincial School	: Public Administration Rest House, Kytes Road, Jaffna

Board of Directors

Mrs. Kimarli Fernando : Chairperson

Public Sector representatives

Mrs. Nadeeka Wataliyadda : Director General, *SLITHM*
 Mrs. D.L. Sannasooriya : Additional Secretary, *Ministry of Tourism*
 Ms. Dhammika Wijayasinghe : Director General, *SLTDA*

Private sector representatives

Dr. Dinushan Wanniarachchi
 Mr. Tissa Gunawardhane
 Mr. Bandula Ekanayake
 Mr. Bazeer Cassim
 Mr. Nishad Wijethunga
 Mr. Eksath Wijeratne
 Mr. P.A.M.B. Priyal Perera

(From January to September 2021)

Observer

Mrs. M.K.D.N. Madampe : Observer, *Ministry of Finance, Economy and Policy Development*
 Mrs. Aruni Perera : Secretary, *Board of Directors*

Members of Audit & Management Committee

Chairperson	: Mrs. Niluka Madampe, <i>Additional Director General, Department of Fiscal Policy, Ministry of Finance</i>
Member	: Mr. Bandula Ekanayake, <i>Board Member of SLITHM</i>
Member	: Dr. Dinushan Wanniarachchi, <i>Board Member of SLITHM</i>
Member	: Mrs. Sunanda Piyaseeli, <i>Chief Internal Auditor, Ministry of Tourism</i>
Observer	: Mr. S. Sanjeewa, <i>Representative of the Auditor General</i>
Convener	: Mr. Malith Dhanusekara, <i>Assistant Director, Internal Audit</i>

Members of Academic Affairs Board

Mrs. Nadeeka Wataliyadda	: Director General, <i>SLITHM</i>	(From September 2021)
Prof. Vasanthy Arasaratnam		(From November 2021)
Prof. R.A.C. Jayalath		(From September 2021)
Mr. Kanishka Jayatunga		(From September 2021)
Mr. Patrick G.S. Pereira		(From September 2021)
Mrs. D.L. Sannasooriya		(From September 2021)

Members of Finance Committee

Ms. Nadeeka Wataliyadda	: Chairperson
Mr. Bandula Ekanayake	: Board Member
Mr. Eksath Wijeratne	: Board Member
Ms. R.M.N.K.K. Abeyrathne	: Chief Accountant, <i>Ministry of Tourism</i>
Mr. Royce Fernando	: Director Finance, Convener and Secretary

Senior Management

Mrs. Kimarli Fernando	: Chairperson
Mrs. Nadeeka Wataliyadda	: Director General
Mr. Kanishka Jayathunga	: Deputy Director General – Academic (Acting)
Mr. Sanjaya Kariyawasam	: Deputy Director General – Non-Academic
Mr. Royce Fernando	: Director Finance
Mr. Wasantha Manthripala	: Registrar (From January to September 2021)
Mrs. Amitha Owitipana	: Deputy Director – HR & Admin
Mr. Harshana Ponnampereuma	: Manager – Samudra Hotel
Mr. Ayal Perera	: Assistant Registrar
Mr. Dilruwan Rathnayake	: Assistant Director – IT
Mr. Tharaka Gamage	: Assistant Director – Maintenance Engineering
Mr. Sagara Kulasingha	: Assistant Director – Marketing
Mrs. Ganaga Walpola	: Librarian
Mr. Niransan Kumar	: Assistant Director – Procurement (From October 2021)
Mrs. Elena Perera	: Assistant Director – Finance (From October 2021)

3. Organizational Structure

Principals of SLITHM Schools

Mr. Lal Seneviratne	:	Anuradhapura	
Mr. Chaminda Tennakoon	:	Bandarawela	
Mr. Saman Hathurusinghe	:	Colombo	
Mrs. Kumuduni Wickramasinghe	:	Kandy	
Dr. R.D.A. Lenard Ranchagoda	:	Koggala	
Mr. Rienzie Jayawardena	:	Kurunegala	
Mr. Kanishka N. Jayathunga	:	Ratnapura	
Mr. Risan Mohamed	:	Pasikudah	<i>(Lecturer in Charge)</i>
Mrs. Niranjala Alex	:	Jaffna	<i>(Lecturer in Charge)</i>

Cluster Heads

Mr. Nishantha Kulathunga	:	Professional Cookery
Mr. Dickson Kumara	:	Food & Beverage Operation
Mr. Udena Silpatilaka	:	Front Office Operation
Mr. Lenard Perera	:	Hotel Housekeeping
Mr. Dheera Hettiarachchi	:	Travel and Tourism

4. Risk Assessment and Mitigating Strategies

An effective risk management strategy is essential for an institution like; SLITHM. Risk management helps employees to identify, analyze, assess, and hopefully, avoid or mitigate risks coming from a variety of sources, such as financial upset, legal ramifications, accidents, natural disasters, data, or cyber security breaches, and many more.

Hospitality businesses including hotel training institutions face the same risk management process as those in other industries, starting with a risk assessment and including decisions about whether to avoid, mitigate, or accept the risks that assessment reveals.

A typical risk analysis compares the probability (frequency) of any risks occurring by the consequence (severity) if they do occur. This can be done either qualitatively or quantitatively, with either numerical values or descriptors applied.

Tourism is one of the most economically important sets of industries worldwide, yet the industry is also one of the most highly exposed to disasters due to its reliance on interrelated industries and location in many hazardous-prone regions.

The SLITHM Resilient Initiative aims to develop internationally recognized standards for the hotel school that will assist us in reducing business risk and the risk of tourism destinations to natural and technological hazards while demonstrating the level of preparedness and safety of their premises to potential clients, insurers, and financiers.

When Covid-19 ravaged the world, forcing businesses to close doors, the SLITHM, hospitality, and industry in Sri Lanka were those that suffered the most. Only a very few hotels were allowed to operate under stringent regulations to serve. As economics start to reopen, more hotels were allowed to open, given that they were equipped to address a broad spectrum of risks associated with Coronavirus.

Risk management is a planned process through which organizations manage active crises. A crisis is defined as a time of difficulty or danger and is usually a time when challenging decisions must be made. With a plan in place that outlines the process of managing a crisis, organizations can adapt more easily to deal with a crisis.

The tourism industry operates in a dynamic environment that involves many interconnected sectors. As a result, it is constantly evolving and is particularly vulnerable to unexpected crises. Crises come in many forms, including health threats like the 2020 global coronavirus pandemic, natural disasters such as earthquakes and floods, political unrest, and terrorist attacks. Such risks and crises pose significant threats to the tourism industry, destinations, and tour operators working in the sector. In recent years, there have been several major crises, including the Easter Day bombings in Sri Lanka in 2019, all of which had a major impact on the tourism industry.

The Institute under the guidance of the Ministry of Tourism maintains a comprehensive system to identify, measure and mitigate risks. The risk function comes under the overall supervision of the SLITHM Board of Directors, who recognize that they are responsible for providing a return to stakeholders, which is consistent with the responsible assessment and mitigation of risk. The Board is aware that any internal control systems contain inherent limitations and therefore, the Board takes appropriate action to minimize such situations. Both risk and internal control functions work in sync to ensure that the risks are identified timely and necessary mitigatory steps are taken immediately.

5. Analysis of Financial and Operational Performance

In the market economy, corporate finances are certainly one of the key resources which are limited. The fact that financial resources are limited influences the limitations of several operations (acquisition, promotion, distribution, and sales). Therefore, the proper allocation of financial assets occupies a very important place in modern business. A final decision on how the company should allocate its funds should be based on a good assessment, which should rely on the previously performed analysis. One of the most common and most used methods of financial analysis is the financial statements analysis and ratio analysis.

By bringing certain items from financial statements in mutual connection, via simple mathematical formula, it is possible to determine the overall performance of the company, measured through finance. Justification of these investments may be the subject to the financial analysis.

With the escalation of the COVID-19 outbreak to a global pandemic, the world is currently facing a global health, social and economic emergency with the travel and tourism sector being one of the worst affected with strict containment measures such as lockdowns, travel restrictions, airport closures and border closures being implemented.

One of management's main goals is decision-making, and for that task to be performed coherently and as accurately as possible, each departmental head must be fully aware of the SLITHM's reality and its surrounding environment. One of the oldest ways – and still very much in use – to assess an organization is to analyze the various measures of performance.

To develop indicators that would satisfy the stockholders and Senior Management of SLITHM need to quantify the success or failure of the decisions made by the board.

But rather than a set of indicators that should be analyzed simultaneously, the various performance assessment measures have advantages and disadvantages, and the crossing of those measures and simultaneous use improves their performance and effectiveness.

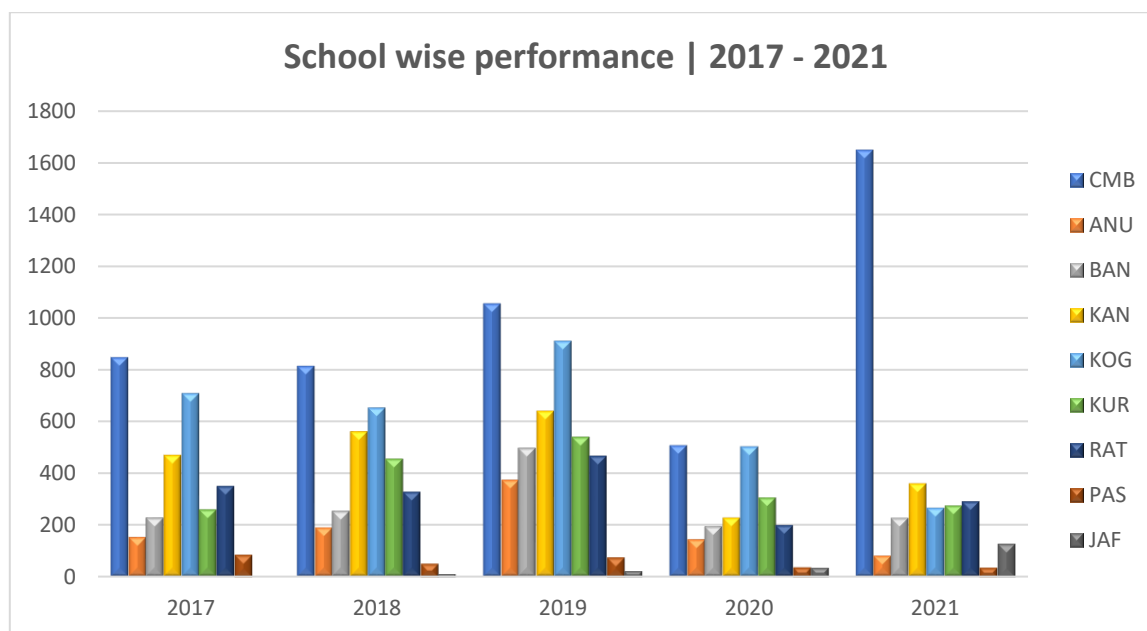
5.1 Physical Performance in 2021

5.1.1 Highlights of the Performance of SLITHM

Table 01. The number of students who completed the courses during the past five years 2017 to 2021.

School Name	Year				
	2017	2018	2019	2020	2021
Colombo	843	815	1056	508	1,650
Anuradhapura	152	190	374	143	81
Bandarawela	227	253	495	193	225
Kandy	470	562	641	228	360
Koggala	707	651	909	501	265
Kurunegala	259	454	538	304	274
Ratnapura	349	327	465	198	290
Pasikudah	84	51	74	37	36
Jaffna	-	12	23	36	126
Total	3,091	3,315	4,575	2,148	3,307

Note: In addition to that, there were 1,735 students trained for non-regular courses conducted by the all-provincial schools of SLITHM in 2021.

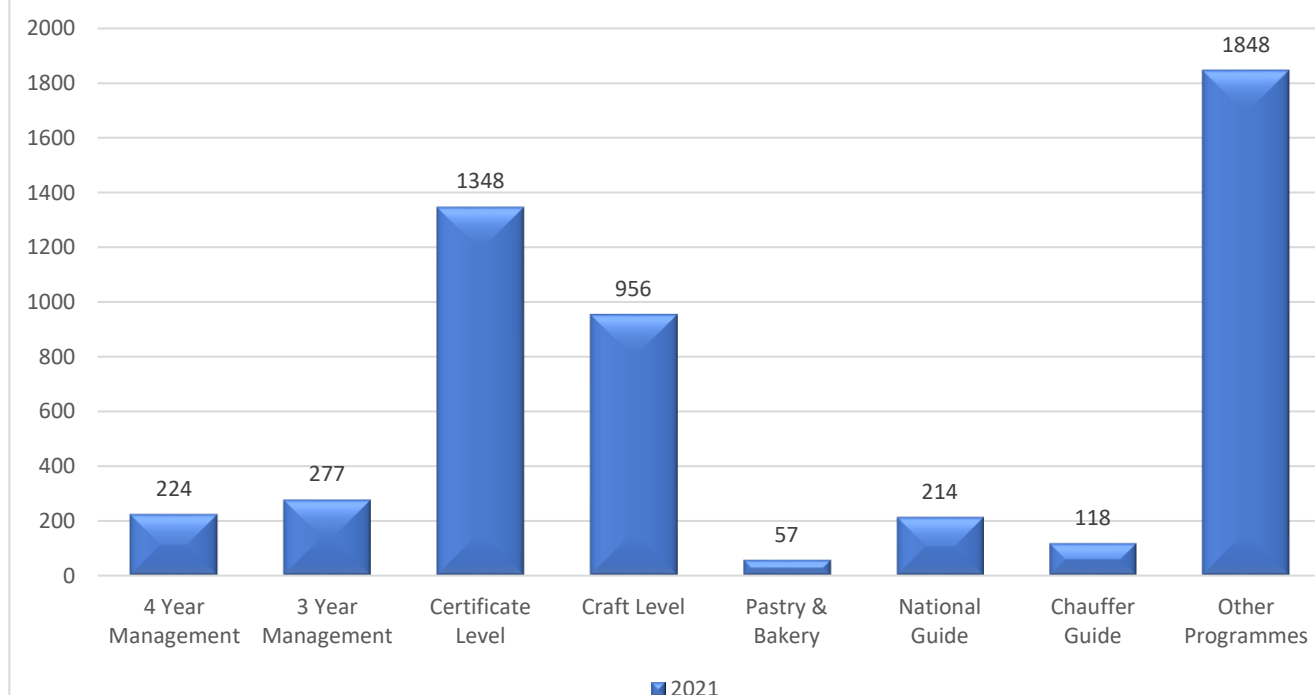


The above bar chart represents the student outcome from 2017 to 2021. It was able to increase the student output of SLITHM in 2021 when compared to the last year if the country was faced with COVID 19 pandemic.

Table 02: The courses conducted by all schools of SLITHM and the registered student's details for 2021.

Courses	2021
4 Year Management Diploma (Intermediate & Advanced Levels)	224
3 Year Management Diploma (including all 3 batches)	277
Certificate Level	1,348
Craft Level	956
Pastry & Bakery (3 months)	57
National Tourist Guide Programme	214
Chauffeur Tourist Guide Programme	118
Refresher Tourist Programme	76
Drivers Programme	176
Liyadiriya Programme – (PPP with Hilton Hotel, Colombo)	15
Apprenticeship Programme	112
Trailor Made Programme	92
Certified Hospitality Finance & Mgt (PPP with CMA)	20
Special/Awareness Programmes (one/two days)	1,357
Total	5,042

Performance - Course Wise | 2021



5.1.2 Performance of the Provincial Schools

1. Anuradhapura Provincial School



SLITHM Provincial School Anuradhapura was established in 1992 at SLTDA National Holiday Resort. The school initially offered courses only in Basic Level - Hotel Reception & Hotel Housekeeping. From 1996 onwards, the basic Level Professional Cookery and Restaurant & Bar courses were offered. The school was shifted in 2005 to the present building. Although this Provincial School was set up for the stakeholders of North Central Province, it has served the people in nearby districts such as Kurunegala, Puttalam, Chilaw, Kuliapitiya, etc.

Facilities Available

- ✓ 04 Lecture Rooms (maximum of 30 students each)
- ✓ 01 Training Kitchen
- ✓ 01 Training Restaurant
- ✓ 01 Mock-up room
- ✓ 01 Computer Laboratory
- ✓ 01 Locker Room

Academic Staff

Principal: Mr. P.J. De Alwis Seneviratne

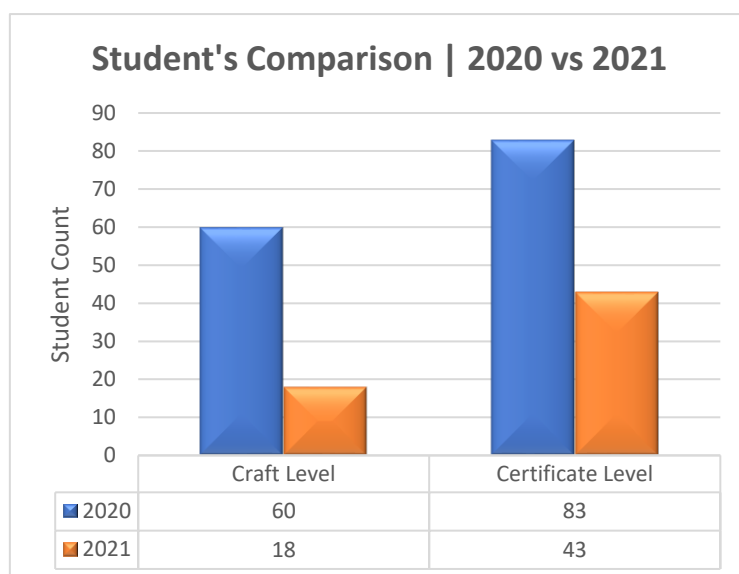
Discipline	Name of the Lecturer	Designation
Professional Cookery	Mr. N.M. Dissanayaka	Assistant Lecturer
Food & Beverage Operations	Mr. R.M.A.P. Rathnayake	Assistant Lecturer
Front Office Operations	Mr. G.P.M. Gamage	Assistant Lecturer
Professional Cookery	Mr. M. N. Fernando	Assistant Lecturer

Note: Also, there were 10 nos. of Visiting Lecturers.

Number of students trained in 2020 and 2021

Table 03: The number of students trained at Anuradhapura School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	27	14
	Restaurant and Bar service	19	04
	Front Office Operations	-	-
	Hotel Housekeeping	14	-
Subtotal - Craft Level		60	18
Certificate Level	Professional Cookery	26	20
	Restaurant and Bar service	23	08
	Front Office Operations	12	06
	Hotel Housekeeping	22	09
Subtotal - Certificate Level		83	43
Income Generation Programmes		-	20
Grand Total		143	81



At the Anuradhapura Provincial School, the number of students trained in the courses decreased from 143 to 61 in 2020 and 2021 respectively, which is a decrease of 60 percent.

Career Development Programmes conducted in 2021

- ✱ Principal participated meeting at the District Secretariat, Anuradhapura in connection with the “Development of Tertiary & Technical Education to empower the youth with skills to cater to the National & Inter National demand.
- ✱ Participation in Job Fairs
 - Organized by the Divisional Secretariat – Nuwaragam Palatha East on 24th March 2021.
 - Organized by the Divisional Secretariat – Thambuttegama on 26th March 2021.
 - Organized by the Divisional Secretariat – Kahatagasdigiliya on 26th March 2021.
 - Organized by the Divisional Secretariat – Rambewa on 31st March 2021.

- ✿ Awareness Programme of the Education Loan facility for the students organized by the National Savings Bank, Anuradhapura.
- ✿ An awareness programme was conducted for the students of Central College, Anuradhapura.

Other special activities organized in 2021

- ▲ Students, lecturers & other staff members organized “Ayurudu Uthsawaya 2021”.
- ▲ Students, lecturers & other staff members organized Christmas Dinner 2021”.
- ▲ Carom tournament organized by the Students’ Sports & Welfare Association.
- ▲ Volleyball tournament organized by the Students’ Sports & Welfare Association.
- ▲ Education tour to Ayurvedic Hotel “Adithya”, Hikkaduwa.

2. Bandarawela Provincial School



The first provincial school in Bandarawela was initially started in 1999 and later a new school building was built by Uva Provincial Council. The current institute was opened in the year 2004.

Facilities Available

- ✓ 05 Lecture Rooms
- ✓ 01 Practical Restaurant
- ✓ 01 Training Kitchen
- ✓ 02 Mockup Rooms
- ✓ 01 Computer Laboratory
- ✓ 01 Library
- ✓ 01 Auditorium

Academic Staff

Principal: Mr. Chaminda Tennakoon

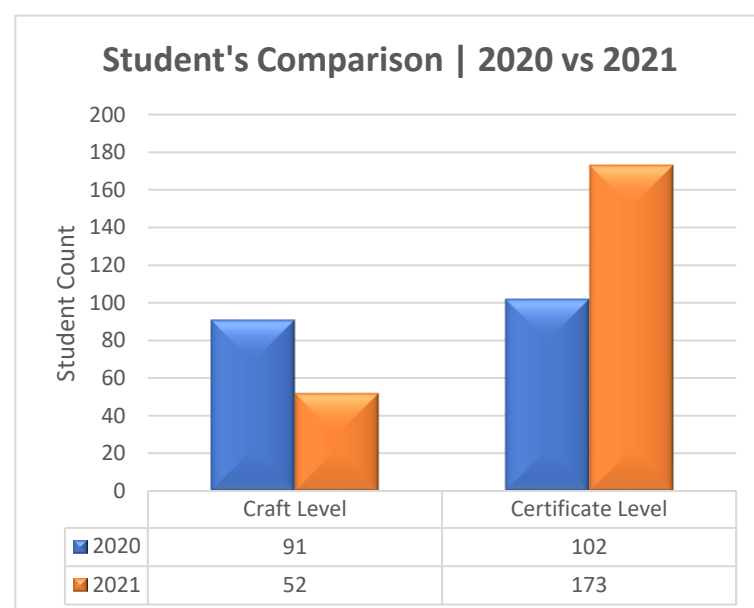
Discipline	Name of the Lecturer	Designation
Professional Cookery	Mr. R Bandara Weththasinghe	Assistant Lecturer
	Mr. E.L.K Perera	Assistant Lecturer
Food & Beverage Operations	Mr. Sanjeewa Ellawala	Assistant Lecturer
Front Office Operations	Ms. Chamila Rathnayaka	Assistant Lecturer
Housekeeping Operations	Mr. C.P. Hettiarachchi	Assistant Lecturer

Note: Besides, there were 09 Visiting Lecturers.

Number of Students Trained in 2020 and 2021

Table 4: Number of Students trained at Bandarawela School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	32	13
	Restaurant and Bar service	26	01
	Front Office Operations	11	02
	Hotel Housekeeping	22	-
Craft Level (13-Year Guaranteed Education Programme with Ministry of Education)	Cookery	-	30
	Restaurant and Bar service	-	01
	Front Office Operations	-	01
	Hotel Housekeeping	-	04
Subtotal - Craft Level		91	52
Certificate Level	Professional Cookery	29	51
	Restaurant and Bar service	28	59
	Front Office Operations	17	33
	Hotel Housekeeping	28	30
Subtotal - Certificate Level		102	173
Grand Total		193	225



At Bandarawela Provincial School, the number of students trained in the courses increased from 193 to 225 in 2020 and 2021 respectively, which was an increase of 25%.

Career Development and Other Programmes Conducted in 2021

- ✱ Participated in a preliminary discussion and field observation for guides on tourist attractions held at the Uva Provincial Council.
- ✱ Participated in a job fair for unemployed youth held at the Haputale District Secretariat.
- ✱ A lecturer participated as a resource person in the workshop to discuss the dining ethics conducted by the Uva Provincial Council.

- ✱ The resource person from the Bureau of Foreign Employment participated in an awareness program conducted for unemployed youth from low-income families in the Samurdhi Office.
- ✱ Participated in an awareness program on Vocational Training Courses held in Ella, Pradeshiya Sabha auditorium conducted by the Uva Provincial Council.
Participated in a job fair for unemployed youth organized by the National Youth Services Council at Rasik Fareed School, Bandarawela.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Badulla Divisional Secretariat auditorium conducted by the Uva Provincial Council.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Welimada Divisional Secretariat auditorium conducted by the Uva Provincial Council.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Ella, Pradeshiya Sabha auditorium conducted by the Uva Provincial Council.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Bandarawela Divisional Secretariat auditorium conducted by the Uva Provincial Council.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Lunugala, Divisional Secretariat auditorium conducted by the Uva Provincial Council.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Monaragala, Divisional Secretariat auditorium conducted by the Uva Provincial Council.
- ✱ Participated in an awareness program on Vocational Training Courses held in the Badal Kumbura, Divisional Secretariat auditorium conducted by the Uva Provincial Council.

3. Colombo Provincial School



Sri Lanka Institute of Tourism and Hotel Management (SLITHM) formerly known as the Ceylon Hotel School was established by a Parliament Act in 1966 to train youth in tourism and was managed by the Ceylon Tourist Board. It was initially located at Park Street, Colombo. It was relocated to Palm Beach Hotel in Mount Lavinia in 1980 and Nawala in 1994. The conversion of the Ceylon Hotel School into the Sri Lanka Institute of Tourism and Hospitality Management was carried out under No 38 of the 2005 Tourism Act. Currently, the Institute has designed many courses to match the industry demand. The Craft, Certificate, Intermediate, Advanced, Management Diploma, National Tourist Guide and Chauffeur Tourist Guides courses have been conducted. Besides, it also conducts short-term training programmes for SMEs and various other institutes. Sri Lanka Institute of Tourism and Hotel Management is located at No.78, Galle Road, Colombo-03, and commenced its operation on 15th August 2000.

Facilities available

- ✓ 23 Lecture Rooms
- ✓ 02 Training Restaurants
- ✓ 02 Mock-up Rooms
- ✓ 04 training kitchens
- ✓ 01 Computer Laboratory
- ✓ 01 Library
- ✓ 01 Cafeteria

Academic Staff – 2021**Principal:** Mr. Saman Hathurusinghe

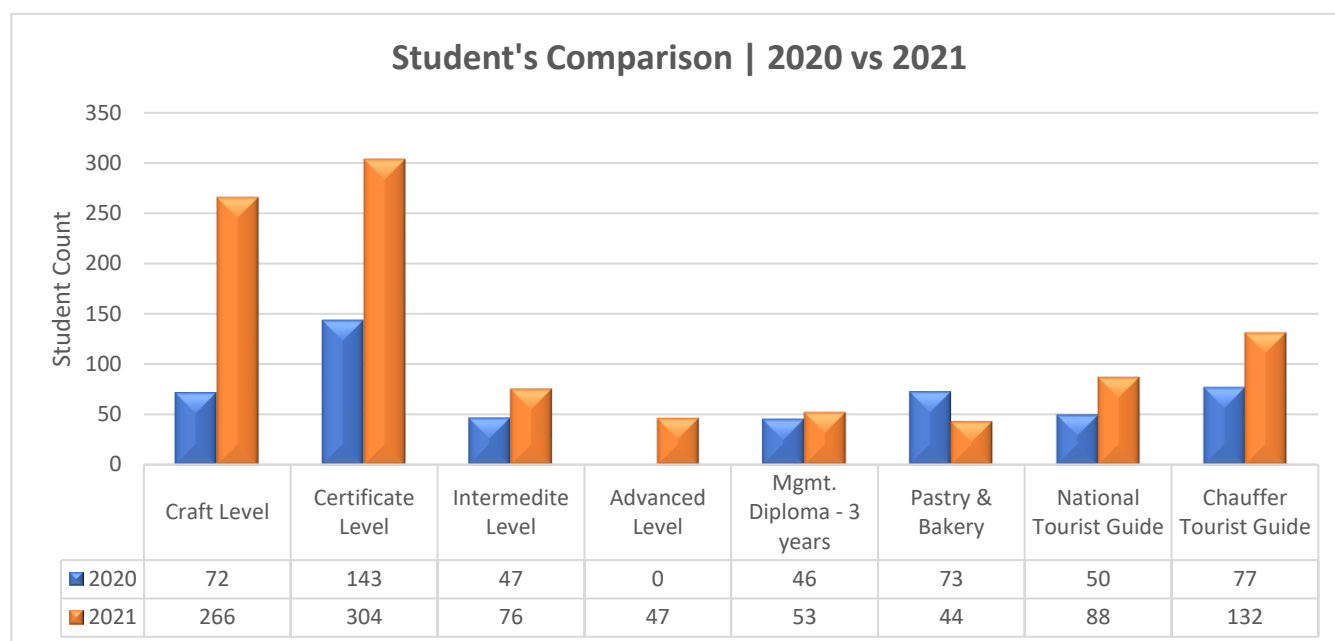
Discipline	Lecturer	Designation
Professional Cookery	Mr. Nishantha Kulathunga	Senior Lecturer- Cluster Head
	Mr.H.M.B Lankapura Bandara	Assistant Lecturer
	Mr. Y.B.M.R. Yapabandara	Assistant Lecturer
	Mr. H.M.T. Herath	Assistant Lecturer
	Mr. S.A.N. Viraj	Assistant Lecturer
	Mr. M.N. Wiranga	Assistant Lecturer
Food & Beverage Operations	Mr. M.K. Dickson Kumara	Senior Lecturer - Cluster Head
	Mr. Kanchana Krishantha	Assistant Lecturer
	Mr. Dharashana Jayasingha	Assistant Lecturer
	Mr. Tharinda Weeraratne	Assistant Lecturer
	Mr. H.M.P. Manjula	Assistant Lecturer
Pastry & Bakery	Mr. M.D. Ruwantha Prasad	Assistant Lecturer
	Mr. P.C. Pinidiya	Assistant Lecturer
Front Office Operations	Mr. U.P. Silpathilake	Senior Lecturer – Cluster Head
	Mr. D.T. Senarathne	Senior Lecturer
	Mr.Nalin Kahatapitigama	Senior Lecturer
	Ms. W.N.B. Mendis	Assistant Lecturer
Housekeeping Operations	Mr. A.L.D.L. Perera	Senior Lecturer – Cluster Head
	Mr. Namal Muhandiramge	Lecturer
	Mr. A.R. Jayasinghe	Assistant Lecturer
	Mr. A.M.K.W.K. Abeykoon	Assistant Lecturer
Travel & Tourism Management	Mr. Sujith Yamasinghe	Senior Lecturer
	Mr. P.M. Suraweera	Senior Lecturer
	Mr. Dheera Hettiarachchi	Assistant Lecturer – Cluster Head
	Mr. Anura Shantha	Assistant Lecturer
English Language Center	Ms. Lathishaa Ramanayake	Assistant Lecturer

Note: Also, there were 27 Visiting Lecturers.

Number of students Trained in 2020 and 2021

Table 5: Number of Students trained at the Colombo Provincial School in 2020 and 2021.

Main Course	Sub Courses	2022	2021
Craft Level	Cookery	24	52
	Restaurant and Bar service	24	09
	Front Office Operations	08	09
	Hotel Housekeeping	16	07
Craft Level (13-Year Guaranteed Education Programme with Ministry of Education)	Cookery	-	32
	Restaurant and Bar service	-	60
	Front Office Operations	-	47
	Hotel Housekeeping	-	50
Subtotal - Craft Level		72	266
Certificate Level	Professional Cookery	33	70
	Restaurant and Bar service	33	74
	Front Office Operations	40	94
	Hotel Housekeeping	37	66
Subtotal - Certificate Level		143	304
Intermediate Level	Professional Cookery	13	46
	Food & Beverage	19	51
	Front Office Operations	09	39
	Hotel Housekeeping Operations	06	40
Subtotal - Intermediate Level		47	176
Advanced Level	Professional Cookery	-	16
	Food and Beverage	-	19
	Accommodation Operation	-	12
Subtotal - Advanced Level		-	47
Management Diploma (3 years)		46	53
Pastry & Bakery (3 months)		73	57
National Tourist Guide Programme		50	214
Chauffeur Tourist Guide Programme		77	118
Refresher Tourist Programme		-	76
Drivers Programme		-	176
Liyadiriya programme – (PPP with Hilton Hotel, Colombo)		-	15
Apprenticeship Programme		-	112
Tailor Made Programme		-	92
Certified Hospitality Finance & Mgt (PPP with CMA)		-	20
Grand Total		508	1,650



The total number of students trained in SLITHM courses at Colombo Provincial School was 508 in 2020 whereas 1,650 in 2021.

Programmes conducted by Clusters of SLITHM, Colombo Provincial School in 2021

Career Development Programmes

- ✱ Coffee Training (Online) by Colombo Coffee Company.
- ✱ Whisky Master Class (Online) by Andrew Pang, Brand Ambassador for House of Sanitary & Makers Mark.
- ✱ Wine Master Class (Online) by Mr. Sydney Rathnayake – Wine expert.
- ✱ Spirits Master Class (Online) by Mr. Vidit Mantri, Brand Ambassador, William Grant & Sons.

Income Generation Programmes

- ✱ Training on Catering and Hotel Management for SL Air Force Officers.
- ✱ Training programme for Air Force Personnel.
- ✱ Training programme for the staff of Import Export Control Department.

Other special activities

- ⤴ Learning Management System and Student Management System awareness programmes conducted by ICT Department SLITHM.
- ⤴ Wildlife assessment training programme.

Other important achievements

- ✱ Curriculum Development programmes for 4 Year Management Diploma.
- ✱ Curriculum Development programmes for 3 Year Management Diploma.
- ✱ Curriculum Development programmes for Craft Level Restaurant & Bar Service.
- ✱ NCS (National Competency Standards) Development for NVQ Level 5 & 6.
- ✱ Update and Standardization of beverage list for all programmes.
- ✱ Development of PowerPoint Presentations for Craft Level Restaurant & Bar Service.

4. Kandy Provincial School



The Provincial School in Pallekelle was started in 1992 to encourage rural youth to gain employment in the hospitality industry. Initially, the school was started in a section of the Queen's Hotel in Kandy and was later shifted to its present location at Warapitiya, Kundasale.

Facilities Available

- ✓ 08 Lecture Rooms (maximum of 35 students in each)
- ✓ 01 Training Kitchen (15 stations)
- ✓ 01 Training Restaurant (40 covers)
- ✓ 01 Mock-up room
- ✓ 01 Computer Laboratory (30 desktops)
- ✓ 04 Guestrooms (model rooms for students practical)
- ✓ 01 Housekeeping Demonstration Room
- ✓ 01 Auditorium (seating capacity)
- ✓ 01 Open Air Theatre
- ✓ 01 Library
- ✓ 01 Banquet Hall (Capacity – 150 pax)

Academic Staff – 2021**Principal:** Mrs. Kumuduni Wickramasinghe

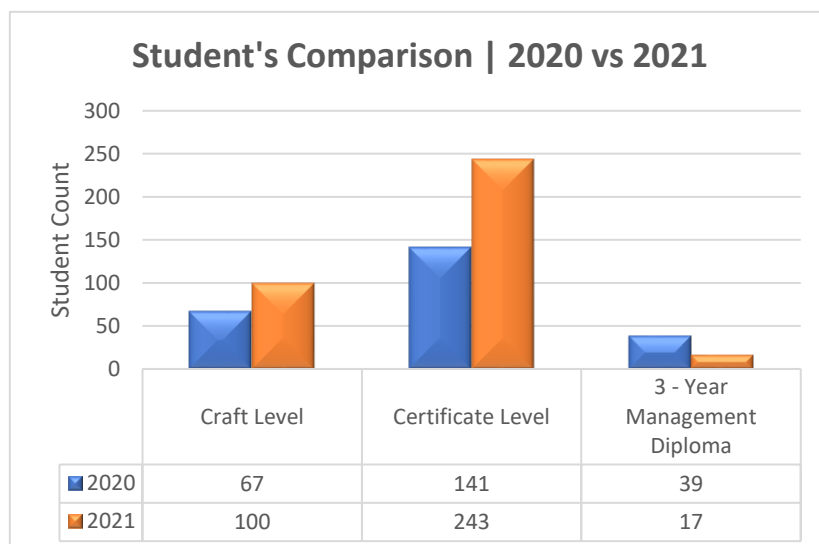
Discipline	Name of the Lecturer	Designation
Professional Cookery	Mr. Lakmal Perera	Senior Lecturer
	Mr. Sandeep Ratnasamy	Assistant Lecturer
	Mr. Janaka Perera	Assistant Lecturer
Food & Beverage Operations	Mr. I.A.S.B. Dissanayake	Assistant Lecturer
	Mr. Rasika Athukorala	Assistant Lecturer
	Mr. Amila Alwis	Assistant Lecturer
Nutrition & Food Hygiene	Ms. K.G.S.D. Gunasinghe	Senior Lecturer
Front Office Operations	Mr. Rienzi Jayawardhane	Senior Lecturer
	Mr. Bryan Benedict	Assistant lecturer
Housekeeping Operation	Mr. Ravindra Seneviratne	Assistant Lecturer

Note: In addition to the above core subject lecturers, there are 04 Visiting lecturers for the Reception, Cookery, and housekeeping subjects and 20 visiting lecturers for the supportive subjects for the Certificate level and the 03-year Management diploma level subjects.

Number of Students Trained in 2020 and 2021

Table 6: Number of Students trained at Kandy Provincial School in the years 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	30	26
	Restaurant and Bar service	22	04
	Hotel Reception	-	-
	Hotel Housekeeping	15	-
Craft Level (13-Year Guaranteed Education Programme with Ministry of Education)	Cookery	-	25
	Restaurant and Bar service	-	14
	Hotel Reception	-	12
	Hotel Housekeeping	-	19
Subtotal - Craft Level		67	100
Certificate Level	Professional Cookery	49	68
	Restaurant and Bar service	48	70
	Front Office Operations	25	49
	Hotel Housekeeping	19	56
Subtotal - Certificate Level		141	243
3 – year Management Diploma (3-Years)		20	17
Grand Total		228	360



The total number of students trained at Kandy Provincial School was increased from 228 to 360 in 2020 and 2021 respectively, which is an increase of 52%.

Programmes conducted by Clusters of SLITHM, Kandy Provincial School in 2021

Career Development and Other Programmes Conducted in 2021

- ✱ Attended an awareness program organized by the District Secretariat Kandy for all the Vocational Training Institutes in Kandy District in identifying the vocational training demand of the school leavers after ordinary level (O/L) and advanced level (A/L).
- ✱ Attended the Preparation/Amendments of the syllabus, on Hospitality Management School of Sri Lanka Air Force, based in Sigiriya. Two Lecturers from the F&B and Cookery were involved in this project.
- ✱ Training for MOH office staff on Table Etiquette and Manners for 30 pax.
- ✱ Awareness on courses conducted by SLITHM for the District Officers from the Divisional Secretariats of the Kandy Region. Certificates of participation were awarded to 80 District Officers.
- ✱ In-house training for the PHI & Doctors of the MOH Office in Mannikhinna Hospital on Table Etiquettes & Manners with a practical lunch.
- ✱ Table Etiquettes and Manners for 143 Apprentice Police Officers in Kundasale Police school, by SLITHM – Kandy.
- ✱ Training for the Home Stay Keepers of the Heeloya Home Stay Village, in overall hotel operation techniques in collaboration with the Central Province Tourism Department.

Income Generating Programmes conducted in 2021

- ✱ One month's program in Hotel Operations for 32 students.
- ✱ One month's program in Kitchen Operation for 30 students.
- ✱ Short-term program for the homestay keepers – by the Central Province tourism department.

Other special activities organized in 2021

- ⬆ Awrudu Ulela celebrations for SLITHM students and staff.
- ⬆ Guest lectures conducted by Mr. Ramzan Sariffodeen, on negative impacts and overcome by COVID 19.

5. Koggala Provincial School



SLITHM in Koggala is the only government-sponsored Hotel School in the Southern Province of Sri Lanka. This institute which initially started in 1992 at Weligama Bay Inn Hotel was later established in Koggala in 2008 to cater to the high demand for courses offered by SLITHM and to provide adequate facilities for the students.

Facilities Available

- ✓ 06 Class Rooms (maximum 30 students each)
- ✓ 01 Training Kitchen
- ✓ 01 Store
- ✓ 01 Training Restaurant
- ✓ 02 Mock-up rooms
- ✓ 01 Computer Laboratory
- ✓ Library

Academic Staff - 2021

Principal: Dr. R.D.A. Lenard

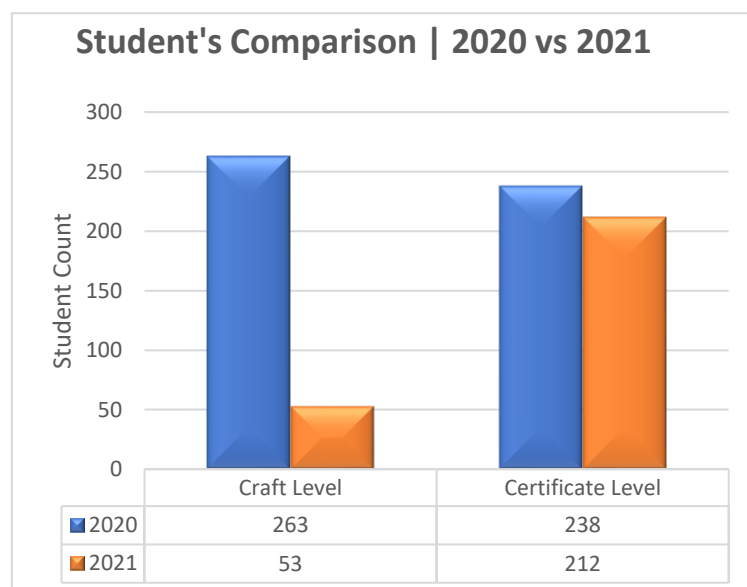
Discipline	Name of the Lecturer	Designation
Professional Cookery	Mr. G.Perusinghe	Assistant Lecturer
	Mr. T.B. Chamara	Assistant Lecturer
Food & Beverage Operation	Mr. M.A.Buddhika	Assistant Lecturer
	Mr. L.S. Wasantha	Assistant Lecturer
Front Office Operation	Mr. H.K.W. Chandana	Assistant Lecturer
	Ms. H.L.A.Samanmalee	Assistant Lecturer
Housekeeping Operations	Mr. Indika Mohotti	Senior Lecturer
	Mr. P.S.W. Emmanuel	Assistant Lecturer

Note: Besides, there were 06 Visiting Lecturers.

Number of Students Trained in 2020 and 2021

Table 7: Number of Students trained at Koggala Provincial School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	75	16
	Restaurant and Bar service	70	05
	Front Office Operations	62	02
	Hotel Housekeeping	56	-
Craft Level (13-Year Guaranteed Education Programme with Ministry of Education)	Cookery	-	18
	Restaurant and Bar service	-	04
	Front Office Operations	-	07
	Hotel Housekeeping	-	01
Subtotal - Craft Level		263	53
Certificate Level	Professional Cookery	83	58
	Restaurant and Bar service	64	58
	Front Office Operations	51	48
	Hotel Housekeeping	40	48
Subtotal - Certificate Level		238	212
Grand Total		501	265



At the Koggala Provincial School, the number of students trained in the above courses decreased from 501 to 265 in 2020 and 2021 respectively.

Career Development and Other Programmes Conducted in 2021

- ✿ Erabadu Wasanthaya - New Year Festival
- ✿ Vesak Lanterns Competition
- ✿ Vesak Bathi Gee
- ✿ Floral designs competition for future hotel housekeepers'

6. Ratnapura Provincial School



The Sri Lanka Institute of Tourism and Hotel Management (SLITHM) Ratnapura Provincial school is the leading Hospitality, Travel & Tourism school located in Sabaragamuwa Province. This was inaugurated by His Excellency the President on August 31, 2010. The location of the school provides easy access to other cities. SLITHM Ratnapura focuses on hotel operational skills, knowledge of the tourism and hospitality industry, and refresher courses geared towards the changing global hospitality environment.

Facilities Available

- ✓ 06 Lecture Rooms
- ✓ 01 Practical Restaurant
- ✓ 01 Training Kitchen
- ✓ 02 Mock-Up Rooms
- ✓ 01 Student's Cafeteria
- ✓ 01 Computer Laboratory

Academic Staff - 2021

Principal: Mr. Kanishka N. Jayathunga

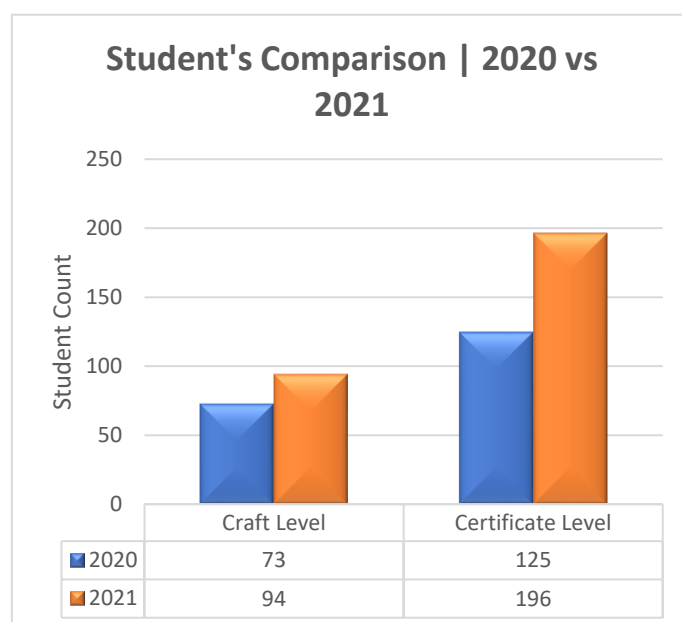
Discipline	Name of the Lecturer	Designation
Professional Cookery	Mr. Priyanka Wickramasinghe	Assistant Lecturer
	Mr. W.M.A.R Wijekoon	Assistant Lecturer
Food & Beverage Operations	Mr. T.M.K.C.S.R. Pieris	Assistant Lecturer
	Mr. A. Alwis	Assistant Lecturer
Front Office Operations	Mr. C.T. Gunasekara	Assistant Lecturer
Housekeeping Operations	Mr. Kanishka D. Nugawela	Senior Lecturer

Note: Besides, there were 06 Visiting Lecturers.

Number of Students Trained in 2020 and 2021

Table 8: Number of Students trained at Ratnapura Provincial School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	28	-
	Restaurant and Bar service	29	-
	Front Office Operations	-	-
	Hotel Housekeeping	16	-
Craft Level (13-Year Guaranteed Education Programme with Ministry of Education)	Cookery	-	47
	Restaurant and Bar service	-	32
	Front Office Operations	-	05
	Hotel Housekeeping	-	10
Subtotal - Craft Level		73	94
Certificate Level	Professional Cookery	35	52
	Restaurant and Bar service	31	64
	Front Office Operations	28	43
	Hotel Housekeeping	31	37
Subtotal - Certificate Level		125	196
Grand Total		198	290



At Ratnapura Provincial School, the number of trained students was 198 in 2020 whereas 290 in 2021.

7. Kurunegala Provincial School



Sri Lanka Institute of Tourism & Hotel Management, Kurunegala started its operation in 1997 at Kandyan Reach Hotel, Kandy Road, Kurunegala. The Kurunegala Provincial School of SLITHM was re-established in 2015, in collaboration with Wayamba Development Authority (WDA), under the North Western Provincial Council. The school is located at Maguruoyawatta, Boyagane, Kurunegala.

Facilities Available

- ✓ 04 Lecture Rooms (maximum of 30 students each)
- ✓ 01 Training Kitchen
- ✓ 01 Training Restaurant
- ✓ 01 Mock-up room
- ✓ 01 Computer Laboratory
- ✓ 01 Auditorium
- ✓ 01 Cafeteria
- ✓ 01 Library

Academic Staff – 2021

Principal: Mr. Rienzie Jayawardhane

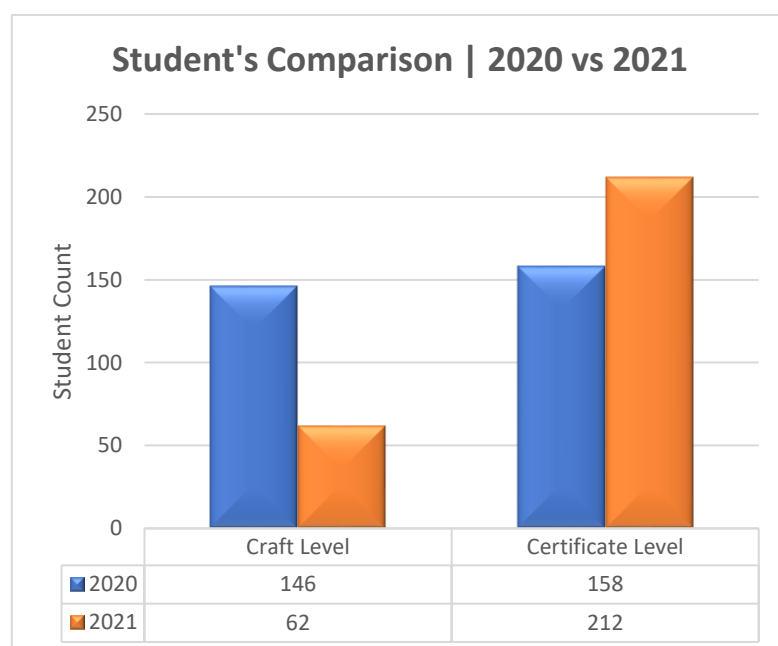
Discipline	Name of the Lecturer	Designation
Professional Cookery	Mr. J.S.B. Weerakoon	Senior Lecturer
Food & Beverage Operations	Mr. H.M.I.B. Seneverathne	Assistant Lecturer
Front Office Operations	Mr. W.M.S.P. Weerakoon	Assistant Lecturer
Housekeeping Operations	Mr. M.B.J.M.I.B. Jayasekara	Assistant Lecturer

Note: Besides, there were 12 Visiting Lecturers.

Number of Students Trained in 2020 and 2021

Table 9: Number of Students trained at Kurunegala Provincial School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	38	35
	Restaurant and Bar service	31	27
	Front Office Operations	28	-
	Hotel Housekeeping	49	-
Subtotal - Craft Level		172	62
Certificate Level	Professional Cookery	31	64
	Restaurant and Bar service	31	57
	Front Office Operations	51	50
	Hotel Housekeeping	45	41
Subtotal - Certificate Level		158	212
Grand Total		304	274



The total number of trained students was 304 and 274 in 2020 and 2021 respectively.

Career Development and Other Programmes Conducted in 2021

- ✱ Programme conducted for New Entry Certificate Level Students by Mr. Kapilachandra graduate of CHSGA, Food & Beverage Manager, Inflight Service Manager Sri Lankan Airlines.

Income-generating programmes conducted in 2021

- ✱ Successfully conducted a short course in "Professional Telephone Skills and Etiquette" Participated 25 pax.

Other special activities organized in 2021

- ⤴ Interclass carom tournament of batch CL030 was held on school premises.
- ⤴ Trends in Food & Beverage in Hospitality Industry Guest lecture, by Food & Beverage Manager, OZO Hotel Kandy.
- ⤴ Food & Beverage Practical's and Cookery Practical's Certificate Level 030 batch students.
- ⤴ Women's Day Celebration 'Choose to challenge' virtual program on sharing experiences of young female students of SLITHM with Hilton Group.
- ⤴ Grooming, Personal Development and Table Ethic Programme for Police Constables, Sub Police Inspectors of North Western Province Police Training Academy in Wehara, Kurunegala.
- ⤴ Awareness programme and table ethic programme for 20 pax students of Labinate Education Institute in Wariyapola.
- ⤴ Sinhala Tamil New Year Celebration and Festival – 2021 organized by Student's Sports & Welfare Association. Participated in all students of CL 030 batch and all staff of SLITHM Kurunegala.

8. Pasikudah Provincial School



In 2015, SLITHM decided to temporarily set up a hotel school at the National Holiday Resort office of Pasikudah to conduct a basic course on Hospitality Management. The building was renovated with Rs.1.2 million. By 2017, Pasikudah Provincial School had the advantage of conducting other Craft Level Courses, such as Hotel Housekeeping & Restaurant & Bar Service and the Apprenticeship Level.

Academic Staff – 2021

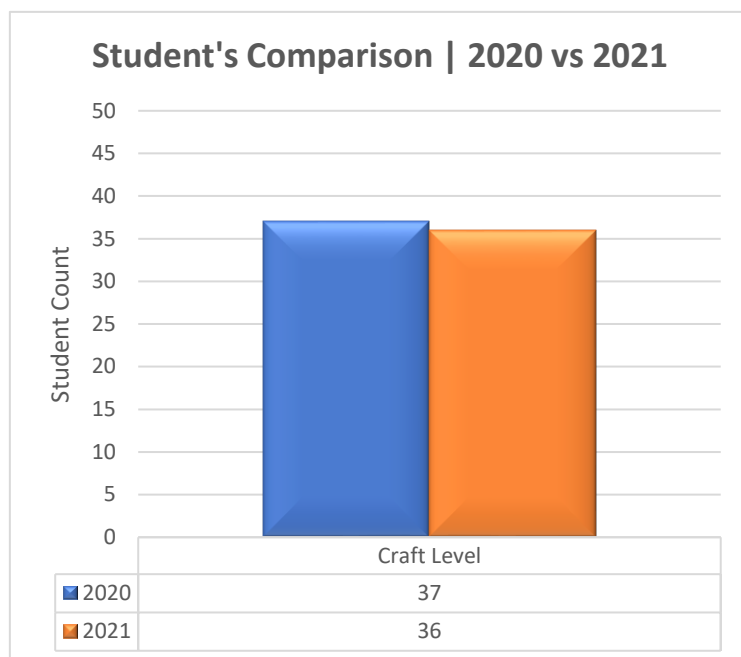
Lecturer-in-Charge: Mr. A.M. Risan

In addition to the above personnel, there was a Visiting Lecturer on the subject of the English Language.

Number of Students Trained in 2020 and 2021

Table 10: Number of Students trained at Pasikudah Provincial School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	-	-
	Restaurant and Bar service	37	-
	Front Office Operations	-	-
	Hotel Housekeeping	-	-
Craft Level (13-Year Guaranteed Education Programme with Ministry of Education)	Cookery	-	-
	Restaurant and Bar service	-	-
	Front Office Operations	-	-
	Hotel Housekeeping	-	36
Grand Total		37	36



The total number of students was trained 37 and 36 in 2020 and 2021 respectively.

Career Development and Other Programmes Conducted in 2021

- ✿ Motivational Programmes: conducted by Spiritual Art Gallery – Pasikudah Road, Kalkudah Batticaloa on 21st April 2021 at the school premises.

9. Jaffna Provincial School



SLITHM Jaffna was established in October 2018. The main aim of establishing this training center is to counter the manpower shortage of trained tourism and hospitality industry personnel in the Northern region. This move has enabled youth in the Northern region to take up profitable jobs in the hospitality industry. Several hotels and resorts have opened up in the Northern region of Sri Lanka and the skilled manpower shortage will be addressed by the opening of this facility.

Academic Staff – 2021

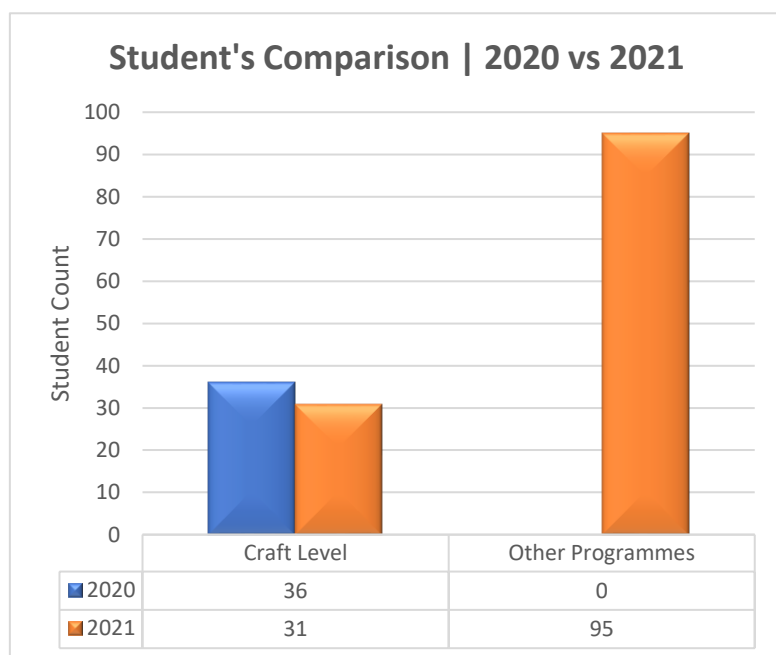
Lecturer-in-Charge: Ms. Niranjala Francis

Note: *There was one permanent lecturer and three Visiting Lecturers*

Number of Students Trained in 2020 and 2021

Table 11: Number of students trained at Jaffna Provincial School in 2020 and 2021.

Main Course	Sub Courses	2020	2021
Craft Level	Cookery	-	26
	Restaurant and Bar service	18	-
	Front Office Operations	-	05
	Hotel Housekeeping	18	-
Subtotal- Craft Level		36	31
Apprenticeship Programmes		-	40
Special/Awareness Programmes		-	55
Grand Total		36	126



As per the above chart, the total number of students trained in Jaffna Provincial School was increased from 36 to 126 in 2020 and 2021 respectively.

Career Development and Other Programmes Conducted in 2021

- ✱ Conducted Career guidance for 25 young women in the Women Development Centre Divisional Secretariat office, Jaffna on 15th February 2021.
- ✱ Conducted awareness programs for Hotel Front office and Housekeeping Teams in Jaffna with Sanasa Development Project for 30 Participants.

Income Generating Programmes conducted in 2021

- ✱ The apprenticeship program for one month was conducted for 40 students.

Other special activities organized in 2021

- ⤴ SLITHM – Jaffna building was refurbished and opened in June 2021.
- ⤴ There were two awareness programmes conducted in collaboration with Northern Tourism Bureau (one Apprenticeship Program and one Craft Level program) for 65 students.

5.1.3 Performance of the Divisions of Head Office

1. Registrar's Office

The main functions of the Registrar's Office

- ✧ Recruitment and maintaining records of students of SLITHM
- ✧ Conduct exams, release results at all levels, and award certificates to qualified students.
- ✧ Implementing the Scholarship Programme for Samudhri Beneficiaries.
- ✧ Conducting annual graduation ceremony
- ✧ Appointment of visiting lectures and their contracts with SLITHM

The following courses are conducted at SLITHM

- ✧ **04-Year Management Diploma**
After completion of all 04 Certificate Level Programmes, Intermediate and Advanced Level Courses are conducted in Colombo.
- ✧ **03-Year Management Diploma**
Specialized Diploma Programme offered for students with G.C.E. Advanced Level qualification, is conducted in Colombo and Kandy.
- ✧ **Certificate Level**
Entry-level qualification leading to diploma offer for students with formal education up to G.C.E Ordinary Level. It is conducted in Colombo and all Provincial Schools.
- ✧ **Foundation Courses in Pastry and Bakery**
It was introduced in 2003 and conducted in Colombo
- ✧ **Craft Level**
Entry-level three months programme for school leavers qualified in grade 08. It is conducted in Colombo and all Provincial Schools
- ✧ **Special Training Programmes**
Conducting special training programmes based on specific requests from the government and other institutions.
- ✧ **Apprenticeship Level**
Pre-entry level one-month program. This course is conducted at the SLITHM head office and Provincial Schools. After completing the one-month course, the students can register for the Craft Level courses conducted by the SLITHM.
- ✧ **Tour Guide Training Programmes**
There are four types of guides namely National, Chauffeur, Area, and Site. All the Tour Guiding courses are self-financing courses. The license to the qualified guides is issued by SLTDA.

Scholarship Scheme

The SLITHM implemented a scholarship scheme to facilitate the students from low-income families to follow the courses. If the family is entitled to a samurdhi benefit, the students were awarded a full scholarship and in 2021, 43 students were awarded scholarships.

2. Human Resources & Administration Division

The functions of the Human Resources Division

- ✧ To revamp and strengthen the institutional organization structure to match with the industry.
- ✧ Upgrading of existing infrastructure facilities of Colombo and Provincial Schools to make the SLITHM a center of excellence for tourism and hospitality management.
- ✧ Establishing new Provincial Schools as per the management requirement.
- ✧ Capacity building for both academic and non-academic staff through conducting seminars, workshops & training programmes.

According to the approved cadre, the total number of employees was 222. It consists of 75 academic staff and 112 non-academic staff including Samudra Training Hotel. The actual number of employees as at end of 2021 was 187 and the details are as follows:

Category	Approved Cadre	Actual
Academic staff	90	75
Non-Academic staff	105	91
Samudra Training Hotel	27	21
Total	222	187

Local and foreign Training Programme conducted for both Academic and Non-Academic Staff

- ✧ 02 Lectures have participated in a 2-week online training Programme conducted by the government of China.
- ✧ 19 Academics have participated in a 07-day online training programme which was conducted by the government of the Philippines.
- ✧ 02 principals participated in an online training programme conducted by the International Training Centre of the International Labour Organization (Turin) for 2 weeks.
- ✧ A personnel management training programme was conducted for all middle and top-level management by the HR consultants.
- ✧ A strategic planning workshop is conducted.
- ✧ All lectures were trained on the issuance of Recognition of Prior Learning (RPL) Training conducted by TVEC.
- ✧ 06 staff members (08 days) trained on Procurement Certificate.
- ✧ All academic & Non-academic staff trained on the newly installed Student Management System of SLITHM.
- ✧ Staff training on Gender Inclusion.

3. Finance Division

The main sources of funds for SLITHM are the Tourism Development Levy and Embarkation Levy. Sri Lanka Tourism Development Authority collects the Tourism Development Fund and transfers 12% of it to SLITHM.

Table 12: Source of a fund to SLITHM in 2020 and 2021.

Category	2021 (Rs. Mn)	2020 (Rs. Mn)
Tourism Development Fund	88.20	59.87
Embarkation Levy	58.07	58.74
School fees & other income	79.88	42.89
Other Revenues	37.89	62.91
Samudra Training Hotel	(15.15)	(8.91)
Total	248.89	215.50

4. Marketing and Public Relations Division

SLITHM -Marketing Division was established to increase the student output and brand awareness. As the competition in hospitality sector education is being increased and the volatile nature of the environment, SLITHM needs more marketing strategies and tactics to face future market challenges. The following objectives are achieved through the marketing department.

Objectives

- ✧ Formulating marketing objectives and customer-centric policies to streamline customer satisfaction and quality.
- ✧ Enhance all communication platforms to develop SLITHM image among stakeholders.
- ✧ Rejuvenating the SLITHM brand values for positioning it in customer mind as an elegant service provider.
- ✧ Partnering and networking with different groups, for getting different support to develop organization quality and standards.

Activities completed during 2021

- ▲ A television programme was conducted with Siyatha TV regarding the courses of SLITHM by participating the Director-General and the cluster head, travel & Tourism department of SLITHM.
- ▲ 03 seminars were completed (Mahanama College – Colombo 03, National Youth Services, and Colombo District Youth Officers).
- ▲ Started the revamp of the SLITHM website.
- ▲ There were few articles published from time to time based on the management requirements.

5. Information Technology (IT) Division

Objectives

- ⊗ Managing information technology and computer systems.
- ⊗ Designing, developing, implementing, and coordinating systems, policies, and procedures.
- ⊗ Ensuring the security of data, network access, and backup systems.
- ⊗ Analyzing department needs (Academic/Non-academic), identifying vulnerabilities & boost efficiency and accuracy in achieving goals.
- ⊗ Training employees on both software and hardware, troubleshooting, and providing technical support whenever the need arises.
- ⊗ Assuring that network components meet the needs and work together seamlessly, utilizing the full range of capabilities, as well as staying up to date on new features and competitive solutions.

Activities completed in 2021

- ▲ The establishment of the Student Management System/Learning Management System (SMS/LMS) was 90% completed.
- ▲ The networking system and installation of CCTV cameras were completed for Colombo School.
- ▲ Awarding stage was completed for the installation of the Stores Management System.

6. Library



The Library of SLITHM is the main source of information for students and tourism professionals who are engaged in the tourism & hospitality sector. It plays a vital role in catering to the information and educational needs of both course participants as well as professional staff of SLITHM and the tourism sector. The fully-fledged library is well stocked with over 10,000 books, over 1,000 tourism reports, and selected periodicals. Among the library's special collections are the World Tourism Organization (WTO) publication,

Training Manuals, Company Annual Reports, periodicals, and tourism statistics. The SLITHM Library was fully renovated in 2020. Further, the library automation process was started to provide a standardized service to the students and the staff. In addition to that, the process of establishing a Virtual Resource Centre in the Library was started and more than 100 books have been purchased for Colombo and Kandy libraries.

7. Internal Audit Division

According to the Annual Internal Audit Plan 2021, 08 Internal Audit Reports were issued with certain suggestions and recommendations for improvements. The actions taken by the relevant officers resulted in minimizing the cost and streamlining the processes through better internal checks.

Audit and Management Committee (AMC)

AMC is empowered to oversee due diligence and control over the financial aspects of the Public Enterprise's operations and performance, according to the public enterprise guideline for good governance.

Audit Management Committee (AMC) meetings held during the year 2021 are as follows:

Number	Date
34 th	23 rd February 2021
35 th	13 th May 2021
36 th	22 nd October 2021
37 th	28 th December 2021

8. Samudra Training Hotel

Samudra Training Hotel is on the same premises as SLITHM and both Samudra Training Hotel and the SLITHM s operate schools under the same management. It is effectively and efficiently used for the primary purpose of the students' practical training for the application of theory, studied at SLITHM.

The training hotel consists

- ✓ Ten rooms offering the highest level of comfort at the most reasonable prices, one suite consisting of two deluxe rooms and a pantry/kitchenette.
- ✓ The Monara Restaurant can provide a meal for 40 to 100 guests at any given time. There is a cocktail Lounge and Kudi Bar, adjoining the restaurant.
- ✓ Thahir Auditorium of SLITHM with a seating capacity of 250 provides all the facilities for the most sought-after conference.
- ✓ Gymnasium
- ✓ Laundry

9. Laundry



Nowadays laundry and dry-cleaning operation has emerged as a large-scale industry in the world. This sector is a very important part of the effective functioning of hotel and hospital operations. Laundry & dry-cleaning operation was commenced at SLITHM Colombo in January 2013 with all necessary equipment to operate it as professional laundry and a training center. It is located in a convenient location on the ground floor facing Galle Road. The laundry

& dry-cleaning course, both theory and practical, are conducted for SLITHM students.

6. Management's Discussion and Analysis

Sri Lanka's vast population offers considerable growth potential for the hospitality industry. The travel and tourism industry is a major contributor to the country's economic growth and employment generation. A growing middle class, rising disposable incomes, and a shift from foreign to domestic tourism are few macro growth enablers for the industry

Considerable growth in Sri Lanka's travel and tourism sector has percolated to the hospitality sector as well. The industry has witnessed robust growth in recent years on the back of increased traffic of domestic travelers, rising commercial development, and foreign tourist arrivals.

The tourism sector continues to outperform regional markets as well as most other industry sectors within Sri Lanka; it has been a key driver of economic growth in Sri Lanka accounting for significant foreign investment, infrastructure development, and job creation enabling the SLITHM to train more students and deploy them to the industry upon completion of courses.

7. Statement on Economic Value Added

Tourism earnings recorded a negative growth rate in the year 2021 compared to 2019. Tourism earnings are expected to decline sharply in 2021 as tourist arrivals have stalled due to the travel restrictions and lockdown measures that are in place to contain the spread of the COVID-19 pandemic.

The tourism sector which is the third-largest foreign income generator for Sri Lanka has been severely affected by COVID-19. Major tourist destinations in Sri Lanka have been suffering due to the travel bans which apply to domestic tourists as well. Tourism is a multi-faceted and interconnected industry with other sectors of the Sri Lankan economy. The industry has a strong backward and forward linkage, which is relatively higher than in many other industries of our economy.

It's estimated that the majority of employees, direct and indirect, formal and informal were severely affected due to the impact of COVID-19. As estimated, the total affected unemployment in the tourism industry due to COVID-19 is nearly 350,000-400,000. In addition, foreign exchange earnings from the industry have reached a near-zero level. If not for COVID-19, the expected foreign exchange earnings of 2021 would have easily been at least US\$ 4 billion. All leisure-connected businesses suffered severely with either closure or loss of income. As a result, the Sri Lankan tourism and hotel industry was compelled to survive in the interim. It's been an enormous challenge to continue in the tourism and affiliated hospitality industry working towards complying with the new normal. The government is in the process of formulating short-term and long-term plans to rebuild the tourism industry which has taken a major blow due to the Coronavirus pandemic. The year 2021 signaled a shift in the global tourism landscape with an increased focus directed towards digitalization and technology, sustainable tourism, and experiential travel. The global tourism industry recorded a steady growth during the year.

Digitalization has left no segment of the travel industry untouched, and traveling has become more affordable, accessible, and convenient than ever before. Technologies such as search and geolocation technologies, mobile payments, and social platforms drive change in the global travel landscape. Pre-COVID-19 pandemic, travel trends pointed in the direction of increased online bookings and mobile sales. Once COVID-19 restrictions ease, further digitalization will play a vital role in shaping tomorrow's travel and meeting consumer expectations.

Despite the disruptions caused by the pandemic, we remained focused on our long-term strategic priorities of operational excellence, strengthening brand value, and creating a sustainable operation. We continue to be recognized for excellence in our operation.

8. Financial Performance

Statement of Financial Position (as at 31st December 2021)

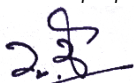
Amounts in Rs.

	Note	2021	2020 (Restated)
ASSETS			
Current Assets			
Inventories	03	3,847,652	5,468,287
Trade Debtors	04	22,756,021	22,365,167
(-) Provision for Bad Debts		(2,207,861)	
Deposits & Other Receivables	05	25,023,960	56,054,790
Receivables SLTDA	06	66,775,024	39,990,820
Loans & Other	07	12,371,773	15,019,018
Advances	08	170,000	75,000
Pre payments	09	1,326,315	2,915,255
Cash and Cash Equivalents	10	158,298,189	27,333,498
Total Current Assets		288,361,073	169,221,835
Non-Current Assets			
Property, Plant & Equipment	02	776,626,960	750,444,786
Less : Provisions for Depreciation		283,155,066	217,879,504
Revalued / Written down value		493,471,894	532,565,282
Add : Work in progress	11	17,270,187	10,255,405
Intangible Assets			
Computer Software	02	841,574	1,429,687
Investment	12	301,720,753	557,418,668
Total Non-Current Assets		813,304,408	1,101,669,042
Total Assets		1,101,665,481	1,270,890,877
LIABILITIES			
Current Liabilities			
Deposits / Other payables	13	17,891,758	12,040,009
Accrued expenses		45,141,788	41,580,858
Total Current Liabilities		63,033,546	53,620,867
Non Current Liabilities			
Employee Defined Benefits	14	37,101,520	32,020,802
Net Assets		1,001,530,415	1,185,249,208
NET ASSETS/EQUITY			
Capital Contribution		457,350,952	457,350,952
Accumulated Surplus		465,974,673	648,334,575
JABIC & UNDP Grant		2,166,620	3,095,172
Revaluation Reserve		76,038,170	76,468,509
Total Net Assets/Equity		1,001,530,415	1,185,249,208

The board of Management is responsible for the preparation and presentation of these financial statements. Accounting policies and notes form an integral part of these financial statements. Approved and signed for and on behalf of the board of Management.



Kimarli Fernando
Chairperson



Nadeeka Wataliyadda (Ms)
Director General



Royce Fernando
Director Finance



Board Member
SLITHM

Statement of Financial Performance
(For the year ended 31st December 2021)

Amounts in Rs.

	Note	2021	2020 (Restated)
Revenue			
Tourism Development Levy	15	88,207,034	59,872,429
Embarkation Levy		58,077,386	58,740,421
School Fees & Other	16	79,885,136	42,892,621
Other Revenue	17	37,892,628	62,914,403
Hotel Deficit (Refer Page 52)		(15,155,469)	(8,711,488)
Total Revenue		248,906,715	215,708,385
Expenses			
Salaries & Employee benefits	18	230,822,587	228,240,594
General Administration & Establishment Expenditure	19	131,527,656	146,195,573
Depreciation & Amortization expenses	20	66,101,690	61,903,595
Other expenses	21	2,656,600	8,547,176
Finance cost	22	158,084	130,027
Total Expenses		431,266,617	445,016,965
Surplus/ (Deficit)		(182,359,902)	(229,308,580)

Statement of Financial Performance - Anuradhapura
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	4,288,500	2,506,000
Other Revenue	61,714	19,087
Total Revenue	4,350,214	2,525,087
Expenses		
Salaries & Employee benefits	11,748,614	11,527,358
General Administration & Establishment Expenditure	6,397,087	6,374,580
Depreciation & Amortization expenses	3,087,645	2,985,001
Other expenses	-	573,500
Finance cost	3,750	-
Total Expenses	21,237,096	21,460,439
Surplus/ (Deficit)	(16,886,882)	(18,935,352)

Statement of Financial Performance - Bandarawela
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	4,432,000	3,447,250
Other Revenue	19,275	19,162
Total Revenue	4,451,275	3,466,412
Expenses		
Salaries & Employee benefits	11,772,185	11,705,166
General Administration & Establishment Expenditure	8,094,337	7,762,759
Depreciation & Amortization expenses	2,161,150	1,942,120
Other expenses	46,975	635,852
Finance cost	3,750	-
Total Expenses	22,078,397	22,045,897
Surplus/ (Deficit)	(17,627,122)	(18,579,485)

Statement of Financial Performance - Colombo
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	45,784,925	17,109,950
Other Revenue	34,463,439	62,457,629
Total Revenue	80,248,364	79,567,579
Expenses		
Salaries & Employee benefits	127,076,524	133,600,274
General Administration & Establishment Expenditure	69,450,027	75,413,557
Depreciation & Amortization expenses	49,353,514	47,375,348
Other expenses	210,950	2,473,424
Finance cost	124,134	120,917
Total Expenses	246,215,149	258,983,520
Surplus/ (Deficit)	(165,966,785)	(179,415,941)

Statement of Financial Performance - Kandy
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	9,464,810	5,861,350
Other Revenue	33,818	101,093
Total Revenue	9,498,628	5,962,443
Expenses		
Salaries & Employee benefits	21,176,427	21,738,940
General Administration & Establishment Expenditure	14,915,547	19,630,234
Depreciation & Amortization expenses	1,156,791	852,720
Other expenses	150,000	705,500
Finance cost	4,200	4,750
Total Expenses	37,402,965	42,932,144
Surplus/ (Deficit)	(27,904,337)	(36,969,701)

Statement of Financial Performance - Koggala
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	5,536,000	4,961,100
Other Revenue	89,433	92,669
Total Revenue	5,625,433	5,053,769
Expenses		
Salaries & Employee benefits	19,287,950	20,505,800
General Administration & Establishment Expenditure	13,566,349	16,365,452
Depreciation & Amortization expenses	4,138,393	3,684,086
Other expenses	-	3,060,500
Finance cost	7,500	-
Total Expenses	37,000,192	43,615,838
Surplus/ (Deficit)	(31,374,759)	(38,562,069)

Statement of Financial Performance - Rathnapura
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	5,198,500	4,229,050
Other Revenue	44,211	233,165
Total Revenue	5,242,711	4,462,215
Expenses		
Salaries & Employee benefits	13,750,297	12,735,913
General Administration & Establishment Expenditure	8,909,377	9,822,760
Depreciation & Amortization expenses	4,253,260	3,510,881
Other expenses	-	713,900
Finance cost	3,750	-
Total Expenses	26,916,684	26,783,454
Surplus/ (Deficit)	(21,673,973)	(22,321,239)

Statement of Financial Performance - Kurunegala
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	4,764,400	3,409,250
Other Revenue	39,933	66,599
Total Revenue	4,804,333	3,475,849
Expenses		
Salaries & Employee benefits	13,773,648	11,399,141
General Administration & Establishment Expenditure	8,130,656	8,920,756
Depreciation & Amortization expenses	1,194,404	1,167,742
Other expenses	-	-
Finance cost	4,000	300
Total Expenses	23,102,708	21,487,939
Surplus/ (Deficit)	(18,298,375)	(18,012,090)

Statement of Financial Performance - Pasikudha
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	130,000	1,023,900
Other Revenue	-	-
Total Revenue	130,000	1,023,900
Expenses		
Salaries & Employee benefits	2,239,658	4,206,862
General Administration & Establishment Expenditure	507,824	1,296,004
Depreciation & Amortization expenses	311,309	299,855
Other expenses	-	-
Finance cost	-	4,060
Total Expenses	3,058,791	5,806,781
Surplus/ (Deficit)	(2,928,791)	(4,782,881)

Statement of Financial Performance - Jaffna
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
School Fees & Other	286,000	332,750
Other Revenue	-	-
Total Revenue	286,000	332,750
Expenses		
Salaries & Employee benefits	1,288,603	1,067,555
General Administration & Establishment Expenditure	1,949,301	1,176,283
Depreciation & Amortization expenses	295,476	-
Other expenses	-	-
Finance cost	7,000	-
Total Expenses	3,540,380	2,243,838
Surplus/ (Deficit)	(3,254,380)	(1,911,088)

Statement of Financial Performance - Training Hotel
(For the year ended 31st December 2021)

Amounts in Rs.

	2021	2020
Revenue		
Restaurant Revenue	1,404,952	2,447,346
Rooms Revenue	601,250	1,461,413
Other Revenue	1,209,886	1,614,421
Total Revenue	3,216,088	5,523,180
Expenses		
Cost of Sales	1,148,914	1,191,050
Salaries & Allowances	11,804,989	10,485,732
Holiday Allowances	3,702	-
Overtime	64,677	-
Staff Incentive	500,000	-
EPF	1,579,037	1,555,520
ETF	315,807	311,104
Staff Welfare	305,370	801,081
Staff Uniforms	111,935	-
Maintanace	2,790	-
Official Refreshment	318,976	-
Provision For Bad Debts	2,207,860	-
Misc Expenses	7,500	-
Total Expenses	18,371,557	14,344,488
Surplus/ (Deficit)	(15,155,469)	(8,821,308)

Cash Flow Statement
(as at 31st December 2021)

Amounts in Rs.

	2021	2020 (Restated)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Surplus /(Deficit)	(182,359,902)	(229,308,580)
Non-Cash movement		
Depreciation	66,101,690	61,903,595
Provision for Losses /Write-offs	112,802	148,999
Gain on Disposals	(166,939)	-
Bad Debt Provision	2,207,861	-
Amortization of JABIC & UNDP Grant	(928,553)	(928,553)
Amortization of Donation received from SLDA	(23,265)	-
Interest income on Investments	(32,487,088)	(56,247,756)
Rent Income	(2,040,000)	(2,040,000)
Provision for Gratuity	5,708,216	9,914,825
Cash flow from operating activities before working capital Changes	(143,875,179)	(216,557,469)
Changes in Working Capital		
(Increase)/Decrease in Inventory	1,507,834	(1,990,864)
(Increase)/Decrease in Trade Debtors	(390,854)	4,626,940
(Increase)/Decrease in Deposits & Other Recievables	3,081,924	(8,126,031)
(Increase)/Decrease in Receivables SLTDA & SLTPB	(26,784,205)	(21,447,697)
(Increase)/Decrease in Pre payments	1,588,940	(1,512,776)
(Increase)/Decrease in Loans & Advances	2,552,245	1,609,601
Increase/(Decrease) in Deposit payables	4,955,498	359,330
Increase/(Decrease) in Accrued Expenses	3,335,152	(24,520,743)
	(10,153,465)	(51,002,240)
Gratuity Paid	-	(1,429,433)
Net Cash flow from Operating Activities	(154,028,644)	(268,989,141)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Property plant & equipment	(32,740,139)	(39,926,533)
Sales proced of Property plant & equipment	187,063	10,000
Received rent	2,370,000	3,490,300
Interest income received	60,105,993	82,915,894
(Increase)/Decrease In Invesment	255,070,418	225,000,000
Net Cash used in Investing Activities	284,993,335	271,489,661
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Net Cash used in Financial Activities	-	-
Net Increase in Cash and Cash equivalents	130,964,691	2,500,520
Cash and Cash equivalents at beginning of the period	27,333,498	24,832,978
Cash and Cash equivalents at end of the Period	158,298,189	27,333,498

Statement of Changes in Net Assets/ Equity
(For the year ended December 31, 2021)

Amounts in Rs.

	Contributed Capital	Accumulated Surpluses/(Deficits)	Total
Balance at December 31, 2020	457,350,952	672,756,656	1,130,107,608
Previous Year adjustment	-	(24,422,081)	(24,422,081)
			-
Restated Balance	457,350,952	648,334,575	1,105,685,527
			-
Surplus /(Deficit) for the period	-	(182,359,902)	(182,359,902)
Balance at December 31, 2021 Carried Forward	457,350,952	465,974,673	923,325,625

Statement of Changes in Net Assets/ Equity
(For the year ended December 31, 2020)

Amounts in Rs.

	Contributed Capital	Accumulated Surpluses/(Deficits)	Total
Balance at December 31, 2019	457,350,952	875,030,140	1,332,381,092
Adjustments Prior to 2019	-		
Previous Year adjustment	-	2,613,016	2,613,016
			-
Restated Balance	457,350,952	877,643,156	1,334,994,108
			-
Surplus /(Deficit) for the period	-	(204,886,499)	(204,886,499)
Balance at December 31, 2020 Carried Forward	457,350,952	672,756,656	1,130,107,608

Notes to the Financial Statements

Note : 01

1. Accounting Assumptions & Accounting Policies for the year ended 31st December 2021**1.1 Reporting Entity**

Accrual Basis of Accounting Sri Lanka Institute of Tourism & Hotel Management (SLITHM) is a body corporate established under the Tourism Act No 38 of 2005.

1.2 Basis of Preparation

The financial statements of the SLITHM have been prepared and presented in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) and applied consistently on a historical cost basis. Income and cost have been accrued and recorded in the financial statements for the corresponding period. Where appropriate, significant accounting policies are explained in the notes.

1.2.1 Accrual Basis of Accounting

Except for information on Statement of Cash Flows, the Financial Statements have been prepared following the Accrual Basis of Accounting.

1.2.2 Comparative Information

The comparative information is provided in a narrative and descriptive nature if it is relevant to understand the current period's financial statements and reclassified wherever necessary to conform to the current year's presentation.

1.2.3 Going Concern

The Management of SLITHM has assessed its ability to continue as a going concern and is satisfied that it has the resources to continue business for the foreseeable future.

1.3 Inventory / Stocks

Inventories shall be measured at the lower of cost or net realizable value as per SLPSAS 09. SLITHM is using the FIFO method for the valuation of stocks.

1.4 Property, Plant and Equipment and Intangible Assets

SLITHM reviews the residual value of useful lives and methods of depreciation of Property, Plant and Equipment and intangible assets at each reporting date. Management's judgment is exercised in estimating values and rates by considering the guidelines provided under SLPSAS 07.

Depreciation has been provided based on cost or revaluation of the assets on the straight-line method over the useful lives of each part of an item of Property, Plant and Equipment considering the pattern of consumption of future economic benefits. Depreciate rates are as follows,

Building	- 04.00%
Water Supply & Drainage System	- 07.50%
Electrical Installation	- 05.00%
Telecom Installation	- 05.00%
Fixtures & Fittings	- 07.50%
Furniture	- 07.50%
Miscellaneous Equipment	- 07.50%
Office Equipment	- 10.00%
Kitchen & Bakery Equipment	- 07.50%
Miscellaneous Equipment F & B	- 07.50%

Housekeeping Equipment	- 07.50%
Laundry Equipment	- 07.50%
Plant & Machinery	- 25.00%
Glassware & Crockery	- 33.33%
Cutlery & Silver ware (F&B)	- 25.00%
Kitchen Utensil	- 25.00%
Linen	- 50.00%
Motor Vehicle	- 25.00%
Computer & Data Processing Equipment	- 25.00%
Computer Program & Software	- 33.33%
Library Books	- 33.33%

Property Plant & Equipment are shown at revalued amount where applicable (**except buildings**) less accumulated depreciation. The buildings are measured at cost less accumulated depreciation and accumulated impairment losses.

1.4.1 Work in Progress

Projects under construction represented the value of work in progress amounting to Rs.17,270,187.

1.5 Revenue Recognition

Revenue in SLITHM is recognized as per the guidelines set in SLPSAS 10. The primary operational revenue is recognized when the following criteria are met.

- When a student completes the relevant course within a financial year, the income is recognized in the income statement for the applicable period. Any unpaid course fee is identified as receivable in the statement of financial position.
- When a course duration liaises in two or more financial years, revenue is recognized based on the number of months scheduled in the relevant financial year.
- When students have not completed the relevant course, they are considered to drop out with confirmation from the relevant principal/ lecturer in charge. Only the fee paid by the dropouts in the period is recognized as income in the applicable period.

1.6 Employee Benefit Obligation

Provision made in the accounts for retiring gratuity payable under the Payment of Gratuity Act No. 12 of 1983 for the employees from the year of employment.

1.7 Provisions

A provision is recognized as per the guidelines set in SLPSAS 08.

1.7.1 Provision for Bad Debts

SLITHM assesses at each reporting date the recoverability of receivable collectively and makes provisions based on the timing of recoveries based on the management's judgment. The allocation is made as follows,

Debtors Ageing in months	Rate of Provision
0 -12	0%
13 - 24	5%
25 +	10 %

Property, Plant & Equipment
(as at 31st December 2021)

Note 02
Amounts in Rs.

Account ID	Description	Balance as at 01.01.2021	Addition	Transfer	Balance as at 31.12.2021	Accumulated Depreciation as at 01.01.2021	Depreciation for 2021	Acc. Dep. of Disposal item	Accumulated Depreciation as at 31.12.2021	Net Book Value
102	Building	403,209,940	155,500	-	403,365,440	172,699,281	16,123,332	-	188,822,613	214,542,827
103	Water Supply & Drainage System	1,507,600	416,000	50,000	1,873,600	113,070	124,491	3,750	233,811	1,639,789
104	Electrical Installation	1,170,890	57,250	-	1,228,140	50,014	59,889	-	109,903	1,118,237
105	Telecom Installation	3,581,820	6,398,452	-	9,980,272	124,068.15	421,639	-	545,707	9,434,565
106	Fixtures & Fittings	55,030,808	10,564,318	23,959	65,571,167	4,056,270	4,720,013	2,123	8,774,160	56,797,007
107	Furniture	67,968,009	256,639	90,350	68,134,298	4,277,388	5,108,709	6,776	9,379,321	58,754,977
108	Miscellaneous Equipment	26,792,667	326,960	7,850	27,111,777	1,973,913.88	2,031,867	589	4,005,192	23,106,585
109	Office Equipment	6,294,183	184,626	1,500	6,477,309	622,316.39	645,448	150	1,267,615	5,209,694
110	Kitchen & Bakery Equipment	49,961,758	3,019,467	32,670	52,948,554	3,680,864.04	3,894,089	2,450	7,572,503	45,376,051
111	Misc. Equipment - F & B	6,534,860	1,134,883	188,500	7,481,243	66,775,024.29	533,883	14,138	67,294,770	-59,813,527
112	Housekeeping Equipment	9,900,546	-	-	9,900,546	597,083.82	742,541	-	1,339,625	8,560,921
113	Laundry Equipment	12,133,650	-	-	12,133,650	869,561.25	910,024	-	1,779,585	10,354,065
114	Plant & Machinery	28,015,000	122,944.93	-	28,137,945	7,003,750	7,013,411	-	14,017,161	14,120,784
115	Glassware & Crockery	3,348,887	717,254	10,330	4,055,811	1,107,379.07	1,316,019	3,443	2,419,955	1,635,856
116	Cutlery & Silver Ware	3,003,966	164,445	15,020	3,153,391	750,991.50	785,524	3,755	1,532,761	1,620,630
117	Kitchen Utensil	8,414,475	854,192	6,730	9,261,938	2,065,136.90	2,244,116	1,683	4,307,571	4,954,367
118	Linen	7,056,690	99,110	70,067	7,085,733	3,400,447.88	3,539,463	35,034	6,904,877	180,856
119	Motor Vehicle	15,800,000	-	-	15,800,000	3,950,000	3,950,000	-	7,900,000	7,900,000
120	Computer & Data Processing Equipment	32,953,043	2,022,250	36,500	34,938,793	7,668,564.61	8,547,234	9,125	16,206,674	18,732,119
121	Library Books	7,765,994	221,359	-	7,987,353	2,379,927.73	2,646,883	-	5,026,811	2,960,542
		750,444,786	26,715,650	533,476	776,626,960	284,165,053	65,358,576	83,015	349,440,615	427,186,345

Intangible Assets
(as at 31st December 2021)

Account ID	Description	Balance as at 01.01.2021	Addition	Transfer	Balance as at 31.12.2021	Accumulated Amortization as at 01.01.2021	Amortization for 2021	Acc. Dep. of Disposal item	Accumulated Amortization as at 31.12.2021	Net Book Value
122	Computer Programme & Software	2,100,112	155,000	-	2,255,112	670,425	743,113	-	1,413,538	841,574

STOCK BALANCES

Note : 03
Amounts in Rs.

Description	2021	2020 (Restated)	2020
Liquor Stock	83,540	83,540	83,540
Main Stores	3,923,058	5,430,891	5,430,891
(-) Provision for Bad Debts	158,946	46,144	46,144
Total	3,847,652	5,468,287	5,468,287

TRADE DEBTORS

Note : 04
Amounts in Rs.

Time Period (Months)	2021	2020 (Restated)	2020
Less than 6	553,339	270,475	270,475
More than 6 & Less than 12	53,924	86,237	86,237
More than 12 & Less than 18	42,674	163,603	163,603
More than 18 & Less than 24	97,629	633,946	633,946
More than 24	22,008,454	21,210,905	24,363,305
Total	22,756,020	22,365,167	25,517,566

DEPOSITS & OTHER RECEIVABLE

Note : 05
Amounts in Rs.

Description	2021	2020 (Restated)	2020
Tourist Police Unit - Building Rent	3,192,000	3,192,000	3,192,000
CHSGA Building Rent	1,651,800	1,651,800	1,651,800
SLCB (Building rent 01/2018- 12/2018)	330,000	660,000	660,000
SLCB (staff uniform)	12,225		
Student -Rathnapura	184,980	184,980	184,980
WHT Receivable	24,000	24,000	24,000
Interest - FDs	7,899,313	35,518,219	35,518,219
C F De Mel Deposit for fuel	250,000	250,000	250,000
Security Deposit- CEB	3,027,500	3,027,500	3,027,500
Ministry of Education -13 year programme	-	10,000,000	10,000,000
Stock issued in corona period	4,183	9,427	9,427
Koala (Pvt) Ltd	370,976	370,976	370,976
Jaykay Marketing	500,000	250,000	250,000
Cargils food city	2,000,000	500,000	500,000
School fees Receivable/ Payable	3,904,900	-	-
(-) Unidentified Deposits	(2,138,824)		
Salary recovery (Bank Loan)	-	10,145	7,476
Cost of living over payment	173,272	197,271	197,271
Scholarship Receivable		208,472	
13 Year Programme	3,637,635		
Total	25,023,960	56,054,790	55,843,649

RECEIVABLE - SLTDA

Note : 06
Amounts in Rs.

Description	2021	2020 (Restated)	2020
Distress Loan	54,400	54,400	54,400
Accrued Expenses - 2007	3,810,324	3,810,324	3,810,324
Distress Loan - Mrs. N.T.N.Sarasingha	168,445	168,445	168,445
Distress Loan - Mr. W.M.Siripala	184,320	184,320	184,320
Distress Loan - Mr. K.Ganesh	161,520	161,520	161,520
Distress Loan - Mr. M.R.A.S.Reiris	104,890	104,890	104,890
Mr. S.Samaraweera Salary Sept/2010 - Dec/2011	349,443	349,443	349,443
Chairman B.Gunathilaka - Visit to Korea	237,576	237,576	237,576
Tourism Development Levy	23,803,151	24,341,612	49,623,761
Embarkation Levy	37,197,095	10,252,428	10,252,431
E P F June 2008	22,039	22,039	22,039
Over time for Maintenance Staff 2012/2013	303,821	303,822	303,822
Special new year gift for tourism employee	378,000	-	-
Total	66,775,024	39,990,820	65,272,971

Loans & Other

Note : 07
Amounts in Rs.

Description	2021	2020 (Restated)	2020
Distress Loan	12,201,038	14,738,283	14,738,283
Special Loan	335	143,604	335
Festival Advance	170,400	280,400	280,400
Total	12,371,773	15,162,287	15,019,018

OUTSTANDING ADVANCES
General

Note : 08
Amounts in Rs.

Adv. No	Name	Description	Amount
71(2015)	M. Fernando	Advance for Christmas Carol	60,000
63(2015)	Sunil Dissanayake	Refreshments	15,000
	A.L.D. Lenard Perera	For Graduation Ceremony	80,000
	Mangala Suraweera	Tour Guide Programmes	15,000
Total			170,000

PRE PAYMENT

Note : 09
Amounts in Rs.

Name	Description	Amount
COLOMBO		
Metropolitan Communications (Pvt) Ltd	Maintanance Agreement for BP 250 Telephone System	70,284
Colombo Munisipal Council Tresurer	Rates For 2022	1,178,100
LOLO Insurance General Ltd	Vehicle Insurance Payment WPGH 3129	2,609
John Keells Office Automation (Pvt) Ltd	Service Agreement of Photocopy Machine	19,868
Sub - Total		1,270,861
KURUNEGALA		
Metropolitan Technologies (Pvt) Ltd	155 - Service agreement for Photocopy machine - 15.08.2021-15.08.2022	15,480
Sub - Total		15,480
KOGGALA		
John Keells Office Automation (Pvt) Ltd	54 - Service agreement for Toshiba Photocopy machine - 22.01.2021-21.01.2022	906
Protek Solutions (Pvt) Ltd	70 - Renewal of annual maintenance scheme aristel PABX system - 2022	2,586
Gestetner of Ceylon PLC	292 - Maintenance agreement ronio machine - Koggala - TC 11298	7,030
Gestetner of Ceylon PLC	293 - Maintenance agreement ronio machine - Koggala - TC11775	3,326
Iceman Technologies (Pvt) Ltd	305 - Renewal of service agreement for cool room - 01.10.2021-30.09.2022	11,799
Sub - Total		25,647
RATHNAPURA		
Sperrys Commercial Equipment (Pvt) Ltd.	33 - Payment for kitchen services - Rathnapura - 21.02.2021-20.02.2022	12,651
Gestetner of Ceylon PLC	204 - Annual service agreement Ricoh digital copy printor - 25.11.2021-24.11.2022	1,674
Sub - Total		14,325
Grand Total		1,326,314

CASH BOOK & BANK BALANCES
 (as at 31st December 2021)

Note : 10
 Amounts in Rs.

Bank & Branch	Account No.	2021		2020	
		Cash Book Balance	Bank Balance	Cash Book Balance	Bank Balance
BOC - A'pura	7120455	172,897	1,004,500	988,536	1,722,696
BOC - B'wela	7120413	59,274	1,000,000	1,831,174	2,192,771
BOC - Colombo	7120156	(9,680,761)	170,000	19,768,247	30,882,933
BOC - Kandy	7120392	255,661	1,000,000	52,318	2,132,653
BOC - Koggala	7120471	(648,969)	1,000,000	1,556,604	2,890,874
BOC - Ratnapura	71114301	25,534	1,000,000	66,775,024	2,784,639
BOC - Kurunegala	77110931	451,190	1,000,000	219,271	1,880,890
BOC - Pasikudha	78651957	973,753	1,000,000	841,071	919,382
BOC - Jaffna	87450273	757,735	869,716	-	-
BOC - Fund Mgt	87163924	30,931,490	31,069,448		
BOC - Repo Plcmts		-	-	-	-
	LKB0126C014	35,000,000	35,000,000		
	LKB01225E019	100,000,000	100,000,000		
Petty cash		385	-		-
Total		158,298,189	175,942,164	27,333,498	45,406,838

Work in Progress
Note : 11
 Amounts in Rs.

Name	Description	Amount
Apec Holdings (Pvt) Ltd	Renovation work Library 4th floor, SLITHM Colombo	6,268,941
Pragmatic International	Renovation work Ground floor kitchen	215,248
Datamation system (Pvt) Ltd	Software package	3,771,216
Web Lankan.com (Pvt) Ltd	Payment for website development advance payment 20%	166,500
Headstart (PVT)LTD	Payment For student management system	780,000
The Open University of Sri Lanka	Library Mgt System	378,000
Dinuja Engineering Services (Pvt) Ltd	Progress payment for renovation work (LG female WR)	459,216
Compliance Holdings	1st Floor Language center & Miner Maintenance	605,320
Master Builders	File rack work	172,500
Onguard Fire service	Fire protection service	876,550
Osaka Industries	8th floor class renovation	970,500
Samitha Industries	Fixing fire doors	2,300,882
Thermoteck	AC Machine Repair	154,200
Thudawe Eng. Service	Central AC System	151,114
Total		17,270,187

Work in Progress

Note : 12
Amounts in Rs.

Deposit Date	Period	FD Number	Deposit Amount	Last Renewal Date	Last Renewal Amount	Interest Rate Per Annum
16.08.2019	24 months	84728186	250,000,000	16.08.2021	301,720,753	6.00%
Total			250,000,000		301,720,753	

DEPOSIT & OTHER PAYABLE

Note : 13
Amounts in Rs.

Description	2021	2020 (Restated)	2020
Deposit Payable	2,403,000	2,576,000	2,501,000
Breakages	546,689	546,689	546,689
Service Charge	322,207	273,880	273,880
EKSP Programme	-	-	146,642
STTANP	1,944,465	1,944,465	1,944,465
ILO Project	4,878,705	-	-
VAT Payable	1,452,439	1,452,439	1,452,439
WHT Payable	3	3	3
Employee Provident Fund	2,758,164	2,710,934	2,710,934
Employee Trust Fund	330,980	325,312	325,312
PAYE Tax	2,558	2,558	2,558
Returned Cheques	110,478	16,162	259,909
Retentions	1,598,976	1,321,461	1,321,461
Salary recovery (Bank Loan)	29,403	-	-
Insurance (salary recovery)	1,000		
SLITHM Welfare contribution	2	15,777	15,777
Advance Received - Samudra Hotel	893,954	855,065	964,885
Special programme NBP	-	(736)	15,944
Donation	618,735	-	-
Total	17,891,758	12,040,009	12,481,898

SUMMARY OF PROVISION FOR GRATUITY - 2021

Note : 14
Amounts in Rs.

	2021	2020
Amount Brought Forward	48,261,587	39,776,195
Add:		
Provision for the year	5,708,215	9,914,825
	53,969,802	49,691,020
Less:		
Amount paid during the year 2021	-	1,429,433
Total Gratuity payable as at 31.12.2021	53,969,802	48,261,587
Less : Investment for Gratuity	16,868,282	16,240,785
Employee Defined Benefits Liability	37,101,520	32,020,802

Main Income

Note : 15
Amounts in Rs.

	Note	2021	2020	Budget 2021
TDL Income		88,207,034	85,154,580	66,094,004
Embarkation Levy		58,077,386	58,740,421	35,648,208
Total		146,284,420	143,895,001	101,742,212

School Fees Income

Note : 16
Amounts in Rs.

	Note	2021	2020	Budget 2021
School Fees	I	54,825,135	34,250,600	43,100,000
Travel & Tourism (Tour Guide Prgm)	II	25,060,000	8,630,000	30,450,000
Total		79,885,135	66,775,024	73,550,000

Other Revenue

Note : 17
Amounts in Rs.

	Note	2021	2020	Budget 2021
Consultancy Fee		-	457,462	-
Rent Income-Buildings		2,247,000	2,040,000	2,115,000
Bank Interest Income		32,487,088	56,247,757	15,000,000
Laundry Revenue		968,222	1,595,540	1,500,000
Cash Received from Auctions		-	-	200,000
Interest on Employee Loan		533,191	446,279	1,110,000
Gain on Disposal of Assets		166,939	-	-
Other Income		1,490,187	2,202,365	5,100,000
Total		37,892,627	62,989,403	25,025,000

Salaries & Employee Benefits

Note : 18
Amounts in Rs.

	Note	2021	2020	Budget 2021
Salaries & Allowances		148,432,891	141,104,333	162,000,000
Holiday allowances		221,774	327,238	350,000
Extra hour Payment		191,625	4,616,372	500,000
Exam Payments		2,755,941	2,500,823	1,500,000
Over Time		2,303,378	2,639,759	2,000,000
EPF		17,814,900	17,899,110	24,300,000
ETF		3,562,980	3,509,340	4,860,000
Staff Incentive		6,007,140	2,788,243	5,500,000
Staff Medical Insurance		20,183,818	21,353,283	21,450,000
Staff Welfare		1,840,982	3,770,185	1,000,000
Traveling-Local		131,109	303,425	400,000
Traveling Overseas		-	475,849	-
Staff Uniforms		940,921	445,080	750,000
Visiting Lecture-Fees		14,666,030	11,479,368	10,500,000
Staff training & Development		904,830	906,465	1,000,000
Attendance Incentive		5,156,054	4,453,311	8,000,000
Employee Gratuity		5,708,215	9,914,826	-
Total		230,822,588	228,487,010	244,110,000

Note: Exam payments include payments done for paper marking, paper setting, preparing questions, Invigilation, Re-correction, Practical exams, online test, oral tests etc.

General Administration & Establishment Expenditure

Note : 19
Amounts in Rs.

	Note	2021	2020	Budget 2021
Security		17,037,764	17,280,257	10,000,000
Cleaning Supplies & Services		16,267,363	20,092,438	15,000,000
Electricity		19,755,817	23,734,087	20,000,000
Gas		1,105,206	1,202,840	1,000,000
Water		1,915,162	2,009,103	2,500,000
Telephone & Internet		4,247,711	5,938,630	4,000,000
Stationary		752,687	1,645,241	1,500,000
Postage, Stamp & Telegrams		445,297	563,034	500,000
Land & Building Rent		2,429,957	2,826,667	2,500,000
Maintenance - Office equipment		1,205,230	931,496	1,500,000
Maintenance - Fixtures & Fittings		3,462,914	2,641,680	1,500,000
Maintenance - Furniture		93,150	60,525	500,000
Maintenance - Motor vehicle		2,424,962	2,838,257	2,500,000
Maintenance - Building		4,118,067	3,815,996	4,000,000
Maintenance - Kitchen Equipment		1,660,263	2,649,484	1,500,000
Maintenance - Equipment Other		694,760	477,611	1,000,000
Insurance Fixed Assets		136,152	651,346	1,920,000
Rates & Licenses		1,204,218	1,207,436	2,620,000
Transport & Freight		23,370	2,900	500,000
Official Refreshment		31,786	747,468	400,000
IT Consumables		3,249,904	4,814,639	4,000,000
Expenses for staff recruitment		303,600	569,162	100,000
Hire of Vehicle		9,298,523	9,037,834	8,500,000
Fuel & Oil, etc.		1,962,120	1,533,301	2,500,000
Printing & Publication		1,977,256	457,742	2,101,000
Advertisement General		3,365,119	5,964,299	3,500,000
Events & Promotion		350,257	725,090	1,000,000
Student Events/Graduation		4,272,373	596,384	5,000,000
Raw material for student Practical		16,770,645	24,321,012	18,000,000
Laundry		413,100	844,105	1,000,000
Misc. Expenses		1,991,467	1,604,039	2,000,000
Plant & Flowers		15,300	21,400	20,000
Travel & Tourism Expenses		8,376,536	4,736,761	7,000,000
Books & Periodicals, etc.		169,620	220,122	175,000
Special Programme		-	-	2,670,000
VAT Expenses		-	-	-
Total		131,527,656	146,762,385	132,506,000

Depreciation and Amortization Expense

Note : 20
Amounts in Rs.

	Note	2021	2020	Budget 2021
Dep - Buildings		16,123,332	16,117,642	-
Dep - Water Supply & Drainage Syst.		124,492	113,070	-
Dep - Electrical Installation		59,889	50,014	-
Dep - Telecom Installation		421,639	124,068	-
Dep - Fixtures & Fittings		4,720,013	3,991,576	-
Dep - Furniture		5,108,709	4,277,388	-
Dep - Miscellaneous-Equip		2,031,867	1,973,914	-
Dep - Office Equipment		645,448	622,316	-
Dep - Kitchen & Bakery Equip		3,894,089	3,680,864	-
Dep - Miscellaneous-Equip - F & B		533,883	489,475	-
Dep - Housekeeping Equipment		742,541	597,084	-
Dep - Laundry Equipment		910,024	869,561	-
Dep - Plant & Machinery		7,013,411	7,003,750	-
Dep - Glassware & Crockery		1,316,019	1,107,379	-
Dep - Cutlery & Silver		785,524	750,992	-
Dep - Kitchen Utensil		2,244,117	2,065,137	-
Dep - Linen		3,539,463	3,400,448	-
Dep - Motor vehicle		3,950,000	3,950,000	-
Dep - Com.Data Processing Equip		8,547,234	7,668,565	-
Dep - Library Book		2,646,883	2,379,928	-
Amortization - Computer Prgm & S/W		743,113	670,425	-
Total		66,101,690	61,903,594	-

Other Expenses

Note : 21
Amounts in Rs.

	Note	2021	2020	Budget 2021
Scholarship for Students		699,000	6,531,000	2,000,000
Board Members Allowance		884,000	756,925	1,000,000
Legal & Audit fees		675,675	1,010,252	875,000
Verification of Assets/ Board of Survey		196,975	100,000	300,000
Disposal of Fixed Assets		-	15,695	-
Loses/Write Offs		200,950	133,304	-
Total		2,656,600	8,547,176	4,175,000

Finance Charges

Note : 22
Amounts in Rs.

	Note	2021	2020	Budget 2021
Bank charges		158,084	130,027	150,000
Total		158,084	130,027	150,000

Note - I

School fees revenue will comprises of the following sub categories - certificate level fees, craft level fees.

Note - II

Travel and tourism revenue includes the income generated via conducting tour guide programmes.

In the statement of Changes in Equity, the opening retained earnings were adjusted by Rs. 24,422,081 which represents the changes in income and expenditure of Year 2020 as follows,

Amounts in Rs.

Description	2020	Note	Adjustment	2020 (Restated)
Tourism Development Levy	85,154,580	I	(25,282,151)	59,872,429
Embarkation Levy	58,740,421		-	58,740,421
School Fees & Other	42,880,600	II	12,020	42,892,620
Other Revenue	62,989,403	III	(75,000)	62,914,403
Hotel Revenue	(8,821,308)	IV	109,820	(8,711,488)
Total Income	240,943,696		(25,235,311)	215,708,385
Wages, Salaries & Employee Benefit	228,487,010	V	(246,416)	228,240,594
General Admi.& Estab. Expenditu	146,762,387	VI	(566,814)	146,195,573
Depreciation and Amortization expense	61,903,595		-	61,903,595
Other Expenses	8,547,176		-	8,547,176
Finance Cost	130,027		-	130,027
Total Expenditure	445,830,195		(813,230)	445,016,965
Surplus / (Deficit)	(204,886,499)		(24,422,081)	(229,308,580)

Note - I

Adjustment made for the Over provision of TDL receivable.

Note - II

Adjustment made for nonclaim payment on Trade related course.

Note - III

Adjustment made for Refundable deposits.

Note - IV

Adjustment made for advance received on Restaurant sales for the previous year.

Note - V

Adjustment made for non claim payment for Staff uniform.

Note - VI

Adjustment made for Over/Under provision of accrued expenditure for previous year & Scholarship return.

Adjustment of SLITHM Receivable balance incurred for Official Refreshments.

9. Auditor General's Report

Qualified Opinion

The audit of the financial statements of the Sri Lanka Institute of Tourism and Hotel Management for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements of the Institute give a true and fair view of the financial position of the Institute as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

Basis for Qualified Opinion

- a) Although, assets and liabilities cannot be offset in terms of Sri Lanka Public Sector Accounting Standard No: 01, bank overdraft of Rs.10,329,730 had been offset against the cash balance.
- b) Although, a rent income receivable amounting to Rs.3,192,000 from Tourist Police Unit in 2014 had been recognized as income and shown under debtors receivables, there was an uncertainty of the recoverability of this amount. However, the impairment value for that had not been calculated and shown in the financial statements.
- c) Actions had not been taken to reconcile the physically verified stock amounting to Rs.3,923,058 which was shown in the financial statements as at the end of the period under review with the balances of the stock records and then to identify the variances. Although, a liquor stock amounting to Rs.83,540 was shown in the accounts, it had not been physically verified.
- d) The receivable amount shown in the accounts of the Institute from Sri Lanka Tourism Development Authority was amounted to Rs.5,774,778 and the respective payable amount shown in the accounts of the Authority was amounted to Rs.6,512,810. Therefore, a difference of Rs.738,032 was observed between the accounts. Further, income from tourism development levy shown in the accounts of the institute was amounted to Rs.88,207,035 and the respective amount shown in the accounts of the tourism development fund was Rs.97,916,463 leading to a difference between the accounts of Rs.9,709,428.

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.

Other information included in the Sri Lanka Institute of Tourism and Hotel Management's 2021 Annual Report

The other information comprises the information included in the Institute's 2021 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

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

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

When I read the Institute's 2021 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

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

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

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

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

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

Responsibility in Auditing Financial Statements

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

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

- ⊕ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ⊕ Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- ⊕ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- ⊕ Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause to cease to continue as a going concern.
- ⊕ Evaluate the structure and content of the financial statements, including disclosures, and the transactions and events on which the content is based are appropriately and fairly included in the financial statements.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following.

Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Institute, and whether such systems, procedures, books, records and other documents are in effective operation;

Whether the Institute has complied with applicable written law, or other general or special directions issued by the governing body of the Institute;

Whether the Institute has performed according to its powers, functions and duties; and

Whether the resources had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

10. Report on Other Legal and Regulatory Requirements

1. National Audit Act No, 19 of 2018 include specific provisions for following requirements
 - 1.1. I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Institute as per the requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.
 - 1.2. The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
 - 1.3. The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.
2. Based on the procedures performed and evidence obtained was limited to matters that are material, nothing has come to my attention;
 - 2.1. to state that any member of the governing body of the Institute has any direct or indirect interest in any contract entered into by the which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
 - 2.2. to state that the Company has not complied with any applicable written law, general and special directions issued by the governing body of the Company as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for the followings.

Reference to Laws, Rules, Regulations etc.	Description
Finance Act No.38 of 1971	Although, there were long term investments of Rs.301,720,753 and short term investments of Rs.32,000,000 of the institute, treasury approval had not been obtained for that.
Public Enterprises Circular No. PED 03/2018 of 07 December 2018 and Public Enterprises Circular No. PED 03/2021 of 15 December 2021	Although, a bonus of Rs.5000 can be given to employees of those entities of which a loss has been reported in the financial year 2021 and that loss has been reduced compared to the year 2020, a sum of Rs.13,500 for each employee had been paid as bonus aggregating to Rs.2,493,000 during the year under review.
Public Finance Circular No.01/2020 of 28 of August 2020	Although a Sub- imprest should be settled within 10 days after the completion of the purpose for which it is granted, a delay ranging from 21 days to 251 days had been observed for the settlement of Sub- imprest valued at Rs.542,075 provided at 11 instances.
Paragraph 8.9.1 of the Procurement Guideline of 2006.	Although, a proper agreement should be signed in writing for the works which exceed Rs.250,000 in terms of the prescribed paragraphs, actions had not been taken to sign agreements for 7 contracts valued at Rs.15,261,207 activated during the year under review.

- 2.3. to state that the Institute has not performed according to its powers, functions and duties as per the requirement section 12 (g) of National Audit Act, No. 19 of 2018.
 - 2.4. to state that the resources of the Institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018 except for the followings.
3. Other Matters
- 3.1. The value of the trade debtors as at 31 December 2021 was Rs.22,756,021 and confirmations had not been received even from a single debtor even as at 31 May 2022. Further, out of those debtors, aggregated to Rs.13,949,000 had remained outstanding for more than five years and it was 81 per cent from total debtors.
 - 3.2. Although, value added tax payable amounting to Rs.1,452,439 had been continuously shown in the financial statements from prior to the year 2014, actions had not been taken to settle those tax amount even at the end of the year under review.
 - 3.3. Although a vehicle had been received from the Ministry of Economic Affairs in 2011, actions had not been taken even as at 31 December 2021 to acquire that vehicle.
 - 3.4. Although a sum of Rs.3,771,216 had been incurred to develop an information system in 2014, it had been failed during the time of execution due to the incompatibility with the requirements of the Institute. However, actions had not been taken to remove that value from the work in progress account even as at the end of the year under review.

W. P. C. Wickramaratne
Auditor General

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Sri Lanka Institute of Tourism & Hotel Management